10317. By Mr. EVANS of California: Petition of members of the First Russian Baptist Church of San Francisco, for the relief of Russian nationals unable to return to their nation; to the Committee on Immigration and Naturalization.

10318. Also, petition of approximately 185 persons who are opposed to the return of the liquor traffic in any form in Washington, D. C.; to the Committee on the District of Columbia.

10319. By Mr. GARBER: Petition of Substitute Post Office Employees' Association, New York City, urging enactment of House Joint Resolution 576, to limit the reductions in compensation applicable to certain employees whose compensation for any month is less than the monthly rate of compensation to which the economy act applies; to the Committee on Expenditures in the Executive Departments.

10320. Also, petition of E. N. Puckett, manager Union Equity Cooperative Exchange, Enid, Okla., discussing the domestic allotment agricultural bill (H. R. 13991) and making certain suggestions in regard thereto; to the Committee on Agriculture.

10321. Also, petition of the Asheboro Hosiery Mills, Asheboro, N. C., submitting plan for economic relief; to the Committee on Ways and Means.

10322. By Mr. KVALE: Petition of 21 residents of Alexandria, Minn., urging enforcement of the eighteenth amendment and protesting against any change in the prohibition act; to the Committee on the Judiciary.

10323. Also, petition of Minnesota Cooperative Wool Growers' Association urging retention of Farm Board; to Committee on Agriculture.

10324. Also, petition of Post No. 1173, Veterans of Foreign Wars, Moose Lake, Minn., urging payment of the adjusted-service certificates; to the Committee on Ways and Means.

10325. Also, petition of Parent-Teacher Association, Benson, Minn., urging regulation of motion-picture industry; to the Committee on Interstate and Foreign Commerce.

10326. Also, petition of Local No. 1, Bricklayers, Masons, and Master Mechanics Benevolent Union, St. Paul, Minn., urging enactment of Senate bill 5125; to the Committee on Ways and Means.

10327. Also, petition of Cooperative Creamery, Sleepy Eye, Minn., urging enactment of Frazier bill; to the Committee on Banking and Currency.

10328. Also, petition of Woman's Christian Temperance Union, Browns Valley, Minn., urging enforcement of the eighteenth amendment; to the Committee on the Judiciary.

10329. Also, petition of State legislature, State of Minnesota, urging remedial legislation to protect domestic producers against unfair competition, due to depreciated foreign currencies; to the Committee on Ways and Means.

10330. Also, petition of fourth and fifth districts, American Legion of Minnesota, urging adequate provision for the maintenance and equipment of our National Reserve Marine Aviation Corps; to the Committee on Appropriations.

10331. Also, petition of Minnesota Implement Dealers' Association, Owatonna, Minn., indorsing the Quamme plan of refinancing farm mortgages; to the Committee on Banking and Currency.

10332. By Mr. LAMNECK: Petition of Missionary Society of Wilson Avenue Church of Christ, of the city of Columbus, Ohio, petitioning Congress to establish a Federal motion-picture commission and to act favorably on Senate bill 1079 and Senate Resolution 170 before the Interstate Commerce Committee; to the Committee on Interstate and Foreign Commerce.

10333. By Mr. LEAVITT: Petition of Rev. Lester H. Norton and others against the weakening or changing of the eighteenth amendment; to the Committee on the Judiciary.

10334. By Mr. LINDSAY: Petition of R. H. Comey Brooklyn Co., dyers and bleachers, Brooklyn, N. Y., concerning certain tariff legislation; to the Committee on Ways and Means.

10335. By Mr. ROBINSON: Resolution of the Toledo Commercial Club, Toledo, Iowa, signed by W. P. Crossman, president, and Will A. Pye, secretary, urging that great economy be exercised in administering the Federal Government, that unessential commissions, bureaus, and departments be abandoned, and that there may be systematization of all Government activities; to the Committee on Expenditures in the Executive Departments.

10336. By Mr. RUDD: Petition of R. H. Comey Brooklyn Co., Brooklyn, N. Y., with reference to the present tariff rates on hat braids coming from Japan; to the Committee on Ways and Means.

10337. Also, petition of Substitute Post Office Employees Association, New York City, favoring the Fitzpatrick House Joint Resolution 576; to the Committee on Expenditures in the Executive Departments.

10338. By Mr. SWING: Petition of the State of California, memorializing the Congress of the United States to pass Senate bill 1197, known as the farmers' farm relief act; to the Committee on Agriculture.

10339. By Mr. TREADWAY: Petition of Miss Gladys M. Jones and other residents of Ashfield, Mass., urging an embargo on shipments of arms to other countries; to the Committee on Interstate and Foreign Commerce.

10340. By the SPEAKER: Petition of the Council of the City of Pittsburgh, Pa., urging that the Postmaster General be authorized and directed to issue a special series of postage stamps commemorative of the one hundred and fiftieth anniversary of the naturalization as an American citizen and appointment of Thaddeus Kosciusko as brevet brigadier general of the Continental Army on October 13, 1783; to the Committee on the Post Office and Post Roads.

SENATE

SATURDAY, FEBRUARY 11, 1933

(Legislative day of Friday, February 10, 1933)

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

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 222. An act authorizing adjustment of the claim of B. F. Hart; and

S. 1586. An act for the relief of the estate of Peter Paul Franzel, deceased.

The message also announced that the House had passed the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 220. An act authorizing adjustment of the claim of the Van Camp Sea Food Co. (Inc.); and

S. 3438. An act authorizing adjustment of the claim of Lindley Nurseries (Inc.).

The message further announced that the House had passed the following bills of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. 188. An act for the relief of Tampico Marine Iron Works; and

S. 2148. An act for the relief of Clarence R. Killion.

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

H. R. 811. An act for the relief of Martha Edwards, Norfolk Protestant Hospital, and Dr. Julian L. Rawls;

H. R. 997. An act for the relief of William L. Jenkins;

H. R. 999. An act for the relief of Lewis E. Green;

H. R. 1825. An act for the relief of William M. Stoddard;

H. R. 1938. An act for the relief of Katherine G. Taylor;

H. R. 2188. An act for the relief of Arthur K. Finney;

H. R. 2810. An act for the relief of William Sheldon;

H. R. 3036. An act for the relief of Florence Mahoney;

H. R. 3607. An act for the relief of Dr. M. M. Brayshaw;

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H. R. 3694. An act for the relief of Ada B. (Gould) Gollan;

H. R. 3727. An act for the relief of Mary Elizabeth Fox;

H. R. 3848. An act for the relief of Ed Symes and wife, Elizabeth Symes, and certain other citizens of the State of Texas;

H. R. 5801. An act for the relief of Clyde W. Edwards;

H. R. 5947. An act for the relief of John Moore;

H. R. 6381. An act for the relief of Escha Whittington Casey;

H. R. 6461. An act for the relief of Frank D. Whitfield;

H. R. 6618. An act for the relief of Lissie Maud Green;

H. R. 6774. An act to authorize amendment of the act of February 25, 1927, for the payment of damages caused by reason of the overflow of the Rio Grande on August 17, 1921;

H. R. 6785. An act for the relief of Jose Ramon Cordova;

H. R. 7040. An act for the relief of Sadie Bermi;

H. R. 7655. An act for the relief of Dr. Charles T. Granger;

H. R. 7761. An act for the relief of Mary Josephine Lobert;

H. R. 8619. An act for the relief of Nellie Oliver;

H. R. 9053. An act for the relief of Carl C. Baxter;

H. R. 9606. An act for the relief of the estate of Clarendon Davis;

H. R. 9915. An act to confer jurisdiction upon the Court of Claims of the United States to hear, adjudicate, and enter judgment on the claim of William W. McElrath against the United States for compensation for the manufacture of an invention of William W. McElrath covered by reissue letters patent issued by the Patent Office of the United States on the 19th day of February, 1924;

H. R. 10104. An act for the relief of the heirs of Burton S. Adams, deceased;

H. R. 10124. An act for the relief of A. Zappone, disbursing clerk, United States Department of Agriculture;

H. R. 10170. An act authorizing adjustment of the claim of Joseph T. Ryerson & Son (Inc.);

H. R. 10756. An act for the relief of Clive Sprouse and Robert F. Moore;

H. R. 10891. An act to provide for the reimbursement of Guillermo Medina, hydrographic surveyor, for the value of personal effects lost in the capsizing of a Navy whaleboat off Galera Island, Gulf of Panama;

H. R. 11035. An act for the relief of Price Huff;

H. R. 11242. An act to relinquish the title of the United States in and to lands in Rapides Parish, State of Louisiana;

H. R. 11461. An act for the relief of C. N. Hildreth, jr., and

H. R. 11477. An act for the relief of George Charles Walthers.

ENROLLED BILLS SIGNED

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

S. 914. An act for the relief of Katherine R. Theberge;

S. 1858. An act for the relief of Harriette Olsen;

S. 2144. An act authorizing the Secretary of the Interior to grant a patent to certain lands to Charles R. Thornton;

S. 2395. An act authorizing the conveyance of certain land to school district No. 15, Lincoln County, Mont.;

S. 3504. An act for the relief of Lyman L. Miller; and

S. 4166. An act for the relief of James M. Griffin, disbursing agent, United States Coast and Geodetic Survey, and for other purposes.

THE JOURNAL

Mr. FESS. Mr. President, I ask unanimous consent for the approval of the Journal of the proceedings of the calendar day of Friday, February 10, 1933.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

Ashurst	Cutting	Kendrick	Schuyler
Austin	Dale	Keyes	Sheppard
Bailey	Davis	King	Shipstead
Bankhead	Dill	La Follette	Shortridge
Barkley	Fess	Lewis	Smith
Bingham	Fletcher	Logan	Smoot
Black	Frazier	McKellar	Steiwer
Blaine	George	McNary	Stephens
Borah	Glass	Moses	Swanson
Bratton	Glenn	Neely	Thomas, Idaho
Brookhart	Gore	Norbeck	Thomas, Okla.
Bulkley	Grammer	Norris	Trammell
Bulow	Hale	Nye	Tydings
Byrnes	Harrison	Oddie	Vandenberg
Capper	Hastings	Pittman	Wagner
Caraway	Hatfield	Reed	Walsh, Mass.
Clark	Hayden	Reynolds	Walsh, Mont.
Connally	Hebert	Robinson, Ark.	Watson
Coolidge	Hull	Robinson, Ind.	White
Costigan	Johnson	Russell	
Couzens	Kean	Schall	

Mr. WALSH of Montana. My colleague [Mr. WHEELER] is unavoidably absent from the Senate on account of illness.

Mr. NORRIS. I wish to announce that my colleague [Mr. HOWELL] is absent on official business of the Senate.

Mr. FESS. The junior Senator from Wyoming [Mr. CAREY] is also absent on official business of the Senate.

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present.

CLAIM OF THE WHITE BROS. & CO.

The VICE PRESIDENT laid before the Senate a letter from the Comptroller General of the United States, transmitting, pursuant to law, his report and recommendation concerning the claim of the White Bros. & Co. against the United States, which, with the accompanying papers, was referred to the Committee on Claims.

DISPOSITION OF USELESS PAPERS

The VICE PRESIDENT laid before the Senate a letter from the Assistant Secretary of Labor, transmitting, pursuant to law, a list of miscellaneous papers on the files of the Children's Bureau which are not needed in the conduct of business and are lacking in historical interest, and asking for action looking to their disposition, which, with the accompanying papers, was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. METCALF and Mr. COPELAND members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following resolutions of the House of Representatives of the State of Nebraska, which were ordered to lie on the table:

Resolution memorializing the Congress of the United States in opposition to continuance of Federal gasoline tax

Whereas the Federal gasoline sales tax is the premium which the American people pay against the speedy return of prosperity; and

Whereas although the revenue which this tax has brought into the Federal Treasury totals millions of dollars, it is most unprofitable as a measure of economy and of sound business judgment because of the burden which it imposes upon the American motorists; and

Whereas gasoline is the only commodity in the Nation on which taxes are paid in excess of the value of the cost of the product; and

Whereas the Federal gasoline tax makes the tax total practically confiscatory, the same being levied at a rate of 130 per cent of the selling price of the product; and

Whereas from July 1, 1932, to December 31, 1932, the collections of the 1-cent Federal tax on gasoline totaled $52,839,826.70; and

Whereas the Federal gasoline tax is inequitable, onerous, uneven, costly, and productive of evasion, being not merely double taxation but multiple taxation, unwittingly imposed by the Congress when they were seeking the general good; and

Whereas, based on 1932 collections, the total 1933 State and Federal gasoline taxes in Nebraska, assuming that the present tax of 4 cents per gallon upon the use and distribution of motor-vehicle fuel continues and that the 1-cent gasoline tax for the United States still remains in force and effect, will amount to the fabulous sum of $9,893,105, which the citizens and residents of the State of Nebraska will be compelled to pay; and

Whereas a continuance of the 1-cent Federal tax, together with the present 4-cent State of Nebraska gasoline tax, will constitute a tax burden which is so confiscatory that, in history, is without parallel: Now, therefore, be it

Resolved by the House of Representatives of the State of Nebraska in forty-ninth regular session assembled:

1. That this house goes on record as unalterably opposed to the continuance of the 1-cent Federal gasoline tax law and urges that the Congress of the United States repeal the same without delay.

2. That the chief clerk of this house be forthwith directed to forward copies of this resolution, properly authenticated, to the President of the United States, to the Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Congressman representing the State of Nebraska in the National Congress, to the end that our Congressmen and Senators from Nebraska will vigorously oppose the continuance of the Federal gasoline tax and thereby hasten trade recovery in petroleum and other industries.

HENRY BOCK.

LINCOLN, NEBR., *February 7, 1933.*

I hereby certify that the above and foregoing is a true and correct copy of a resolution adopted by the house of representatives of the forty-ninth session of the Legislature of Nebraska on February 6, 1933.

MAX ADAMS, *Chief Clerk.*

Resolution memorializing the Congress of the United States to pass, and the President of the United States to approve if passed, a bill to repeal the packers and stockyards act (act of Congress, August 15, 1921), in so far as it authorizes or permits Federal authorities to fix charges for stockyard services at public stockyards as defined in said packers and stockyards act

Whereas the growing and feeding of livestock is Nebraska's chief industry; and

Whereas the major part of our livestock is necessarily handled through public markets and must bear the charges for yardage, feeding, weighing, commissions, and other stockyard services at such markets; and

Whereas the charges for stockyard services are a direct burden on the farmers and livestock producers of this State; and

Whereas the charges at all public markets serving Nebraska farmers and producers of livestock, such as those at Omaha, Sioux City, Kansas City, St. Joseph, St. Louis, and Chicago, as well as those at other places, are unreasonable and extortionate. For example, at the Union Stock Yards at Omaha the charge for prairie hay is now $22.50 per ton, the charge for oats is 65 cents per bushel, and the charge for corn is 75 cents per bushel, the charges at the other stockyards being also unreasonable and extortionate; and

Whereas the charges for stockyard services are under the control of the Secretary of Agriculture of the United States and it is impossible for the farmer or shipper to go to Washington to seek redress because of the distance and the expense involved: Now, therefore, be it

Resolved by the House of Representativs of the State of Nebraska in forty-ninth regular session assembled:

SECTION 1. That we hereby memorialize and petition the Congress of the United States to pass, and the President of the United States to approve, if passed, a bill to repeal the packers and stockyards act (act of Congress, August 15, 1921), in so far as such act authorizes or permits the control and fixing by the Federal authorities of charges for stockyard services, although the livestock receiving such services at public markets may be part of the current of interstate commerce and although it may be, at the time of receiving such services, actually in interstate commerce.

SEC. 2. That certified copies of this resolution, properly authenticated, be sent forthwith to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives of the United States, Senators, and Representatives from Nebraska.

HENRY BOCK.

LINCOLN, NEBR., *February 7, 1933.*

I hereby certify that the above and foregoing is a true and correct copy of a resolution adopted by the house of representatives of the forty-ninth session of the Legislature of Nebraska on February 7, 1933.

MAX ADAMS, *Chief Clerk.*

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Wisconsin, which was ordered to lie on the table:

Joint resolution memorializing Federal authorities to confine all contracts to be let for work to be done on or in connection with the Hoover Dam and other Federal construction projects to American firms and corporations

Whereas the Hoover Dam is a great national project being built at the expense of the American taxpayers; and

Whereas economic conditions at the present time are such that any public money spent for construction projects should be utilized to give employment to the maximum number of American citizens: Therefore be it

Resolved by the senate (the assembly concurring), That the Legislature of Wisconsin hereby respectfully memorializes the Federal officials who have charge of the letting of contracts for any Federal construction project, including contracts for the purchase of equipment and materials, to exclude from consideration any foreign corporation or other bidders, and to let such contracts only to American citizens and American firms and corporations, and to require that all material used in such projects shall be manufactured in the United States of America; be it further

Resolved, That properly attested copies of this resolution be sent to the President of the United States, to the Secretary of the Interior, and to the presiding officers of both Houses of the Congress of the United States.

CORNELIUS YOUNG,
Speaker of the Assembly.
JOHN J. SLOCUM,
Chief Clerk of the Assembly.
THOS. J. O'MALLEY,
President of the Senate.
R. A. COBBAN,
Chief Clerk of the Senate.

The VICE PRESIDENT also laid before the Senate a joint resolution of the Legislature of the State of Wisconsin, favoring the passage of legislation to guarantee to farmers a price for their products which will give them the minimum cost of production, which was referred to the Committee on Agriculture and Forestry.

(See joint resolution printed in full when presented to-day by Mr. LA FOLLETTE.)

The VICE PRESIDENT also laid before the Senate a joint resolution of the Legislature of the State of Wisconsin, favoring the passage of legislation to aid farmers and home owners to retain their farms and homes, which was referred to the Committee on Banking and Currency.

(See joint resolution printed in full when presented to-day by Mr. LA FOLLETTE.)

The VICE PRESIDENT also laid before the Senate a concurrent resolution of the Legislature of the State of Delaware, favoring the passage of legislation to commemorate the one hundred and fiftieth anniversary of the naturalization as an American citizen in 1783 of Brig. Gen. Thaddeus Kosciusko, a hero of the Revolutionary War, by the issuance of a special series of postage stamps in his honor, which was referred to the Committee on Post Offices and Post Roads.

(See resolution printed in full when presented to-day by Mr. HASTINGS.)

The VICE PRESIDENT also laid before the Senate a joint memorial of the Legislature of the State of New Mexico, favoring the passage of the so-called Cutting bill, being the bill (S. 5121) to amend Title I of the emergency relief and construction act of 1932, approved July 21, 1932 (47 Stat. L. 709), by authorizing cooperation by the Federal Government with the several States and Territories in relieving distress among unemployed needy transients, which was referred to the Committee on Manufactures.

(See joint memorial printed in full when presented to-day by Mr. BRATTON.)

The VICE PRESIDENT also laid before the Senate a resolution adopted by the Southern Oregon Law Enforcement Officers' Association, in convention assembled at Roseburg, Oreg., indorsing the work of the United States Bureau of Investigation under the leadership of its director, Mr. John Edgar Hoover, and especially the cooperation rendered by the identification division of that bureau, which was referred to the Committee on the Judiciary.

Mr. BYRNES presented a concurrent resolution of the Legislature of the State of South Carolina, memorializing Congress to amend the Reconstruction Finance Corporation act so as to permit the States and political subdivisions thereof to borrow money for the purpose of refunding loans to be retired by taxation, which was referred to the Committee on Banking and Currency.

(See resolution printed in full when laid before the Senate by the Vice President on the 9th instant, p. 3798, CONGRESSIONAL RECORD.)

Mr. HASTINGS presented the following concurrent resolution of the Legislature of the State of Delaware, which was referred to the Committee on Post Offices and Post Roads:

STATE OF DELAWARE,
ONE HUNDRED AND FOURTH GENERAL ASSEMBLY.

Senate Concurrent Resolution 13

We hereby certify that the inclosed is the same act as was passed by both houses of the one hundred and fourth general assembly.

W. A. SIMONTON,
President pro tempore of the Senate.
J. THOMAS ROBINSON,
Speaker of the House.

We hereby certify that the inclosed act is properly backed, stamped, and sealed and is the same act as above certified to.

KARLENE H. CARPENTER,
Bill Clerk of the Senate.
OWEN K. MOORE,
Bill Clerk of the House.

Certified with—

WILLIAM P. SHORT,
Secretary of the Senate.
EDWIN E. SHALLCROSS,
Clerk of the House.

Senate Concurrent Resolution No. 13, memorializing the Congress of the United States to enact House Joint Resolution 191 to commemorate the one hundred and fiftieth anniversary of the naturalization as an American citizen in 1783 of Brig. Gen. Thaddeus Kosciusko, a hero of the Revolutionary War, by issuing special series of postage stamps in honor of Brig. Gen. Thaddeus Kosciusko

Whereas on October 13, 1933, will occur the one hundred and fiftieth anniversary of the naturalization as an American citizen of Brig. Gen. Thaddeus Kosciusko, a hero of the Revolutionary War; and

Whereas the service rendered by him was of great value and assistance to the cause of American independence and of such high importance that on October 13, 1783, he was appointed brevet brigadier general of the Continental Army and was granted his naturalization as an American citizen; and

Whereas it is but fitting that proper recognition should be given to the memory of Brig. Gen. Thaddeus Kosciusko, whose illustrious service in the War for American Independence is well known to all who are familiar with our history: Therefore be it

Resolved by the Senate of the State of Delaware (the House of Representatives concurring therein), That the General Assembly of the State of Delaware hereby respectfully requests and urges His Excellency, Hon. Herbert Hoover, President of the United States. the Senators and Representative in Congress from the State of Delaware to respectfully memorialize the Congress of the United States to enact legislation which will provide for the effective carrying out of the provisions of the said resolution, whereby the Postmaster General would be authorized and directed to issue a special series of postage stamps of the denomination of 3 cents, of such design and for such period as he may determine, commemorative of the one hundred and fiftieth anniversary of the naturalization as an American citizen and appointment of Thaddeus Kosciusko as brevet brigadier general of the Continental Army on October 13, 1783.

That a copy of this resolution be sent to President of the United States, Vice President of the United States, Speaker of the House of Representatives, and to each United States Senator and the Representative in Congress from Delaware.

Mr. LA FOLLETTE presented the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Agriculture and Forestry:

Joint resolution regarding legislation to secure the farmers their cost of production

Whereas the present position of agriculture is the worst it has been in the entire history of the country; farm prices are at the lowest in generations and are still tending downward; dairy products were in December, 1932, 23 points below December, 1931; at least one-fourth of all farmers are delinquent in the payment of interest or taxes; and most serious discontent is developing in rural districts, which threatens the safety of government and society itself; and

Whereas the crux of the entire problem lies in the price realized for dairy and other farm products, since manifestly the farmers can not meet interest and taxes and continue to support their families unless they are paid a price for their products which gives them their cost of production; and

Whereas no single State can cope with this problem alone, since competition in the sale of farm products is nation-wide and to some extent world-wide, while the Federal Government, through its control of interstate commerce, foreign affairs, and customs duties, can affect the entire country and at least materially influence world conditions: Therefore be it

Resolved by the senate (the assembly concurring), That the Legislature of Wisconsin respectfully memorializes the Congress of the United States to enact legislation to guarantee to farmers a price for their products which will give them their minimum cost of production, and expresses its opinion that no other measures of farm relief will prove adequate. While it is no doubt necessary also to refinance the farmers at a low rate of interest, such a measure will not alone solve the problem, since it will still leave the farmers with a great burden of debt which they must ultimately repay through the proceeds from the sale of their products. Still other measures may be helpful, but a solution of the farm problem can be attained only through securing farmers their minimum cost of production; be it further

Resolved, That properly attested copies of this resolution be transmitted to both Houses of the Congress of the United States and to each Wisconsin Member thereof. A copy of this resolution shall also be transmitted to the Hon. Franklin D. Roosevelt, President elect of the United States, to whom the farmers of this State and the entire country are hopefully looking for leadership in solving the farm problem.

THOS. J. O'MALLEY,
President of the Senate.
R. A. COBBAN,
Chief Clerk of the Senate.
CORNELIUS YOUNG,
Speaker of the Assembly.
JOHN J. SLOCUM,
Chief Clerk of the Assembly.

Mr. LA FOLLETTE also presented the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Banking and Currency:

Joint resolution relating to Federal aid for owners of mortgaged farms and homesteads

Whereas there is now pending in Congress a bill appropriating and setting apart a special fund with the Reconstruction Finance Corporation for the purpose of aiding farmers and home owners who are in financial distress and unable to repay the mortgages on such farms and homesteads: Therefore, be it

Resolved by the senate (the assembly concurring), That the Legislature of the State of Wisconsin respectfully memorializes and urges the Congress of the United States to pass such bill, or some other bill, which will aid farmers and home owners to retain their farms and homes; and be it further

Resolved, That a copy of this resolution, properly attested, be sent to the Presiding Officers of each House of the Congress of the United States and to each Wisconsin Member thereof.

CORNELIUS YOUNG,
Speaker of the Assembly.
JOHN J. SLOCUM,
Chief Clerk of the Assembly.
THOS. J. O'MALLEY,
President of the Senate.
R. A. COBBAN,
Chief Clerk of the Senate.

Mr. JOHNSON. Mr. President, I present certain resolutions and memorials of various cities in California, the cities of Pasadena, Oakland, and others, protesting against the enactment of any Federal tax legislation which imposes, or may be interpreted as imposing, a burden of taxation upon States, State agencies, or publicly owned utilities.

The VICE PRESIDENT. The memorials and resolutions will be received and referred to the Committee on Finance.

(The resolutions and memorials presented by Mr. JOHNSON are from the board of directors of the city of Pasadena, and city councils of numerous cities, utility districts, and associations, all in the State of California.)

Mr. BULKLEY presented resolutions adopted by the City Council of Martins Ferry, Ohio, protesting against the imposition of any Federal tax which imposes, or may be interpreted as imposing, a burden upon the States, State agencies, and/or publicly owned utilities, which was referred to the Committee on Finance.

Mr. SHORTRIDGE. Mr. President, I am in receipt of a letter addressed to me by Mr. C. R. Reid, chairman of the Taxation Committee Public Ownership League of America and secretary of the California Tax Committee, California Municipal Utility Association, accompanied by resolutions from numerous cities, utility districts, and associations in California, protesting against Federal taxation which imposes—or may be interpreted to impose—a burden upon States, State agencies, or publicly owned utilities.

I present these resolutions and memorials and request that they be referred to the Committee on Finance.

The VICE PRESIDENT. The memorials and resolutions will be received and referred to the Committee on Finance.

COOPERATION BY FEDERAL GOVERNMENT WITH THE STATES FOR RELIEF PURPOSES

Mr. BRATTON. I send forward a joint memorial passed by the Legislature of the State of New Mexico, memorializing Congress to pass the bill (S. 5121) to amend Title I of the emergency relief and construction act of 1932, approved July

21, 1932 (47 Stat. L. 709), by authorizing cooperation by the Federal Government with the several States and Territories in relieving distress among unemployed needy transients, introduced by my colleague [Mr. CUTTING]. I ask that the joint resolution may be printed in the RECORD and appropriately referred.

The joint memorial was referred to the Committee on Manufactures, and it is as follows:

Senate Joint Memorial No. 2 (introduced by Senator J. W. Tackett)

A joint memorial to the Congress of the United States requesting the passage of Senate bill 5121, introduced December 8, 1932, by Hon. BRONSON CUTTING, United States Senator of New Mexico

Whereas upon December 8, 1932, the Hon. BRONSON CUTTING, United States Senator of New Mexico, introduced S. 5121, being "A bill to amend Title I of the emergency relief and construction act of 1932, approved July 21, 1932 (47 Stat. L. 709), by authorizing cooperation by the Federal Government with the several States and Territories in relieving distress among needy transients"; and

Whereas New Mexico, by reason of its geographical location and climate, is daily in receipt of many hundreds of transients, and by reason of present conditions of unemployment and distress many of these transients become stranded and subjects of charity; and

Whereas the passage of said bill will aid greatly in meeting these problems, which are growing too great for local charity to properly handle: Therefore be it

Resolved by the Legislature of the State of New Mexico, That the Congress of the United States be memorialized to act at once so as to assure the speedy passage of said bill; and be it further

Resolved, That copies of this memorial be sent to the Presiding Officers of the Congress of the United States and to our Senators and Representatives in Congress.

A. W. HOCHENHULL,
President of the Senate.

Attest:

F. E. MCCULLOCH,
Chief Clerk of the Senate.

ALVAN N. WHITE,
Speaker of the House of Representatives.

Attest:

GENARO ARMIJO,
Chief Clerk of the House of Representatives.

Approved by me this 1st day of February, 1933.

ARTHUR SELIGMAN,
Governor of New Mexico.

FEDERAL AID IN HIGHWAY CONSTRUCTION

Mr. KENDRICK. Mr. President, I present a memorial passed by the Wyoming Legislature in the form of an appeal to Congress to enact legislation providing funds for Federal aid in highway construction, which I ask may be appropriately referred.

The joint memorial was referred to the Committee on Post Offices and Post Roads, and, under the rule, ordered to be printed in the RECORD, as follows:

THE STATE OF WYOMING,
OFFICE OF THE SECRETARY OF STATE.

UNITED STATES OF AMERICA,
State of Wyoming, ss:

I, A. M. Clark, secretary of state of the State of Wyoming, do hereby certify that the annexed is a full, true, and correct copy of enrolled joint memorial No. 2, senate, of the Twenty-second Legislature of the State of Wyoming, being original senate joint memorial No. 2, approved by the governor on February 7, 1933, at 8.40 a. m.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State of Wyoming.

Done at Cheyenne, the capital, this 8th day of February, A. D. 1933.

A. M. CLARK, *Secretary of State.*
By C. J. ROGERS, *Deputy.*

Memorializing Congress to take favorable action on S. 36, or a similar bill, authorizing an appropriation for Federal aid in highway construction

Whereas the so-called public-land States are denied sovereignty over a great portion of their domain and are thus deprived of the income and revenues which would otherwise be derived from taxation of such areas, by reason where the Federal Government to a very great extent owes to such States the duty of building highways across such nonproductive areas; and

Whereas it has been customary in the past for the Congress of the United States to authorize an appropriation for Federal aid in highway construction for two years in advance and no such Federal aid has been authorized by Congress beyond the fiscal year 1933; and

Whereas the moneys appropriated by the Federal Government and used on highways reaches down directly to the workingman and is of direct benefit to a large number of laborers and others, thereby greatly relieving distress and suffering among the otherwise unemployed; and

Whereas the State of Wyoming has utilized all Federal aid heretofore authorized and the completion of the work now under construction will throw out of employment a large number of Wyoming citizens, thus adversely affecting several thousand residents of the State, unless additional funds for construction work are provided for the purpose of completing the Federal-aid system in this State; and

Whereas an authorization bill designated as S. 36 has already passed the United States Senate and has already been favorably reported to the House of Representatives by the House Committee on Roads: Now, therefore, be it

Resolved by the senate of the twenty-second legislature (the house of representatives concurring), That the Congress of the United States of America be and is hereby memorialized to take favorable and prompt action upon and to pass said S. 36, or a similar bill, authorizing a Federal-aid appropriation for highway construction in an amount consistent with other governmental expenditures at this time; and be it further

Resolved, That the President of the United States be respectfully urged and requested to approve such bill upon its passage in order that the provisions thereof may become effective at an early date; and be it further

Resolved, That a certified copy of this joint memorial be sent to the President of the United States and the President of the United States Senate, the Speaker of the House of Representatives, and to each of the members of the congressional delegation of this State in Congress.

WM. M. JACK,
Speaker of the House.
ROY H. CAMERON,
President of the Senate.

Approved 8.40 a. m., February 7, 1933.

LESLIE A. MILLER, *Governor.*

REPORTS OF COMMITTEES

Mr. SMOOT, from the Committee on Appropriations, to which was referred the bill (H. R. 14458) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1934, and for other purposes, reported it with amendments and submitted a report (No. 1201) thereon.

Mr. SMITH, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 5122) to provide for the purchase and sale of cotton under the supervision of the Secretary of Agriculture, reported it with an amendment in the nature of a substitute and submitted a report (No. 1208) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 5427) authorizing the Secretary of the Interior to purchase certain lands in Ottawa County, Okla., reported it with amendments and submitted a report (No. 1202) thereon.

He also, from the same committee, to which was referred the bill (S. 5483) authorizing the Secretary of the Interior in behalf of Indians to purchase the allotments of deceased Indians, and for other purposes, reported it without amendment and submitted a report (No. 1203) thereon.

Mr. STEIWER, from the Committee on Indian Affairs, to which was referred the bill (H. R. 10086) to amend the act of February 14, 1920, authorizing and directing the collection of fees for work done for the benefit of Indians, reported it without amendment and submitted a report (No. 1204) thereon.

Mr. WALSH of Montana, from the Committee on the Judiciary, to which was referred the bill (H. R. 9877) to repeal obsolete sections of the Revised Statutes omitted from the United States Code, reported it with an amendment and submitted a report (No. 1205) thereon.

He also, from the same committee, to which was referred the bill (H. R. 7121) to repeal obsolete statutes and to improve the United States Code, reported it without amendment and submitted a report (No. 1206) thereon.

Mr. CAPPER, from the Committee on the District of Columbia, to which was referred the bill (S. 3257) for the protection of holders of industrial insurance policies in the District of Columbia, reported it with amendments and submitted a report (No. 1207) thereon.

Mr. VANDENBERG, from the Committee on Commerce, to which was referred the bill (S. 5532) to extend the time for the construction of a bridge across the Rio Grande at Boca Chica, Tex., reported it without amendment and submitted a report (No. 1209) thereon.

He also, from the same committee, to which was referred the bill (S. 5564) to extend the times for commencing and completing the construction of a bridge across Hudson River at or near Catskill, Greene County, N. Y., and for other purposes, reported it with amendments and submitted a report (No. 1210) thereon.

ENROLLED BILLS PRESENTED

Mr. VANDENBERG, from the Committee on Enrolled Bills, reported that on to-day, February 11, 1933, that committee presented to the President of the United States the following enrolled bills:

S. 914. An act for the relief of Katherine R. Theberge;

S. 1858. An act for the relief of Harriette Olsen;

S. 2144. An act authorizing the Secretary of the Interior to grant a patent to certain lands to Charles R. Thornton;

S. 2395. An act authorizing the conveyance of certain land to school district No. 15, Lincoln County, Mont.;

S. 3504. An act for the relief of Lyman L. Miller; and

S. 4166. An act for the relief of James M. Griffin, disbursing agent, United States Coast and Geodetic Survey, and for other purposes.

GENEVIEVE M. COLWELL

Mr. KENDRICK, in behalf of the Senator from Delaware [Mr. TOWNSEND], from the Committee to Audit and Control the Contingent Expenses of the Senate, reported back favorably the resolution (S. Res. 348) submitted by himself on the 6th instant, which was considered by unanimous consent and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for miscellaneous items, fiscal year 1932, contingent fund of the Senate, to Genevieve M. Colwell, widow of Eugene Colwell, late the assistant financial clerk of the Senate, a sum equal to one year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

WATER RESOURCES OF THE SAN PEDRO RIVER, ARIZ.

Mr. KENDRICK, from the same committee, reported back favorably without amendment the resolution (S. Res. 292) submitted by Mr. ASHURST on December 7, 1932, which was considered by unanimous consent and agreed to, as follows:

Resolved, That the Committee on Irrigation and Reclamation, or a duly authorized subcommittee thereof, is authorized and directed to make a complete investigation respecting proposed legislation providing for the ultimate utilization of the water resources of the San Pedro River, in the State of Arizona, including irrigation, reclamation, flood control, and power development. For the purposes of this resolution such committee or subcommittee is authorized to hold hearings, to sit and act at such times and places within the United States, and to employ such clerical and stenographic assistance as it deems advisable. The cost of stenographic service to report such hearings shall not be in excess of 25 cents per hundred words. The committee or subcommittee is further authorized to send for persons and papers, to administer oaths, and to take testimony, and the expense attendant upon the work of the committee or subcommittee shall be paid from the contingent fund of the Senate, but shall not exceed $2,000. Such committee or subcommittee shall make a report of the results of such investigation with recommendations to the Seventy-third Congress, first session.

ENLARGEMENT OF YELLOWSTONE AND GRAND TETON NATIONAL PARKS

Mr. KENDRICK. Also, on behalf of the chairman [Mr. TOWNSEND], from the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably Senate Resolution 226, submitted by my colleague [Mr. CAREY] and myself, which was referred to that committee with amendments by the Committee on Public Lands and Surveys, and I ask for its present consideration.

The Senate, by unanimous consent, proceeded to consider the resolution.

The amendments were, on page 1, line 5, after the name "Department of the Interior," to strike out "and"; in line 6, after the word "company," to insert "the Teton Investment Co., the Teton Hotel Co., the Teton Transportation Co., and the Jackson Lake Lodge Co."; in line 12, before the word "methods," to strike out "The" and insert "What"; in the same line, before the word "employed," to insert "if any, have been"; on page 2, line 9, before the word "methods," to strike out "The" and insert "What"; in the same line, before the word "employed," to insert "if any, have been"; in line 11, before the words "residents," to strike out "to harass" and insert "affecting"; in line 12, after the word "in," to strike out "order to bring about their removal from said lands" and insert "connection with its activities in acquiring land or otherwise promoting the project of enlarging the boundaries of the Yellowstone National Park and/or the Grand Teton National Park"; in line 17, after the word "Senate," to strike out "not later than December 1, 1932," and insert "as soon as practicable"; in line 24, after the word "Senate," to strike out "in the Seventy-second Congress"; and, in line 25, after the word "submitted," to insert "during the Seventy-third Congress," so as to make the resolution read:

Resolved, That the Committee on Public Lands and Surveys or any duly authorized subcommittee thereof, is authorized and directed to investigate the activities in the Jackson Hole region, Teton County, Wyo., of the National Park Service, Department of the Interior, the Snake River Land Co., the Teton Investment Co., the Teton Hotel Co., the Teton Transportation Co., and the Jackson Lake Lodge Co., in connection with the proposed enlargement of the Yellowstone National Park and/or the Grand Teton National Park of Wyoming, particularly with a view to determining:

(a) What methods, if any, have been employed by the National Park Service to discourage persons from making entry and settlement on public land and forest reserves in said region so that the boundaries of said Yellowstone and Grand Teton National Parks might be conveniently extended, and the efforts made by the National Park Service to secure the cooperation of other bureaus and departments of the Government in discouraging, directly or indirectly, entry or residence on such public lands and in national forests; and

(b) What methods, if any, have been employed by the Snake River Land Co., or any of its agents, affecting residents and settlers on public lands and national forests in said region in connection with its activities in acquiring land or otherwise promoting the project of enlarging the boundaries of the Yellowstone National Park and/or the Grand Teton National Park.

The committee shall report to the Senate as soon as practicable the result of its investigation, together with its recommendations, if any, for legislation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate until the final report is submitted during the Seventy-third Congress, to employ such clerical and other assistants, to require by subpœna or otherwise, the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

The amendments were agreed to.

The resolution as amended was agreed to.

EMPLOYMENT OF A MESSENGER

Mr. FESS (for Mr. TOWNSEND), from the Committee to Audit and Control the Contingent Expenses of the Senate, reported back favorably without amendment the resolution (S. Res. 337) submitted by himself on January 19, 1933, which was considered by unanimous consent and agreed to, as follows:

Resolved, That Senate Resolution 421, agreed to January 28, 1931, and previous resolutions authorizing Hon. THOMAS D. SCHALL, a Senator from the State of Minnesota, to appoint a messenger for service as his personal attendant, to be paid out of the contingent fund of the Senate, hereby are continued in full force and effect until otherwise ordered.

DAISYE L. TRAMMELL

Mr. FESS, from the same committee, reported back favorably without amendment the resolution (S. Res. 347) submitted by Mr. FLETCHER on the 6th instant, which was considered by unanimous consent and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for miscellaneous items, fiscal year 1932, contingent fund of the Senate, to Daisye L. Trammell, widow of Lee R. Trammell, late clerk in the office of Senator PARK TRAMMELL, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

HEARINGS BEFORE COMMITTEE ON INTEROCEANIC CANALS

Mr. FESS, from the same committee, reported back favorably without amendment the resolution (S. Res. 344) sub-

mitted by Mr. SCHALL on January 31, 1933, which was read, as follows:

Resolved, That the Committee on Interoceanic Canals, or any subcommittee thereof, is authorized, during the Seventy-second Congress, to send for persons, books and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per 100 words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

The VICE PRESIDENT. The Chair suggests that there must be a mistake in the resolution. The Seventy-second Congress will expire on the 4th of March.

Mr. ROBINSON of Arkansas. What is the request?

The VICE PRESIDENT. The request is for unanimous consent for the consideration of the resolution to authorize the Committee on Interoceanic Canals to hold hearings during the Seventy-second Congress. The Chair suggests that it probably should be the Seventy-third Congress.

Mr. ROBINSON of Arkansas. What is the resolution?

Mr. FESS. It is a resolution to authorize the Committee on Interoceanic Canals to hold hearings.

The VICE PRESIDENT. The Chair is informed that the committee have had no authority during this Congress to hold hearings, and the resolution is probably to cover the present session. The resolution will be again read for the information of the Senate.

The Chief Clerk again read the resolution.

Mr. ROBINSON of Arkansas. May I inquire what investigations or inquiries are in contemplation under the resolution?

Mr. FESS. The Senator from Ohio merely heard the statement of the Senator from Minnesota [Mr. SCHALL], who asked to have the resolution adopted. He does not know what the purpose of the Senator from Minnesota is.

Mr. ROBINSON of Arkansas. I think the resolution had better go over.

The VICE PRESIDENT. The resolution will be passed over.

SURVEY OF INDIAN CONDITIONS

Mr. FESS. From the Committee to Audit and Control the Contingent Expenses of the Senate I also report with an amendment Senate Resolution 323 and ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution (S. Res. 323) submitted by Mr. FRAZIER on January 12, 1933. The amendment was on page 1, line 8, to strike out "$10,000" and insert "$1,500," so as to make the resolution read:

Resolved, That Senate Resolution No. 79, agreed to February 2, 1928, and continued by subsequent resolutions, authorizing the Committee on Indian Affairs, or any subcommittee thereof, to make a general survey of the condition of the Indians in the United States, hereby is continued in full force and effect throughout the duration of the Seventy-third Congress, and hereby is authorized to expend in furtherance of above-mentioned purposes $1,500 in addition to the amounts heretofore authorized for such purposes, to be paid out of the contingent fund of the Senate.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The resolution, as amended, was agreed to.

BILLS INTRODUCED

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

By Mr. SMOOT:

A bill (S. 5624) relating to the payment of benefits under the World War veterans' act, 1924, as amended, for disability not incurred in line of duty; to the Committee on Finance.

By Mr. WATSON:

A bill (S. 5625) authorizing an appropriation to provide for the completion of the George Rogers Clark memorial at Vincennes, Ind.; to the Committee on the Library.

By Mr. FRAZIER (by departmental request):

A bill (S. 5626) to amend the act of June 23, 1926, reserving Rice Lake and contiguous lands for the Chippewa Indians of Minnesota; to the Committee on Indian Affairs.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred, as indicated below:

H. R. 811. An act for the relief of Martha Edwards, Norfolk Protestant Hospital, and Dr. Julian L. Rawls;

H. R. 997. An act for the relief of William L. Jenkins;

H. R. 999. An act for the relief of Lewis E. Green;

H. R. 1938. An act for the relief of Katherine G. Taylor;

H. R. 2188. An act for the relief of Arthur K. Finney;

H. R. 2810. An act for the relief of William Sheldon;

H. R. 3036. An act for the relief of Florence Mahoney;

H. R. 3607. An act for the relief of Dr. M. M. Brayshaw;

H. R. 3694. An act for the relief of Ada B. (Gould) Gollan;

H. R. 3727. An act for the relief of Mary Elizabeth Fox;

H. R. 3848. An act for the relief of Ed Symes and wife, Elizabeth Symes, and certain other citizens of the State of Texas;

H. R. 5801. An act for the relief of Clyde W. Edwards;

H. R. 5947. An act for the relief of John Moore;

H. R. 6381. An act for the relief of Escha Whittington Casey;

H. R. 6618. An act for the relief of Lissie Maud Green;

H. R. 6774. An act to authorize amendment of the act of February 25, 1927, for the payment of damages caused by reason of the overflow of the Rio Grande on August 17, 1921;

H. R. 6785. An act for the relief of Jose Ramon Cordova;

H. R. 7040. An act for the relief of Sadie Bermi;

H. R. 7655. An act for the relief of Dr. Charles T. Granger;

H. R. 7761. An act for the relief of Mary Josephine Lobert;

H. R. 9606. An act for the relief of the estate of Clarendon Davis;

H. R. 9915. An act to confer jurisdiction upon the Court of Claims of the United States to hear, adjudicate, and enter judgment on the claim of William W. McElrath against the United States for compensation for the manufacture of an invention of William W. McElrath covered by reissue letters patent issued by the Patent Office of the United States on the 19th day of February, 1924;

H. R. 10104. An act for the relief of the heirs of Burton S. Adams, deceased;

H. R. 10170. An act authorizing adjustment of the claim of Joseph T. Ryerson & Son (Inc.);

H. R. 10891. An act to provide for the reimbursement of Guillermo Medina, hydrographic surveyor, for the value of personal effects lost in the capsizing of a Navy whaleboat off Galera Island, Gulf of Panama; and

H. R. 11477. An act for the relief of George Charles Walthers; to the Committee on Claims.

H. R. 1825. An act for the relief of William M. Stoddard;

H. R. 6461. An act for the relief of Frank D. Whitfield;

H. R. 8619. An act for the relief of Nellie Oliver;

H. R. 9053. An act for the relief of Carl C. Baxter; and

H. R. 11035. An act for the relief of Price Huff; to the Committee on Military Affairs.

H. R. 10124. An act for the relief of A. Zappone, disbursing clerk, United States Department of Agriculture; to the Committee on Agriculture and Forestry.

H. R. 10756. An act for the relief of Clive Sprouse and Robert F. Moore; and

H. R. 11242. An act to relinquish the title of the United States in and to lands in Rapides Parish, State of Louisiana; to the Committee on Public Lands and Surveys.

TAMPICO MARINE IRON WORKS

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 188) for the relief of Tampico Marine Iron Works, which were, on page 1, line 7, to strike out "$2,573" and insert "$1,500"; on page 2, line 4, to strike out "being" and insert "to be"; and on page 2, line 6, after "to," to insert ": *Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or

received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

Mr. SHEPPARD. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

THE LIBRARY OF CONGRESS (S. DOC. NO. 185)

Mr. JOHNSON. Mr. President, yesterday the Senator from Ohio [Mr. FESS] made a most informative speech concerning the Library of Congress. It is of public interest because it states in detail just exactly how the Library may be utilized by all our people. I am asking, therefore, unanimous consent that his speech may be printed as a Senate document.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

THE FEDERAL TRADE COMMISSION

Mr. SCHALL. Mr. President, I have just read a memorandum of the history and activities of the Federal Trade Commission, which I believe should be printed, and ask the consent of the Senate so to do.

The only legal machinery which has been constructed that has proven it is equipped to meet the industrial problems of to-day in the interest of the public is the Federal Trade Commission, and we should not throttle it now by lack of appropriations when in all the history of our Nation it is most needed. Without that machinery combination power would have by this time through its intricacies of combinations, had it not been for the Federal Trade Commission, strangled fair competition, honest business, the law of supply and demand.

The Federal Trade Commission was the first institution ever formed to really accomplish anything in the thwarting of combination power and unfair trade, and its enactment was only had after years of bitter controversial struggle. It is the result of years of investigation and study by commercial, industrial, and governmental committees and organizations. Its accumulated efficiency should not be thrown away.

This commission is to-day the only instrument we have in the field of public utilities outside the railroads to guard the people's interest.

We have appropriated for the Interstate Commerce Commission seven times the amount that the Bureau of the Budget has recommended for the necessary expenses of the Federal Trade Commission, which is $1,100,000. The Interstate Commerce Commission has only the railroads to look after while the Federal Trade Commission's jurisdiction includes everything else in the country excepting the banks. The railroad investment is only $26,000,000,000 while the public utilities alone, outside of the railroads' investment, is $20,000,000,000.

Now, Mr. President, the House proposed to cut this recommendation, which is already pared to the quick, to $500,000. I protest that we should not cut off our noses to spite our faces or rather allow the public utilities and unfair combinations outside the railroads to deprive honest business wherever it is found throughout the country of a fair deal.

We have the Clayton Act, the Sherman Act, and the Webb-Pomerene Export Trade Act, and others; but, while there have been suspicions and rumors, never before had the facts been made certain and usable. Never before had there been competent evidence legal to go before a court. The Federal Trade Commission was organized September 26, 1914, with power, by one means or another under the law, to go into records, to get evidence, wherever that evidence could be found, to prove the things the country knew were going on, but had no means of legal proof. The men appointed went fearlessly ahead and did their duty and secured evidence sufficient to convict criminally of violation of law and thereby have, to a large degree, put the fear of justice into the hearts of corrupt combinations that in no other way could have been deterred in their unlawful procedures and have thereby saved to the people a thousandfold their investment. Might as well recommend the discharge of the police force, the fire department, the cancellation of insurance policies.

Everybody knew there was collusion and combination in restraint of trade, and everybody still knows it, but heretofore there was no machinery to collect competent evidence. With the Federal Trade Commission in action, there is always the possibility of securing that evidence which is a deterrent to unscrupulous business.

While I congratulate the Senate Appropriations Committee upon its action raising the amount of appropriation for the Federal Trade Commission to $780,000, as a move in the right direction, yet I can not help but feel that the Senate should take the Budget committee's advice and make the appropriation a million dollars. The Senate alone is saved more than that amount every session by being able to refer investigations to the Federal Trade Commission that would otherwise have to be undertaken by the Senate or the House, or both. This Federal Trade Commission was created in part to take off the shoulders of the House and the Senate these numerous investigations that were imperative from time to time; and, instead of having them investigated by special committees in a slipshod way by untrained investigators, we have within the Federal Trade Commission a body of trained economists, accountants, and statisticians who can in a fraction of the time make the same investigation that the Senate or the House would make at a small percentage of the cost.

Had not the war intervened, with its general blight on human progress, and through its dictatorial influence persuaded Congress to amend the original Federal Trade Commission act, which greatly limited its power, I believe that its service to the people would have reached a scope that would have made it entirely effective for the purpose for which it was created. Even in its limited scope it has served as a deterrent, and without it combination power would immediately suck the remaining independent vitality of the country. I hope that the Senate will not be penny-wise and dollar-foolish in this appropriation and subject, through its shortsightedness, independent farm and business to the Frankenstein of corporate combinations.

The Federal Trade Commission has proved its right to our confidence in spite of the attacks upon it by its enemies in their efforts to abolish, or at least curtail, its powers. Its members are able and fearless and honest and, if left undisturbed in their function, will prove an effective check to the all-absorbing power of the great financial trusts, who do not like the light which the Federal Trade Commission cause to shine into their darkmost corners.

I ask also to have printed in the RECORD a statement in support of Federal Trade Commission appropriations made before the Senate Committee on Appropriations by Mrs. Harris T. Baldwin, chairman department of living costs, National League of Women Voters, and also the accompanying memorandum.

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

[Press department, National League of Women Voters, 532 Seventeenth Street NW., Washington, D. C.]

STATEMENT IN SUPPORT OF FEDERAL TRADE COMMISSION APPROPRIATIONS MADE BEFORE THE SENATE APPROPRIATIONS COMMITTEE BY MRS. HARRIS T. BALDWIN, CHAIRMAN DEPARTMENT OF LIVING COSTS, NATIONAL LEAGUE OF WOMEN VOTERS

Within its first year the attention of the National League of Women Voters was focused on the value of the work of the Federal Trade Commission because of its investigation of the packers which led to the consent decree of 1920 and the passage of the packers' and stockyards act in 1921. The members of the league in facing their problems as purchasers discovered that the most valuable source of light on business conditions affecting prices and the cost of living came from the investigations of the Federal Trade Commission. League members also found that they as individuals and even the States are practically helpless in dealing with the factors in the conduct of business which affect price and value, and that the only hope of reducing unfair trade practices

inimical to consumers was through the agency of the Federal Trade Commission.

Women, who are estimated to comprise 85 per cent of the country's buyers, are the victims of misbranding of products, false and misleading advertisements, price discriminations, imitation of brands and trade-marks, and substitution of products. We, therefore, feel personally grateful to the commission for its prosecution of cases involving fraudulent practices as to the quality, content, or merit of such commodities as silk, bread, aluminum, hosiery, soap, coal, cotton, cereal, milk, and many others of great importance to the public.

Utilization of electric resources from the standpoint of the public welfare and the regulation of public utilities have been among our major subjects of study. The electric-power investigation of the Federal Trade Commission ordered by Congress has been our most valuable source of impartial information in this field.

At the present time, under chaotic business conditions when the temptation is great to disregard normal fair-trade practices, consumers need more than ever a Government agency competent and available to guard the public interest which by its very presence services as a deterrent to the infringement of the rights of competitors and purchasers.

The action of the House by which it cut the appropriation by approximately $1,000,000 on the score that the House committee "does not approve the initiation of new economic investigations at this time," reveals either a startling ignorance of the public need or a deliberate intent to lessen the control of the public over business practices. The theory that the Congress will provide special funds for the investigation it orders permits the disintegration of the trained force of investigators, increases the danger that investigations will be charged with being proposed from partisan political motives and entirely disregards the right of the public to ask for investigations and to maintain an agency with power to initiate its own investigation whenever the public interest appears to be endangered.

FEDERAL TRADE COMMISSION

Origin and composition

The Federal Trade Commission was established by an act approved September 26, 1914. President Wilson shortly before had delivered a special message to the Congress upon the subject. The commission was the result of years of investigation and study by commercial, industrial, and governmental committees and organizations. A pledge to create such a commission was contained in the platforms of 1912 of the Republican, Democratic, and Progressive Parties. In addition to the duties and powers given by the act creating it, the commission was directed to enforce sections 2, 3, 7, and 8 of the Clayton Act approved October 15, 1914. It was also directed to administer and enforce the Webb-Pomerene export trade act, approved April 10, 1918.

The commission consists of five members, no more than three of whom shall be members of the same political party. There are at present only three commissioners, two Republicans and one Democrat. The term of one of the commissioners expired last September, and another died in January of this year.

Business practices and the public

The Federal Trade Commission is practically the only governmental agency to protect the public from exploitation by dishonest business. It is practically the only governmental agency protecting the honest business men from their dishonest rivals and the small business men from their more powerful and unscrupulous competitors. It is the only agency empowered and equipped to make thorough investigations of the conduct and practices of business generally as such affect the public welfare. It is the agency that through its investigation of public utilities has done most to expose the evils of high finance and those in powerful financial positions.

Results of power and gas inquiry

In the utility investigation, made at the direction of the Senate (S. Res. 83, 70th Cong., 1st sess.), the commission has exposed the vicious propaganda of the utility corporations through colleges, schools, governmental agencies, and the press. It has disclosed the use by many utility concerns of the most unreliable and inaccurate forms of accounting. It has shown an extensive padding of costs to operating companies through exorbitant fees charged for alleged services by holding companies, such fees amounting in some instances to 12 per cent of the cost of all additions, improvements, and replacements, and giving to the holding companies profits of over 100 per cent at a cost to the operating companies of millions of dollars. It has exposed capitalization of the earnings of subsidiary companies. It has shown an inflation of capitalization by deliberate appreciation or write-up of assets of more than $1,000,000,000 in the concerns that to date have been put in the record, upon nearly all of which securities of some kind have been issued and sold to the investing public. These elements enter into and constitute a part of the base upon which the rates which the consumers pay are established. It has disclosed retention of control of a large number of operating companies by a small group through control of the common stock of holding companies and the issuance of nonvoting or preferred stock to the public.

As a direct result of the commission's investigation most of the utility information bureaus in the States for the preparation and dissemination of propaganda have been abolished. The joint committee here in Washington, a national propaganda agency, has been whittled down to nearly nothing. The dissolution of the National Electric Light Association has been announced, as has also the intended abandonment of all propaganda activities. The Edison Electric Institute, newly organized, has announced a program of financial reform which, according to the statement of the director, is the direct result of the commission's inquiry, and if carried out will save the country hundreds of millions of dollars. Many of the utility companies have already reversed numerous improper entries and practices and have largely reduced or abolished so-called management and service fees. Many concerns have reduced substantially the amounts of appreciation or write-ups (watered stock). One concern upon which public hearings were recently held had at the time the commission analyzed its records in preparation for the public hearings $102,000,000 of write-ups or appreciation. When the public hearing was held this appreciation had been reduced to $30,000,000. In a large number of instances rates to consumers have been reduced following the commission's investigation and exposure of the elements that had been incorporated into the base upon which the previous rates had been established. These changes have resulted in direct savings to the public of millions of dollars. One company has stated that $2,600,000 had been saved in two years by residential customers as a result of a reduction by it in rates after the commission's investigation. Detailed information as to these things can be furnished if it is desired.

Final report on utility investigation

While public hearings in the utility investigation will end this fiscal year, many utility concerns will not have been investigated and put in the record. Some of these are Commonwealth & Southern Corporation, Gas Service Co., Stone & Webster (Inc.), Duke Power Co., the United Light & Power Co., United Gas Corporation, Natural Gas Co. of America, and others. Very few gas concerns will have been covered by the investigation. These concerns are daily becoming of more importance and are covering the United States with pipe lines from Texas and Kansas to the Canadian border and the Atlantic Ocean.

This investigation is one of the largest ever undertaken by any governmental department or agency. It involves an investigation and study of the practices, organization, relationship, conduct, and management of utility corporations throughout the United States. The organization, management, and relationship of many of these corporations are very complicated and complex. Some of the holding companies have as many as 250 to 400 subsidiaries and affiliates. In order to trace the growth, development, and relationship of these corporations it is necessary to review their records for periods of from 10 to 20 years. There are involved an investigation and study of much the same character for utilities as are required of the Interstate Commerce Commission in its efforts to value the railroads. The Interstate Commerce Commission has been working for 20 years upon this valuation, and there has been appropriated for such work approximately $45,000,000. The electric and gas utility companies constitute an industry comparable in size to the national railway system. The public utilities represent an investment of about $20,000,000,000, as compared with about $26,000,000,000 invested in the railroads.

The commission has made, considering the magnitude of the task, an efficient and speedy investigation with the forces available. It never has been given the appropriation requested for this investigation. The final report upon this investigation can not be completed by the end of this fiscal year. It is necessary, in order to prepare efficiently such report, that those familiar with the investigation have charge of its preparation. With the appropriation provided by the House of Representatives it will be impossible to expeditiously and efficiently prepare the final report for the Congress. The action of the House almost completely wipes out the division of the commission which largely conducted this investigation and makes it impossible for the commission to efficiently continue the investigation should the President or Congress later direct.

Value of the commission's work to the public

It has been testified that the commission action in the so-called Pittsburgh plus case against the United States Steel Corporation saved the farmers of the Middle West alone $30,000,000 a year. By preventing false and misleading advertising and misbranding, following the decision of the Supreme Court in Federal Trade Commission *v.* Winsted Hosiery Co., 258 U. S. 483, in which the commission ordered the Winsted Hosiery Co. to cease and desist selling cotton goods as and for wool, the commission has saved the public generally millions of dollars annually.

One of the earliest cases the commission had in court was against a chain mail-order house directing it to cease and desist misrepresenting its products and falsely disparaging and defaming competitors. This action of the commission was upheld by the court. (Sears, Roebuck & Co. *v.* Federal Trade Commission, 258 Fed. 307.)

In another case the commission protected the cooperative method of marketing grain and established the right of farmer organizations, grain growers, and shippers to admission to the trading places, preventing a monopoly in the grain trade. (Federal Trade Commission *v.* Chamber of Commerce of Minneapolis.)

The commission also prevents such unlawful practices as price-fixing agreements, unlawful price discrimination, inducing breach of competitors' contracts, false defamation of competitors, and false disparagement of competitors' products, commercial bribery, unlawful secret rebates, the use of fictitious mark-up prices, espionage, selling goods below cost to injure competitors and to destroy competition, substitution of products, conspiracies in restraint of trade, bogus independents, trade boycotts, etc.

Cooperation with other departments

In performing its work the commission has not duplicated or trespassed upon the work of any other department or agency. It handles and reaches matters that can not be reached by other agencies or departments of the Government, as is evidenced by the fact that many other departments and agencies send to it matters coming to their attention which they can not handle. The office of the Solicitor of the Post Office Department has sent cases of alleged false and misleading advertising and misbranding which that office could not handle to the commission for action and the commission has stopped the practices. The same is true of the food and drug division of the Department of Agriculture and the Bureau of Foreign and Domestic Commerce of the Department of Commerce.

Some of the most important cases of the Department of Justice under the Sherman Act to protect the public from monopolies and restraints of trade have been as a result of investigations conducted by the Federal Trade Commission, which were referred to the Department of Justice. Among these were the cases against the Cement Manufacturers Protective Association, General Outdoor Advertising Co., Maine Cooperative Sardine Co., Southern Hardware Jobbers Association, Maple Flooring Manufacturers Association, Radio Corporation, and Bolt and Nut Association. In practically all of these cases decrees were obtained by the department. The case now being conducted by the Department of Justice against the Sugar Institute in the United States District Court for the Southern District of New York resulted from an investigation by the Federal Trade Commission which was referred to the department.

Duties imposed by statutes and present status of work

Congress, by statute, has imposed upon this commission the duty of preventing unfair methods of competition, unlawful tying and exclusive dealing contracts, unlawful price discrimination, unlawful acquisition of stock of competitors, interlocking directorates, and the administration of the export trade act. In these matters the commission has no discretion. The Supreme Court, in Federal Trade Commission *v.* Gratz (253 U. S. 421), held that unfair methods of competition include practices which are opposed to good morals because characterized by deception, bad faith, fraud or oppression, and practices against public policy because of their dangerous tendency unduly to hinder competition or create monopoly. In compliance with these duties the commission had pending on December 31, 1932, 411 preliminary inquiries, 425 applications for complaint, 183 complaints charging violations of law, 9 court cases, and 8 export trade investigations. Within the last 10 days the commission has obtained favorable decisions in 3 of these court cases, 1 from the Supreme Court and 2 from lower Federal courts.

Fifty-one export law associations, representing about 1,000 producers, manufacturers, and distributors located in all parts of the United States, have taken advantage of the provisions of the export trade act under the supervision of the commission. The purpose of that law is to promote exports from the United States to foreign countries and to enable American exporters to operate on equal terms with their competitors abroad. Associations are required to file with the commission documents and reports covering their organization and operation. If the commission has reason to believe that an association is in violation of the law, it conducts an investigation and makes recommendations for the adjustment of the association's business. This involves continuing supervision of these associations and this work by the Federal Trade Commission.

The fact-finding functions of the commission

The commission is the economic fact-finding body of the Government designed to protect the public from unfair and wrongful business practices. Section 6 of the Federal Trade Commission act contemplates special investigations upon the initiative of the commission, such as were planned for next year, and at the direction of the President or either House of the Congress, and the maintenance of a staff to make such investigations. Many of these have saved the consumer millions of dollars. The investigation now being conducted upon the initiative of the commission into price bases has resulted in substantially lower prices on cement because of the elimination of the so-called plus fictitious freight rate from fixed basing points rather than from point of manufacture and shipment.

To perform its duties under section 6 of the Federal Trade Commission act and in connection with the prevention of the practices condemned by the acts which the commission enforces, the commission must keep a limited number of trained investigating economists, accountants, and statisticians. Many of these now with the commission have been continuously engaged in investigations of the organization, conduct, and business practices of corporations and business concerns for a period of nearly 30 years. They constitute an important economic, accounting, and research organization. The personnel of the old Bureau of Corporations of the Department of Commerce, created about 1903 upon the recommendation of President Theodore Roosevelt, was transferred to the Federal Trade Commission upon its organization in 1915. There came from that bureau a staff of 93. The commission's estimates for 1934 provide for a staff of only 102 for such work.

Special investigations

The commission has conducted 73 special broad investigations under section 6 of its act. The commission has power to make such investigations upon its own initiative (par. (a), (b), and (c)), at the direction of the President or either House of Congress (par. (d)), and upon application of the Attorney General (par. (e)). Five of these 73 have been at the direction of the President, 44 at the direction of the Senate, 8 at the direction of the House of Representatives, 2 upon application of the Attorney General, and 14 upon the commission's own initiative. Many of these have resulted in court action to prevent unlawful practices or in remedial legislation. Some of these investigations so resulting are: Cooperation in American export trade, farm implements, food inquiry, Lumber Trade Association, radio, and newsprint paper. For a brief description of each of these 73 investigations see annual report of the commission for 1932, pages 261–269.

Proposed investigations

The broad investigations the commission proposed to undertake next year are most important and of widespread public interest. They are:

1. Financial practices of corporations:

Resolved, That the commission undertake, as soon as present work and appropriations available permit, an inquiry into (1) the facts regarding the form, adequacy, and accuracy of published financial reports made to stockholders and others by corporations engaged in interstate commerce, excluding banks, common carriers, and public utilities; (2) the effects of the financial practices of corporations prior to and since the stock-market collapse of 1929, including the volume and extent of corporation call loans; issuance of bonds and preferred stocks, accompanied by stock-purchase warrants or rights to subscribe; profits and losses of corporations from operations in the stock and bond markets; stock and script dividend issues of corporations; overexpansion through reinvestment of earnings; officers' salaries and bonuses; participation of officers and directors in underwriting and syndicate operations in securities of their corporations; and purchases from and sales to their corporations of securities or other property; (3) the facts regarding concentration of the voting control of corporations through nonvoting and management stock and the effects thereof on the financial practices and methods of corporations; (4) all other financial practices or methods affecting the public, all with a view to determining whether the commission shall recommend to the Congress any changes in or additions to existing laws.

2. Effect of antitrust laws on industries exploiting natural resources:

Resolved, That the commission undertake as soon as present work and appropriations available permit an inquiry into the effects of the antitrust acts with relation to the industries engaged in the exploitation of petroleum, natural gas, coal, and lumber and the advantages or disadvantages to business and to the general public of agreements of competing concerns in such industries with regard to prices, margins, production, profits, markets, territory, and any other similar agreement or arrangement affecting competition, and the like advantages or disadvantages in such industries of concentration of financial control and of combinations of plants, including the costs and profits of single and multiple plant operation, with a view to determining whether the commission shall recommend to the Congress any changes in or additions to existing law.

3. Effects of certain competitive practices widely engaged in:

Resolved, That the commission undertake as soon as the present work and appropriations available permit an inquiry into the facts regarding quantity discounts, selling below cost, reciprocity in dealing, brand advertising, guarantee against decline, wholesale and retail price stabilization and the effects of each on business and the general public with a view to determining whether the commission shall recommend to the Congress any changes in existing law.

They concern matters often discussed in the last presidential campaign, referred to in the platforms of both political parties, and are the subjects of discussion among business men, lawyers, and economists throughout the country, as is shown by the memoranda inserted in the record of the hearing before the subcommittee of the House of Representatives at pages 257 and 263.

Summary of work done

Since its organization and to June 30, 1932, the commission has instituted 20,206 preliminary inquiries, of which 6,124 have resulted in the docketing of applications for complaint and 13,659 have been dismissed after investigation. During the same period the commission has docketed 6,933 applications for complaints. Of these, 1,270 were disposed of by the proposed respondent stipulating to abandon the practice complained of, 3,564 were dismissed after full investigation, and in 1,717 of them complaints were issued. During the same period the commission has issued 2,054 complaints, of which 37 were disposed of by the respondent stipulating to abandon the practice complained of, 671 were dismissed after hearing, and in 1,143 of which orders to cease and desist were issued. During the same period the commission has instituted and disposed of 375 investigations under the export trade act. To June 30, 1932, the commission has been involved in 209 cases in the Federal courts. It has been successful in 112 of these and 97 of them have resulted in decisions against the position taken by the commission. It must be remembered that the vast majority of the cases in which the commission issues orders to cease and desist are never taken to court, the respondents complying with the orders. It is only the closest and most doubtful action of the commission that is taken to court. This commission is breaking new ground and preventing practices that could not before be reached under the law.

The entire work of the commission to the end of the present fiscal year will have been done with a maximum annual appropriation of $1,864,800, a minimum annual appropriation of $430,-

964, and an average annual appropriation of $1,196,393.99; a maximum annual number of employees of 663, for the year 1918, a minimum annual number of employees of 214, and an average annual number of employees of 352.

Appropriation cut 65 per cent by the House of Representatives

The commission voluntarily cut its estimates for the next fiscal year from $1,466,500, the appropriation for this fiscal year, which is more than 20 per cent below the appropriation for the previous fiscal year, to $1,300,000, a reduction of over 11 per cent. The Bureau of the Budget reduced the amount to $1,109,550, excluding the legislative furlough, a reduction of over 24 per cent from the appropriation for the present fiscal year. The House of Representatives authorizes $510,000, a reduction of over 65 per cent from the appropriation for this fiscal year and of over 54 per cent from the Budget estimate.

The total reduction in the independent offices appropriation bill by the House of Representatives for the next fiscal year is but a little over 2 per cent from the appropriation for the present fiscal year. The total reduction from the estimates of the Bureau of the Budget is but one-sixth of 1 per cent.

Out of a total decrease in this bill below the Budget estimate of $1,657,522, $1,000,000 is from the sum for the Supreme Court Building upon the assurance that that $1,000,000 is not needed now, and $599,550 is from this one agency, the Federal Trade Commission, leaving a reduction of only $57,972 for all other agencies included in the bill. The reduction for this commission with a Budget estimate of only $1,109,550, amounts to more than 36 per cent of the total reduction from the Budget estimates in a bill proposing an appropriation of $1,002,890,779 for 32 separate offices and agencies.

The President-elect advocated a cut of 25 per cent in Government expenses. The amount allowed by the Bureau of the Budget amounts to a 24⅓ per cent cut for this commission.

Effect of the cut

The cut means and is in effect a scrapping of the commission. The commission could in no way effectively discharge the duties imposed upon it by the statutes. Out of this sum of $500,000 must come the salaries of the commissioners and the expenses of their offices, the expenses of the Secretary's office, the expenses for the sections of accounts and personnel, docket, mail, and files, etc., which must be maintained. There would remain only between $300,000 and $350,000 for all other purposes of the commission, including supplies, travel, witness fees, salaries, reporting service, etc. This would mean almost a complete elimination of law-enforcement work and almost a total abolition of the economic division. With only $10,000 for printing it will be impossible for the commission to enforce its orders to cease and desist. The commission's orders to cease and desist can only be enforced through the Circuit Courts of Appeals. In these courts the commission must file a printed copy of the record in addition to briefs and petitions. The printed records and briefs and petitions through the Government Printing Office cost on an average of from $3,500 to $5,000 a case. The commission, in addition to such expense, has the printing expense involved in the release of its decisions, reports, etc.

Reduction of personnel

The commission's appropriation for the fiscal year 1933 provided for 427 employees. The commission's estimates for the fiscal year 1934 covered 376 employees, the permanent staff only. All contingent and temporary employees that had been engaged upon the various investigations being conducted by the commission were to be released at the end of the present fiscal year. This was a reduction of 51 employees. As a result of the reduction of the commission's estimates by the Bureau of the Budget there remained provision for 336 employees, a further reduction of 40, which would have to be made from the permanent staff. The bill as passed by the House would leave the commission with only 131 employees, a reduction of 205 from the figure covered by the estimates of the Bureau of the Budget and 296 less than the staff for the present fiscal year. This would practically wipe out the economic division and completely destroy the branch investigatory offices of the commission located at New York, Chicago, San Francisco, and Seattle.

Loss of trained personnel

The action of the House means a cessation at the end of the present fiscal year of practically all of the commission's work and the scattering and loss of its especially trained personnel. And if the commission were to be given adequate funds for the following fiscal year it would be impossible to reassemble the present highly trained personnel consisting of lawyers trained in this particular phase of work, investigating statisticians, accountants, and economists, all of whom are necessary to the proper discharge of the duties imposed upon the commission by law. This would mean a much less efficient administration of the law during the years, it would require to again train adequate efficient personnel. The commission in its estimates for 1934 requested only enough to maintain its permanent personnel, asking nothing for contingent or temporary personnel. Without this highly trained, permanent personnel upon which expansion can be made for the particular needs of the particular moment, it would be impossible for the commission to properly perform its functions under the acts. By this action of the House of Representatives the commission would be so crippled as to make it wholly inefficient and useless for any purposes that the incoming administration may have with respect to it.

Elimination by House of Bureau of the Budget estimates for special investigations	$288,134
House reduction from Bureau of the Budget estimates for law enforcement activities of the commission	311,416
Total reduction for the commission by House from Bureau of Budget estimates	599,550

COMMENTS ON THE EXISTING DEPRESSION BY HON. ELMER THOMAS, SENATOR FROM OKLAHOMA

Mr. NEELY. Mr. President, I ask leave to have published in the RECORD an address delivered by the senior Senator from Oklahoma [Mr. THOMAS] at the Waldorf-Astoria Hotel, New York City, on the 6th instant, being comments on the existing depression.

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

Mr. Toastmaster, ladies and gentlemen of New York, I call upon you to-night to face the facts.

We are now in the forty-first month of the worst depression in history.

While all know of the effects, yet practically no two agree as to either the cause of or the remedy for the economic and personal distress now existing among our people.

For over two years the responsible head and the policy-making branch of the Government refused to acknowledge the existence of a depression. The third year was given over to the enactment and administration of measures for relief, and as the result we now have 10 Federal agencies loaning Federal credit to the States, cities, counties, and to industry, large and small, throughout the country. Dozens of bills are now pending in the Congress proposing to extend the provisions of the Reconstruction Finance Corporation act so that practically all may share in the Federal doles.

During the past 12 months, the Government, acting through its loaning agencies, distributed over $3,000,000,000 in credit to industry and to the public. During the same time the Federal reserve system placed in circulation over eleven hundred million dollars through the purchase of Government bonds and obligations. Simultaneously the national banks, acting under the Borah amendment to the home loan bank act, added some $150,000,000 to the circulation.

The credit distributed by the Reconstruction Finance Corporation was used by borrowers to pay bank loans, taxes, interest, and expenses, hence has had but a single result—keeping the wolves from their doors for a few months, or for perhaps another year.

The money the Federal reserve system paid the banks for their bonds was returned immediately to liquidate indebtedness due the Federal reserve banks.

The money placed in circulation by the national banks, acting under the Borah amendment, was withdrawn immediately by the Federal reserve system through the resale of a portion of its bond purchases.

While the relief measures distributed over four and one-half billions of credit and currency, yet on January 26, 1933, we had $35,000,000 less in circulation than on January 1, 1932, one year ago, when the relief measures were inaugurated.

On January 26 we had $115,000,000 less in circulation than on August 1, only six months ago. During the past three years almost twenty billions of credit, termed deposit money, have been withdrawn, canceled, and destroyed.

Because of these continued policies of deflation of credit and currency economic conditions and personal distress are more acute to-day than when the present policies of relief were begun.

As a member of the policy-making branch of the Government, and one who has been in many parts of the United States during the past few months, I come to New York, the Nation's metropolis, to present the facts and to reason with you—you, and you alone, who can give the order and set in motion the machinery which will check the downward trend and start the greatest, strongest, and richest nation of the earth upward toward economic and human recovery.

What are the conditions to-day?

Millions are unemployed, trade is stagnated, business is paralyzed, taxes are in arrears, interest is in default, law is ignored, and individuals, corporations, cities, counties, States, and the Federal Government are using the Nation's credit with which to pay taxes, interest, and to meet the overhead and running expenses of our several organizations.

Why are conditions thus?

Why are our people, corporations, cities, counties, and States forced to borrow from the Government?

The answer: Because there are no other institutions or agencies able or willing to extend such credit.

Why are the regular institutions and agencies unable or unwilling to take care of such demands?

The answer: Because our people, our institutions, our municipalities and our States are without income and ability to meet their existing obligations, and therefore are not good risks for further credit.

When will conditions improve?

The answer: When the people regain buying power, when the unemployed have jobs, and when farmers have cost of production—then will trade be revived, taxes and interest will be paid,

value will reenter commodities, farms, and factories, and the prosperity we once knew will again return.

Standing here in the center of New York, the richest and most influential city of the earth, let me digress to say that New York, your city and our city, does not live and exist off Manhattan Island.

If immediately surrounded by an impregnable wall your people would be starving maniacs and your institutions would suffer destruction within the course of days.

The greatness, prosperity, and happiness of New York are the greatness, prosperity, and happiness of the prairies of the West, the plantations of the South, and of the hundreds of millions of peoples of not only America but of the world.

When the masses prosper, all who live off the masses enjoy prosperity; but when the masses are impoverished, all others borrow from the Government and ask quick and easy bankruptcy as a possible means of relief.

What is the cause of existing and growing distress?

It would seem that we have everything necessary to make a people prosperous, contented, and happy.

We have the richest, strongest, and most influential Nation of the earth.

We have almost one-half the monetary gold of the world.

We have a magnificently developed country.

We have food, clothing, and merchandise in abundance; and we have an industrious, ambitious, and a patient people—but something is wrong, something is missing, a cog in our economic machinery is worn, damaged, or destroyed.

What is this something wrong, this something missing, and this something destroyed?

For what do wage earners work, toil, and sweat?

For what do farmers work throughout the long hot days and into the nighttime?

For what do merchants buy and sell?

For what does industry hazard programs of activity?

The answer: Without exception, each and all plan, work, and slave, if need be, to secure that which buys bread, clothing, and shelter; that which pays taxes, interest, and debts; and that thing which all want and which all must have—money—and money for many is neither possessed, found, nor even seen.

Gentlemen of New York, face the facts. Sound business and prosperity increase in proportion as sound money and credit expand.

At the risk of boredom permit me for a moment to indulge in figures.

In 1912 the amount of money in circulation was three and one-third billion dollars. From 1912 to 1921 the money in circulation increased from three and one-third to six and one-half billion dollars.

In 1920, with the greatest amount of money ever in circulation, we had the highest prices and the best times in history.

In 1920 influential powers decided that prices were too high and such powers, sometimes wise, decided to bring down or cheapen prices by increasing the value of the dollar.

This was done by withdrawing money from circulation, thereby making money scarce, and at the same time increasing its purchasing power.

The program was inaugurated. One-third of the money of the people was withdrawn from circulation. Deflation was in progress. The value of the dollar went up, and the prices of commodities, farm lands, real estate, and property generally tumbled down.

The plan from the viewpoint of its powerful sponsors worked. It was a complete success, and to-day we have the highest valued dollar and the consequent lowest prices in history.

Wheat is the lowest priced in 400 years; hogs and livestock the lowest in a century; and other commodity prices and property values generally low in proportion; and yet these powerful influences responsible for this economic crime and tragedy seem to wonder why our economic structure is near collapse.

If increasing the volume of money in circulation from 1912 to 1920 was responsible for the general increase in commodity prices and values; and if from 1921 to 1933 the decrease of the currency and the destruction of credit were responsible for the general fall in prices, then why are we not justified in concluding that a reversal of the present policy of deflation would bring an end to the present depression and start the Nation on the upturn toward economic recovery and prosperity?

With conditions as they are to-day, it is not a question of whether we want to check deflation—not whether such check is desirable—but the demand is mandatory that an end to deflation be brought about and at once.

Even an end to deflation will not suffice.

The dollar has value and buying power which it can not retain if the poise, peace, and equilibrium of our people are to be maintained.

In support of this conclusion, I direct your attention to the following facts:

From the most reliable estimates we must concede that the total massed debts of the people amount to at least $200,000,000,000. Most of this indebtedness was contracted immediately prior to, during, and immediately after 1920, and at a time when the value of the dollar ranged from 40 to 60 cents.

To-day we can not liquidate this indebtedness with 50-cent dollars, not even with 100-cent dollars, but to get rid of these bonds, notes, mortgages, and installments, we must pay with 160-cent dollars.

Hence it must be plain that instead of the people owing massed debts in the sum of $200,000,000,000, they must earn, save, and pay value to the extent of $320,000,000,000 to liquidate such indebtedness.

To further illustrate—of the bonds issued by the Government during and immediately following the World War, some $20,000,000,000 remain unpaid.

For such bonds, when issued, the people obtained value on the basis of a dollar's worth from 40 to 60 cents; but to-day to liquidate such bonds the people must pay on the basis of a 160-cent dollar. Hence, instead of the people owing $20,000,000,000 in Government bonds they owe $32,000,000,000 of value as represented by such bonds.

I next call your attention to the tax burden of the Nation. It costs the people annually some $5,000,000,000 to run the Federal Government.

It costs the people of the States, cities, counties, and districts annually some $7,000,000,000 more to pay their local expenses; hence, the people must earn and pay each year some $12,000,000,000 to meet their tax obligations.

But can they pay with $12,000,000,000 of value?

Most certainly they can not.

Instead of being able to pay with $12,000,000,000 of value they must pay in 160-cent dollars, which, when computed, forces the people to part with wealth in the total sum of $19,200,000,000 to meet their annual tax bills.

If this analysis and interpretation are correct, do you still wonder why taxes are not being paid?

Let me recapitulate briefly.

The people to-day owe value covered by bonds, notes, and installments in a total sum of over three hundred and twenty billions. The people owe interest on this gigantic debt, and such interest must be paid with 160-cent dollars.

The people owe annual taxes, Federal, State, county, city, and district, in the total sum of over $12,000,000,000, but in order to meet such assessments, obligations, and demands they must part with almost twenty billions of value and wealth; therefore, in order for the people to pay their taxes and interest they must part with value and wealth caused by the present 160-cent dollar in a total sum approximating the present annual income of the people.

Yet some wonder why taxes are not being paid, why interest, notes, and bonds are in default, and why millions of our people are walking the streets looking for shelter and begging for bread.

The people are not paying their taxes, and they are not paying their interest and their debts, because they are unable to secure these high-priced dollars with which to meet their obligations.

To demand and insist that they meet a 50-cent obligation with a dollar and a half payment is nothing short of oppression, rapacity, and extortion.

The people understand fully the predicament in which they find themselves.

But congressional leaders do not appear to understand, and as fast as time and occasion permit, such misrepresentatives of the people are being exiled to private life.

The new administration is to have its opportunity. If it fails or hesitates, the isle of exile will be crowded because the "forgotten man" still lives.

Is there no relief, help, and aid possible for the people of the country?

Relief, to be worthy the name, must go further than Federal loans and doles to industry, the States, counties, cities, and even to the people of the Nation. Relief in the form of loans and doles only postpones the day of economic death.

Relief, to be of benefit, must mean employment, must mean cost of production, and must mean expanding and growing purchasing power in the hands and pockets of the masses of the people of the country.

Can such relief be provided?

Reason with me for an additional moment.

If the expansion of the currency and credit from 1912 to 1920 caused a general increase in commodity and property prices, and if the deflation of the currency and credit from 1920 to 1930 caused a general decline in commodity and property prices, then who can deny that a reversal of the present policy of deflation and the inauguration of reasonable and controlled expansion of currency and credit would bring an up-turn in business and resultant hope to countless millions now on the verge of despair?

To-day the powerful influences controlling the economic and political policies of America are making the bond market the barometer of prosperity.

Do not understand me to say, or even to intimate, that I am not ever mindful and always jealous of the credit of our Government, but I remind you that all bond interest and principal are paid by sweat, by toil, and by products created by the labor and the genius of our people.

Hence, instead of relying wholly upon the bond market as the barometer of business, I would create a prosperity barometer resting not alone upon the bond market, but also upon the commodity markets, the property markets and the general welfare of our people.

If conditions are as represented, and if such conditions have been brought about in whole or in part by a manipulation of money and credit, then who is responsible for what President Hoover concedes to be the "worst depression in history"?

Under the Constitution the Congress, and only the Congress, can coin money and regulate its value. This responsibility is fixed. The power abides inherently and exclusively in the policy-making branch of the Government; but from a practical standpoint the Congress is either unable or unwilling to assert and exercise usch specially conferred and expressed constitutional power.

Notwithstanding the plain mandate of the Constitution, as a rule financial policies do not originate with the Congress.

As a rule, they do not even originate in Washington.

When I stated a few moments ago that "you, and you alone, can give the order and set in motion the machinery" which will pull us out of the mire, I meant that the financial policies of America originate right here in this great city.

The New York Federal Reserve Bank is the head and heart dominating and controlling the fiscal policies of our Government. Working and cooperating with this financial institution are the great banks of New York City.

The policies of these banks are controlled by the wisest financial brains of the Nation, and such control, as might be expected, is exercised always in the interests of the stockholders of such institutions.

The heads of these powerful banks, together with their economic and financial advisors, have, as a practical proposition, Washington and the Congress as their agents.

To-day the Government at Washington is only one of the clients of this unified and powerful financial aggregation.

A nod and a whisper by the powers mentioned can turn the tide and reverse the processes of deflation and depression. The longer the signal is delayed the more terrible the penalty now certain to be inflicted.

The people forming the cities, counties, States, and even the Federal Government are bankrupt and prostrate. Because of their condition moratoriums are being declared and enforced. Judges are silent, the law is impotent, and the tide of resentment and condemnation is sweeping eastward across the continent.

In conclusion, if the present financial policies are not altered; if deflation is not checked; if the people are not to be permitted to even have a chance to retain their property—a chance to pay their taxes—a chance to meet their interest, and a chance to pay their honest debts, then a new issue will arise—the form, extent, and result of which can not now be foretold.

Bankers of New York, I plead with you to face the facts, meet the issue, and permit the people and the Nation to live.

ECONOMIC CONDITIONS

Mr. SHEPPARD. Mr. President, I present for publication in the RECORD an address by the senior Senator from South Carolina [Mr. SMITH] in an open forum in New York City on February 6, 1933, on the subject "The Way Out."

The PRESIDENT pro tempore. Without objection, it is so ordered.

The address is as follows:

Mr. Chairman, ladies and gentlemen: It is a common saying that the depression or the panic or whatever name may be used to characterize the condition in which America finds itself is unprecedented. I wonder how many who are studying this problem realize that modern conditions, the elements that enter in, the luxuries and necessities of our everyday life are unprecedented. The last 50 years as compared to all previous conditions surrounding civilized people is as different as though we were in a new world. In every department of human life from the lowest to the highest there has been a miraculous change in the conditions surrounding every department.

The discoveries of science, the practical application of these discoveries, has forever made obsolete the condition heretofore obtaining. It is needless for me to recite these. On the farm modern implements have revolutionized the processes incident to production. Mechanical devices have largely supplanted man and animal power. In the home, the farm home, electric lights, refrigerators, have taken the place of and become necessary for the proper comfort of the farm home. The radio has brought to these isolated places both matters of interest and amusement from the world at large. The hard-surface road, the automobile, have made possible the personal contact of the far-distant places and erstwhile isolated homes with the great centers of population.

In manufacturing, labor-saving devices have revolutionized industry and made possible a mass production superior in quantity and quality to meet the need of the millions now constituting the population of the earth. Never before in the history of civilization have the necessities and luxuries of life been so easily, abundantly, and perfectly produced. The production of the raw material and the finished article have reached the stage of the miraculous. All this change has been brought about by the urge of humanity for better living conditions, conveniences in the home, the elimination of isolation, the suppression of disease, the gratification of the desire for relaxation, pleasure, and amusement.

The marvelous discoveries of genius and their practical application have made all these possible and yet these modern conveniences, all these revelations of modern progress, are being converted into a withering curse to the masses of mankind. The arguments heard upon the floor of Congress is that the present horrible depression has been brought about by extravagance. Just how far is this true; just to what extent do the actual necessities of modern life exceed in cost the necessities of the old tallow candle, and the horse and buggy, or in other words the old conditions. The argument is heard that in order to relieve this condition we must revert to the old order.

Does anyone believe that the amount of money either in the form of credit or currency per capita that sufficed heretofore can meet the requirements of normal modern life?

In 1913 there was enacted into law the Federal reserve act. The passage of this act was clearly in response to a demand for a more flexible currency, one that would meet more adequately the demand for an expanded currency and credit and which would domestically at least expand and contract approximately according to the amount of wealth available for distribution. Almost from the beginning of the operation of this law the conditions throughout the world insofar as they affected America were such as to test the practical use and efficiency of this new law.

From 1913, after this law became operative, bank failures in America began to decline and steadily declined until 1919, when there was not a single bank failure in all America. Credits were easily obtained and in the main wisely used. Commodities both raw and finished were freely used as the basis for a temporary currency and a consequent satisfactory credit. From 1915 to 1920, despite the destructive influence of a world's war, America never saw such an era of prosperity. Farm products had risen for the first time in my knowledge of farming to a profitable price. Old debts that had been incurred under the old rigid and restrictive currency laws were liquidated. Farm implements were purchased, farm mortgages were lifted, outbuildings were repaired and freshly painted. Everything produced on the farm found an eager and adequate market. Labor was amply paid for service. Factories were running at full time. All methods of transportation were carrying capacity tonnage.

The authors of the Federal reserve act, viewing with pride the manner in which it met a world's crisis and during this period saw the splendid prosperity of America, boasted that never again could there be a money panic. Cotton rose to 35 and 40 cents a pound, wheat to $2 and $3 a bushel. Labor was receiving ample and adequate wages.

The cost of living during this period was high, but the means of meeting that cost were adequate and satisfactory. Happiness, contentment, characterized the people. Enterprise was stimulated throughout the country. The masses were buoyant with satisfaction and hope. Our schools were packed with pupils; our colleges and higher institutions of learning were filled to capacity. In a word, credit and capital were abundant to move profitably the wealth produced by the teeming masses of America.

And then there came a frost, a chilling, deadly frost, without rhyme or reason. A crime was perpetrated that blasted the hopes of millions of Americans and changed overnight the sunshine of prosperity into the deadly darkness of despair. On May 20, 1920, the governors of the Federal Reserve Board, their officers and advisory council, met in executive session and decreed that America was too prosperous; that money was too abundant, credit too easy, the people too happy, and therefore it must cease. They decreed that the circulating medium must be restricted, credits must be drastically curtailed, that all temporary currency must be withdrawn. There was established by them for the banks of the country a maximum or what they termed a base line of credit, beyond which a progressive and graduated discount rate should be applied. The normal rate had been greatly increased below this base line. So mercilessly determined were they that deflation should be immediately accomplished that in one Federal reserve district, through the application of their graduated and progressive rate of interest, one bank in this Federal reserve district was charged 87½ per cent. The result was immediate and horrible. This action did not alone destroy the credit of the people but it did infinitely worse than that. It destroyed their confidence in the financial institutions of this country. They lost faith in the laws upon which they had fondly believed their prosperity was firmly based. Obligations incurred which could have been easily met had the conditions been left alone were now made an intolerable obligation. To visualize the startling effect of this action on the part of our banks and bankers it is sufficient to cite the fact that in less than 24 months cotton dropped from 40 cents a pound to around 8 and 10, wheat in like proportions, all farm products in practically the same degree.

It is to be noted that when deflation was determined upon our bank officials did not call an international conference to determine that there should be deflation. They met in America, the conference composed wholly of American bankers met in the city of Washington, and they there and then began effectively to deflate. And now that we have reached the horrid condition that deflation has brought, the slogan is that in order to relieve the condition that is the inevitable result of deflation we must call—America must call—an international conference to restore prosperity to America. We are told that there is as much or perhaps more money in existence in America to-day than there was during the time of prosperity. And therefore there should be no attempt to increase the currency supply and expand the credit possibilities of this country. This condition then proves the falsity of the statement that our Federal reserve act made the conditions in which we now are impossible. If the volume of money in America is as great to-day as it was from 1915 to 1920, where is it and why is it not available to relieve this unprecedented panic? Our laws certainly permit this retirement and hoarding of money in the hands of the few. And the result is that destitution and want, bankruptcy and despair, is universal in spite of an abundance, a superabundance

of foodstuffs, clothing, building material, in fact, every commodity needed for human comfort and luxury. Is Congress and the people of America impotent in the premises? Are our currency laws such that our national-bank officials can decree a contraction of the currency to the stagnation and ruin of business, enabling a few, a favored few, to get possession of the money of the country and to hoard it in banks and private places?

The Constitution provides that Congress shall have the power to coin money and regulate its value. The present situation coming as it has over a period of years, growing worse each day, involving thousands of bank failures, the ruin of the credit of sovereign States, impoverishing millions, is an indictment of the courage and patriotism of Congress and the financiers of America. The answer to this condition domestically is inflation, a radical inflation, until the terrible distress and debts are relieved.

Deflation was fatal enough to the masses of the people, but as though this were not enough to condemn America to certain ruin and bankruptcy, there was erected an iniquitous tariff wall that made impossible any slight amelioration or improvement in the distressing conditions. Therefore, in conclusion, let the incoming Congress address itself to see to it that the currency and credit shall be made abundantly available for the American people and that our tariff shall be so modified that easy and profitable trade in our abundant surplus may be had with the nations of the earth. The condition of this country is epitomized in that homely verse which says:

"The toad beneath the harrow knows
Exactly where the tooth point goes;
The butterfly upon the road
Preaches contentment to the toad."

The suffering people have grown weary and resentful of the butterfly preachment.

WAR DEPARTMENT APPROPRIATIONS

The Senate resumed 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.

Mr. COUZENS. Mr. President, there is lying on the desks of Senators my proposed amendment to the pending Army appropriation bill, being House bill 14199. Day before yesterday I filed written notice of a motion to suspend the rules so that this amendment might be considered on the Army appropriation bill.

Early in January there came to my attention exceedingly great distress being suffered by young boys and young men, all the way from 14 to 25 years of age. They were tramping the country widely, without any resources or any place to go. As a result of that information, I introduced a bill which was referred to the Committee on Military Affairs.

The Senator from Pennsylvania [Mr. REED], the chairman of that committee, referred the bill to a subcommittee of which the junior Senator from Iowa [Mr. DICKINSON] was chairman. I spoke to the Senator from Iowa about hearings on the bill because there was certain information that I thought the committee ought to have with respect to the distressing conditions. The subcommittee, however, did not hold any hearings, and I understand reported the bill to the full committee on Military Affairs, and the full committee in turn reported it to the Senate unfavorably. I am quite convinced that the members of the Committee on Military Affairs did not have adequate information to pass upon the bill; and I further desire to point out that there is a public impression that the War Department has disapproved of this plan. That is not accurate.

First, I want to invite the attention of the Senate to just what this amendment provides. It is not long; it is very simple. It provides:

SEC. —. That the Secretary of War is authorized and directed to provide for the admission to any military post of the United States, without enlistment in the Army, of any unmarried male person between the ages of 17 and 24, both inclusive, who is without means of support and who shall apply at any such post within one year after the date of enactment of this act and give satisfactory evidence to the commanding officer thereof that he is unemployed at the time of application and that he has been continuously unemployed for at least six months prior to such time.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield for a question there?

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Arkansas?

Mr. COUZENS. I yield.

Mr. ROBINSON of Arkansas. May I ask the Senator whether he has made an effort to ascertain the number of persons who might thus become eligible to admission to military posts under his amendment?

Mr. COUZENS. Yes; I intend to cover that a little later and to refer to the evidence submitted to the Committee on Manufactures.

Mr. ROBINSON of Arkansas. Very well; I will wait without further question.

Mr. COUZENS. Continuing the reading of the amendment in line 2, on page 2:

The Secretary of War shall further provide for housing, feeding, and clothing any such person upon his admission to any such post for a period of not to exceed one year from the date of enactment of this act.

Any person admitted to any military post pursuant to the provisions of paragraph 1 of this section shall, so far as practicable, be subject to the customary discipline maintained at such post and shall participate in all forms of beneficial and healthful exercise.

Any person admitted to any military post pursuant to the provisions of paragraph 1 of this section who shall withdraw permanently from such post, or who shall absent himself temporarily therefrom without the authority of the commanding officer thereof, shall no longer be entitled to the benefits of this section at such post.

The Secretary of War is authorized to make such rules and regulations as he may deem necessary to carry out the provisions of this section.

There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this section.

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

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

Mr. COUZENS. I yield.

Mr. BORAH. Is it intended that these boys shall have the training and the opportunity for study such as are afforded boys admitted to the Military Academy?

Mr. COUZENS. No; there is no provision to that effect; but they will have to conform to the customary discipline of the military post.

In that connection I want to say that the senior Senator from Iowa [Mr. BROOKHART] has an amendment to propose to come in after line 10, on page 2, which I think will improve the bill very much, but I am not going to comment on that now, because the Senator from Iowa will do that. However, I want to emphasize, Mr. President, the War Department has not disapproved of this bill. In response to an inquiry sent to the War Department by the chairman of the Military Affairs Committee [Mr. REED] the department replied in a communication addressed to him on January 27, as follows:

MY DEAR SENATOR REED: Careful consideration has been given to the bill S. 5363, "A bill to provide for the housing, feeding, and clothing of certain unemployed persons at military posts of the United States," which you transmitted at the War Department under date of January 23, 1933, with a request for the views of the War Department relative thereto.

While the bill does not give the total number to be cared for, it is understood that Senator COUZENS has mentioned a figure—300,000.

If the Army were assigned this task, it would adopt the general principles of the citizens' military training camp idea as the basis of its solution. This would conform to the bill, which recognizes no enlisted status and no obligation on the part of the United States which might later serve as the basis of claims against the Government. The men would be sheltered, fed, clothed, would pursue active course of basic infantry drill and recreation, would be disciplined on the basis of section 2 and section 3 of the bill, and would be discharged upon application. Unlike the citizens' military training camp student, a greater measure of self-sustaining work would be required of him, his ration allowance would be less, and his clothing would be only that absolutely necessary to meet the requirements of each individual case. Where military outer garments were used, they would be uniformly dyed.

Difficulties in the solution of this problem arise when we reach the question of shelter, unless it is proposed to assemble a large proportion of the applicants in southern climates, where tentage could be used throughout all periods of the year. Our records show that approximately 25,000 could be accommodated throughout the nine corps areas in permanent barracks, and approximately 43,000 in temporary barracks. This gives us a total of 68,000. Any increment above 68,000 would have to be sheltered in tents.

However, all-year encampment would be practicable only in the Fourth, Eighth, and Ninth Corps Areas.

Without much change in Regular Army personnel, excepting medical, another 20,000 beds could be provided in tents at southern stations. Any increase over 88,000 beds, however, requires expensive construction and increased officer and enlisted personnel from the Reserve Corps.

The Army could draw from its current stocks and from war reserve the supplies and equipment necessary for this undertaking, but all current stocks would have to be immediately replaced, as current budgetary allowances are now at the very minimum. In addition, certain reserve stocks, especially tentage, would also have to be replaced, as such items as tentage are critical in our plans to meet emergencies and our supply of tentage is now low. It must be pointed out also that it is very expensive to house troops under canvas. Each tent costs approximately $40, and tentage soon wears out when constantly used.

While the War Department is fully sympathetic with the purposes of this bill and is anxious to contribute in the present emergency, a careful study of this whole plan shows that the aims of the bill could be better and more economically accomplished by localizing the problem in our cities, where a large majority of these young men are now found, by using for their shelter buildings which could be made available by the local communities. If such buildings were made available for this purpose, the Army could install in each the necessary equipment and a small Regular Army group to supervise messing, housing, sanitation, and the control of the unemployed assigned to the particular unit. Such a plan would involve much less in the way of public funds and Army equipment. The unemployed taking advantage of this shelter could be required to conform to certain rules and regulations, including prescribed exercises, and the governing personnel from the Regular Army, as they circulated among the unemployed and dealt with them, would have many opportunities to make a right impression upon the unemployed group and do much good work of this kind, which would go far in molding a better morale throughout the men so housed, to the end that criminal tendencies might be lessened and respect for Government augmented.

With the passing of the emergency these men would be better located for absorption in the normal life of the Nation than they would be if concentrated in large camps or cantonments.

Sincerely yours,

PATRICK J. HURLEY,
Secretary of War.

Mr. TYDINGS. Mr. President, will the Senator yield for a few questions in order that I may better understand just what is involved.

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

Mr. COUZENS. Certainly.

Mr. TYDINGS. First of all, the age limit is between 17 and 24. In time of war, with the consent of their parents, boys as young as 16 may enlist, and I am just wondering if the Senator felt it unwise to reduce the age limit to 16?

Mr. COUZENS. I wish to say to the Senator I did not. I drew this bill merely tentatively, and it is subject to amendment according to the judgment of the Senate. I have been advised by a number of Senators that they think the age limit is too high in one place and not low enough in the other.

Mr. TYDINGS. That is my thought.

Mr. COUZENS. And if it is the sense of the Senate that the age limits should be changed, I am entirely agreeable to it.

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

Mr. COUZENS. Certainly.

Mr. TYDINGS. Has the Senator any estimate of the number of men between the ages of, say, 16 and 21 who are out of employment?

Mr. COUZENS. I am coming to that, Mr. President. I am going to discuss the evidence that was submitted to the Committee on Manufactures that deals with that problem.

Mr. TYDINGS. I will not anticipate the Senator. May I ask him another question? As I listened to the number of men that would be cared for in permanent buildings and tents, roughly, it seemed to me that perhaps 75,000 or 80,000 might be taken care of.

Mr. REED. Eighty-eight thousand?

Mr. TYDINGS. Eighty-eight thousand. I did not make the exact calculation. Does the Senator intend to limit the number to 88,000?

Mr. COUZENS. My intention would be, Mr. President, to limit it to the capacity estimated by the War Department. I have no intention of asking for the increase of any permanent facility. I want to come to that question a little later, too.

Mr. TYDINGS. One other question: I note in the report of the War Department that they say that perhaps these young men could be better cared for in the buildings in their cities. That is a natural inference; but I think the Senator knows that the buildings that could be utilized for that purpose are already pretty well crowded.

Mr. COUZENS. I desire to say in that connection that I think the War Department have confused the issue, because, as the amendment points out, it is not my intention to include the older men; and in most of these cities, particularly in Detroit, the buildings to which the War Department refers are occupied by older men who are machinists and mechanics and laborers who are out of work.

That is not the group I am trying to reach. That group will have to be taken care of by other ways and means. I am trying to look after the youth who probably never has had a job and has been driven away from home because of economic conditions that his family have encountered through no responsibility of their own.

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

Mr. COUZENS. I yield to the Senator from Illinois.

Mr. GLENN. Does the Senator contemplate any training or education or drills?

Mr. COUZENS. The amendment provides for any exercise or drilling or training that the commanding officer may prescribe. In other words, the amendment provides that the rules and regulations shall be prescribed by the Secretary of War.

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

Mr. COUZENS. I yield.

Mr. TYDINGS. Assuming that the full capacity of 88,000 young men is taken into account, has the Senator any approximate figure as to what the 88,000 would cost the Government over a period of a year?

Mr. COUZENS. I have no estimate of that, because I did not attempt it, for the very reason that I have no knowledge whatever as to how many boys would avail themselves of this opportunity. There may be a large number or there may be a few. What I provided in the amendment was that when the Army ascertained its needs in that connection it would have to ask for appropriations from Congress; but the Senator from Maryland, perhaps, knows more about the cost and the care of those youths in the camps than I do.

Mr. TYDINGS. I was wondering, if the Senator will permit, whether the Senator from Pennsylvania would give us the maintenance cost of a soldier outside of his pay.

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

Mr. COUZENS. I yield.

Mr. REED. There has not been much time to make a comprehensive study of this matter; but I asked the War Department to give me the best figures they could get on it, based on the estimate of the Senator from Michigan of 300,000.

Mr. COUZENS. Just a minute, Mr. President. I do not want the Senate misled by estimating 300,000, because I am not asking to take care of more than 88,000.

Mr. TYDINGS. If we get the figure of 300,000, we can reduce it to 88,000 ourselves.

Mr. COUZENS. I do not want the impression to go over the Senate that that figure that is presented is going to be the cost to the Government, so I prefer to have it reduced to the cost of the number I propose rather than the cost of the whole unemployed youth of the Nation.

Mr. REED. Very good. Then I have it also broken down to so much per man for each item. The estimate, I suppose, would be no greater per man if the load were limited to 88,000, though, obviously, the more men there are the cheaper it is to take care of them on the average.

Based on the number of 300,000, the estimate for buildings and quarters per man per year is $68.

Subsistence per man per year, $73.

Clothing and equipage, $116.

Medical attention, $18.

Transportation; that is, to these tent camps in the South, $6.

Reserve personnel, because there is nobody else to command them, $84 per man per year.

It totals about $365 or $366 per man per year.

Mr. TYDINGS. Again making a very hasty calculation, it looks as though perhaps twenty-five or thirty million dollars would be required for 88,000.

Mr. REED. For 300,000 men, the estimated additional appropriation needed would be $109,674,800.

Mr. COUZENS. Mr. President, I decline to yield to confuse the issue.

Mr. REED. I do not want to confuse the issue.

Mr. COUZENS. The issue is entirely confused, because no such number is in contemplation; and I object to the injection of problematical numbers that are not contemplated under the amendment which I have.

Mr. TYDINGS. Mr. President, if the Senator will permit an observation, even taking the figures of the Senator from Pennsylvania it would cost only about $25,000,000 to take care of the 88,000 boys he has in mind, assuming that the proportionate cost was the same.

Mr. COUZENS. I have not all of the items; but, if the Senator will hand them to me, I want to point out the absurdity of some of these items as applied to each one of the probable 88,000.

Mr. REED. It amounts to about a dollar per day per man. I had not heard of the Senator's intention of limiting the number to 88,000. If I had, I would not have had these figures prepared on the 300,000 basis.

Mr. COUZENS. Mr. President, the information I get from the War Department is that the actual food costs, which is the primary cost, is 30 cents a day—30 cents a day for feeding a young man who is in distress because of economic conditions.

I want to point out in that connection that much of the work that is estimated here in this memorandum prepared by the Senator from Pennsylvania, or which has been prepared for the Senator from Pennsylvania can be done by the boys themselves. There is no contemplation of any transportation cost.

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

Mr. COUZENS. I yield.

Mr. REED. How are we going to get these boys down to these southern tent camps?

Mr. COUZENS. They will apply wherever they are, the same as they are doing now. They are tramping the highways. They will apply to any camp where they choose, and the amendment makes no provision for transporting them. They will have to apply themselves. There is no provision or thought of furnishing transportation.

Mr. REED. Certainly there is no room on Governors Island for all that would apply at New York City.

Mr. COUZENS. They could not take any more than there are facilities for. I am not asking that the Army facilities be increased.

The Senator has pointed out in these figures that the reserve personnel amounts to $84 per year per man, when the War Department in their reply said there would be no such charge. The War Department in their letter to the Senator from Pennsylvania said specifically, with respect to the 20,000 in the South:

> Without much change in Regular Army personnel excepting medical service another 20,000 beds could be provided in tents in the southern stations.

There is no occasion whatever for augmenting the Regular Army appropriations to the extent of $84 per year for each individual cared for.

Mr. President, it is inconceivable that to supervise these boys would cost $84 for the supervision of each and every boy. It is just a deliberate attempt to misrepresent the cost to the Government.

In any event, however, I am not going to rest this proposal simply on the question of cost. There is much more at issue than the matter of cost. Assuming, for instance, that all of these figures submitted by the Senator from Pennsylvania were correct——

Mr. REED. Mr. President, if the Senator will yield, I do not know whether they are correct or not. They are the answer that I get from the War Department in reply to my inquiry. I do not vouch for them.

Mr. COUZENS. I said to the Senator, assuming that the figures he presents are correct, it would take less than a third of the estimated amount with all of their estimates for each activity per man. The amount would be reduced by more than two-thirds if we accepted all of these figures under the provision of the amendment, because there is no provision in the amendment for extending permanent Government facilities.

Mr. SHORTRIDGE. Mr. President, will the Senator yield for one question?

Mr. COUZENS. Certainly.

Mr. SHORTRIDGE. Assuming that 80,000—possibly a less number, but assuming 80,000—should apply to be given relief, has the Senator estimated about how much it would cost?

Mr. COUZENS. No; I have not estimated how much it is going to cost, because I do not care what it is going to cost.

Mr. SHORTRIDGE. I am entirely in sympathy with the Senator. I merely wanted that information if he has made an estimate.

Mr. COUZENS. I want at this point to say that I am not disposed to waste Government money; and I am in full sympathy with the bill presented by the Senator from New Mexico [Mr. CUTTING] and made an addition to or a part of the so-called Costigan-La Follette bill, which is now on the Senate Calendar. I say that because their proposal is not confined to boys. Their proposal is for transient unemployed boys and men. My proposal is confined to youths.

If the Congress wants to provide for the facilities contemplated in the so-called Cutting bill, I am in favor of it, because I realize that the provision I am proposing to the Congress in no way conflicts with that proposal. In other words, there are probably a million men outside of the category to which I am referring who are transient and in need of assistance and who could be provided for under the so-called Cutting bill. It does not seem that I should have to stress the need of taking care of boys from 15 or 16 to 21 years of age who are tramping the country, with no economic resources, coming in contact with all kinds of dissolute men and women, or that I should have to emphasize the fact that it is a Federal responsibility to do something with those 300,000 boys.

I submit that this proposal will take care of only 88,000, and at the most extravagant estimate the cost would be a dollar a day. That is $88,000 a day. Are we justified in spending $88,000 a day to preserve this group of youngsters who have the future conduct of the country in hand? Is it necessary that I emphasize the fact that we have a great army set-up, for which we spend from $300,000,000 to $500,000,000 a year, that is already equipped with facilities, with personnel and opportunities for caring for these youths, all of which is admitted by the War Department?

They do not deny their ability to care for the 88,000 young men. The War Department has not even opposed the idea of their being required to look after the youth. Certainly, Mr. President, if we could go out and drive these men to war, if we could pick them out of the cities, out of their homes, and send them to France, we can, when the cost would be much less and when the purpose would be far better, use the same facilities for their care that we used for driving them into war.

Mr. President, I am no pacifist. I never voted against adequate defense. I have voted for every proposal to maintain an adequate Army and Navy. I am unwilling, however, to deny the use of these facilities in times of peace to a large group of our citizens, our boys and youth, who need them. I am unable to understand anyone standing up in this body and opposing a proposal to take care of 88,000 of the best young men of the country, who have never had an oppor-

tunity, never an opportunity for a job; who, in the last three years, during the most terrific economic depression, have tramped the country without any opportunity of getting a job.

Mr. President, most of these young men have never had a job. What are we going to do about them? Are we to let them keep on tramping and going around in circles, being killed on railroads and encountering disease and crime while we stand idly by, with an Army and Navy fully equipped with facilities and personnel for their care?

Mr. CLARK. Mr. President——

The PRESIDING OFFICER (Mr. HASTINGS in the chair). Does the Senator from Michigan yield to the Senator from Missouri?

Mr. COUZENS. I yield.

Mr. CLARK. Does the Senator contemplate that the boys to whom he refers, if sent to these camps, will receive military training?

Mr. COUZENS. No; I had not thought of that. The bill provides that the Secretary of War shall prescribe rules and regulations for their care.

Mr. CLARK. Does not the Senator think that some provision ought to be made for giving them some sort of training? Nothing could be more demoralizing in a military organization than to have a lot of fellows loafing around an army post doing nothing.

Mr. COUZENS. There is a provision in the bill, which the Senator will find if he reads it, that rules and regulations are to be provided by the Secretary of War. I have not attempted to deal with the details. I know nothing about military training; I have never participated in it; and I am perfectly willing to leave that, if the Senate agrees, to the rules and regulations provided by the Secretary of War.

Mr. CLARK. Does the bill provide that the Secretary of War shall have the right and duty of providing training?

Mr. COUZENS. "Rules and regulations," it says, and I can not contemplate what rules and regulations will be prescribed, but I still insist that the proposal is open to amendment or modification or change. The fundamental principle back of the proposal, however, is that the facilities of the War and Navy Departments, of the War Department in particular, shall not remain idle while thousands and thousands of our boys tramp the highways, with no place to live.

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

Mr. COUZENS. I yield.

Mr. BROOKHART. In reference to the question asked by the Senator from Missouri, I desire to offer an amendment to the Senator's amendment, on page 2, line 10, to strike out the period and to add the following words: "and vocational training, as far as practicable with available facilities."

Mr. COUZENS. I think that would greatly improve the bill, because if there are facilities in the camps for teaching the boys anything along the lines of agriculture or anything else, I would want them to have that opportunity.

Mr. REED. Mr. President, I must make a point of order against any amendment's being offered by the Senator from Iowa, because the amendment of the Senator from Michigan is not before the Senate.

Mr. BROOKHART. Mr. President, I was not offering it at this time. I said I had an intention to offer it at the proper time.

Mr. REED. Of course, the Senator from Michigan could accept any modification he wished to accept to the amendment he has sent to the desk.

Mr. COUZENS. When the matter is reached, I will accept the amendment. But I had hoped there would be a disposition in the Senate to waive suspension of the rules and permit this matter to be voted on on its merits. I appreciate that in order to get a suspension of the rules I must have a two-thirds vote. I hope that not only will I get a two-thirds vote but that I will get a nine-tenths vote. However, I would prefer to have the matter passed on its merits rather than under a suspension of the rules.

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

Mr. COUZENS. I yield.

Mr. TYDINGS. Mr. President, I think this proposal has real merit in it, and I certainly am inclined, from what little study I have made of it, to support it. I hope the Senator from Michigan will not mind if I make what might be called a controversial observation, but I make it out of pure good faith, and in great seriousness.

May I point out that we are appropriating $9,440,000 a year for prohibition enforcement? I am not questioning those who favor that appropriation, but I point out that 94,400 men at a hundred dollars a year could be taken care of out of that one appropriation, and it seems to me that in a time such as that in which we find ourselves it would be wiser, in the interest of humanity, to transfer that sum to a work that has behind it so many fine impulses as has the proposition offered by the Senator from Michigan.

Mr. COUZENS. Mr. President, the Senator knows I have always been a wet, and have never changed my mind about the unwisdom of the eighteenth amendment, so he and I will not differ so far as his attitude on the wet question is concerned.

Mr. TYDINGS. Mr. President, if we are short of money, if we have not the money necessary, it would be much better to use the money appropriated for prohibition enforcement for the purpose the Senator has in mind, than to spend it on a lot of prohibition agents seeking to enforce an impossible proposition.

Mr. COUZENS. This talk about insufficient money is getting terribly disgusting. We appropriate millions for the protection of migratory birds, and, though it is hard to believe, there is complaint because some of us want to appropriate money for the care of migratory boys. What kind of sense is there in such action of Congress? Mr. President, is it any wonder that the country, editorially and otherwise, is condemning the futility of maintaining a Congress and proposing the setting up of a Mussolini, or autocrat, or dictator, or whatever he may be called?

Not only that, but if we go through the appropriations of possibly $2,000,000,000, other than those for fixed charges, which I shall not discuss, we will find that there are millions and millions of dollars used for purposes much less admirable than providing for these boys. Just reflect on the millions of dollars that are spent for looking after insects and birds and pigs; yet there is objection to such a proposal as I have made, and the suggestion that I be required to get the assent of two-thirds before a vote may be had on the matter on its merits.

Mr. President, we are spending millions of dollars for reforestation, the benefits from which we will not get for from 30 to 50 years. I propose that the Government spend a few million dollars for benefits we can get beginning to-day, and yet there is resistance to it.

Mr. President, a subcommittee of the Committee on Manufactures of the Senate held hearings on Senate bill 5121, introduced by the junior Senator from New Mexico [Mr. CUTTING], with which, as I have heretofore said, I am in entire sympathy. But I submit that the proposals provided in the Cutting bill could not be operative for some time. It would not take care of all the conditions. My bill provides for taking care of the younger men, but there is a provision in the Cutting bill for taking care of the older men.

I am not attempting to confuse the issue. I do not want any one of these 88,000 boys who might be taken care of under my proposal roaming the country and saying, "My country does not care a damn where I go or what I do. They did care a lot when they wanted me to go to save their hides in France."

Mr. REED. Mr. President, if they are 16 years old, they were not born then.

Mr. COUZENS. Well, the Senator from Pennsylvania can be as sarcastic as he likes. They are the same group of

boys and the same classification of boys who, the Senator knows, went to war in 1917. Some of the boys who would be provided for under this measure, if the age stays at 24, were cognizant of the conditions during the war.

Does the Senator mean to imply that because the boys were not born at that time they do not know anything about the conditions and the suffering and the sacrifices made by their brothers and parents? Certainly they did. The Senator may shrug his shoulders and throw his glasses down in disgust as he always does when it comes to considering human affairs.

Going back to the hearings before a subcommittee of the Committee on Manufactures on the bill of Senator CUTTING——

Mr. BLAINE. Mr. President, before the Senator goes to that question, I trust he will permit one or two questions. I appreciate that the personal service in connection with these cantonments, or camps, will cost the Government hardly a penny, nothing outside of the supervisory expense. That is, all of the sanitation, patrolling, building, mess, and all other personal service, in all probability would be required to be performed by the boys and men in the respective camps. So that the only cost for personal services would be the supervisory cost of expert mechanics, expert carpenters, and a few others who would be necessary to supervise and direct the construction and all the other activities of the camp. Therefore the cost would be very greatly reduced when the personal service is to come from the men in the camps themselves.

Mr. COUZENS. Mr. President, it seems to me that is perfectly obvious. If the Senate wants to make more sure about that, it can amend the proposal to accomplish that purpose. I do not contemplate that these boys will be waited on hand and foot by butlers or uniformed Army officials. I expect that they will be required to do everything that is humanly possible for them to do within the camp, and the Senator from Wisconsin hits the nail on the head when he says that all that will be needed, practically, will be food and supervision and such clothes as may be necessary. We do not know what clothes the boys already have. It may not be necessary to spend any money for clothes for a year. Yet it is provided in the estimates furnished by the War Department that the clothing alone would take $116 per year per man. Mr. President, just think of estimating the clothing of these young men at $116 a year per man.

Mr. DAVIS. Mr. President, would they have to have a medical examination before going into the camps?

Mr. COUZENS. No. Of course, anybody who wants to defeat this proposal can present all kinds of facts in the way of expenditures and other things which they think will help defeat it. But this is not a question of dealing with details. This is a national, fundamental question, which must be dealt with on a broad scale and not be hobbled with a lot of restrictions which will discourage somebody from undertaking a big project.

Mr. President, I want to refer again to the estimates and some of the conditions which exist. Some question has been raised as to my estimate of the number of young men who are tramping the Nation without any facilities and who are able to say, "I have nowhere to go." Whether the boys will accept this proposal of mine or not I do not know, but at least they will be forever estopped from saying that their Nation took no interest in them and left them or put them in a position to say, "I have no place to go." I want the youth of the country to know that the country at least does provide some place to go.

In the hearings before the Subcommittee on Manufactures on page 9 appears the following:

> Of the 3,257 men from whom age information was secured, 2,393 or 73.5 per cent of the total were under 41 years of age. The number under 22 years of age was 655 or 20.1 per cent of the total.

A little later I shall give some further evidence, but this is the basis of my contention that there are about 300,000 of these boys, because the testimony further shows that there are from 1,250,000 to 1,500,000 of unemployed transient men and boys and 20 per cent of that number would be about 300,000.

There was testimony before the Committee on Manufactures with respect to the activities of unemployment camps in California. The testimony clearly indicates it was a very worth-while undertaking. My plan would not interfere with any such work. But I want to point out that in the testimony submitted to the Committee on Manufactures, as shown on page 13, the 3,950 young men and boys counted came from practically every State in the Union, so it is quite clear that it is a national problem.

In other words, there were from the State of Michigan 127 men being cared for in California. There were 122 men from the State of Pennsylvania being cared for in California, 180 from the State of New York, 182 from the State of Illinois, 48 from Massachusetts, 89 from Missouri, 29 from New Jersey, 6 from New Hampshire, 3 from Rhode Island, 29 from South Carolina, 71 from Colorado, 16 from Connecticut, 20 from Georgia, and 31 from Idaho. I mention these to indicate that it is a national problem. There is no reason why the State of California or any other State should be burdened with a problem which is purely national and especially when the National Government has the facilities to care for at least 80,000 of these men with little or no expense.

Mr. SHORTRIDGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from California?

Mr. COUZENS. I yield.

Mr. SHORTRIDGE. Does the record show where the camp is in California to which the Senator referred, and the number we are caring for there?

Mr. COUZENS. On page 13 of the hearings the Senator will find the names of the camps. There are some 13 camps in all in California. In that list of age groups it shows that under 21 years of age there were 20.1 per cent; from 22 to 30 years of age, 31.7 per cent; from 31 to 40 years of age, 21.7 per cent; from 41 to 50 years of age, 14.8 per cent; and over 50 years of age, 11.7 per cent.

Mr. SHORTRIDGE. In all, as the record shows, in the different camps our people in California are taking care of about how many?

Mr. COUZENS. There are 3,951 recapitulated in this report.

In the hearings, beginning on page 23, there is testimony from Miss Grace Abbott, Chief of the Children's Bureau in Washington. As I understand her testimony, the evidence she had from the special agent of the Southern Pacific Railway was that in 1927 more than 50 per cent of the trespassers on railway property and trains were men of middle age and older. In later years the older men have largely disappeared, and it would be their estimate that 75 per cent of the 1932 trespassers range in age from 16 to 25 years. That is largely the basis of the ages which I have provided in my amendment. If 25 is too old in the judgment of the Senate and 17 is not young enough, I am perfectly willing to modify it so as to have the facilities of the Government used for the protection of the youth of the land of younger ages.

I want to refer again to page 26 of the hearings, which indicates the number of injuries among the youth and the older men who have been compelled to travel the country because of lack of work. It shows that there were trespassers killed and injured on trains and in train-service accidents—this information coming from the Interstate Commerce Commission—403 boys under the age of 14 in 1928; 372 in 1929; 278 in 1930; 278 in 1931; and 324 in 1932. There were youths between the ages of 14 and 21 killed to the number of 655 from 1914 to 1922, while in 1932 the number had increased to 1,184. Young boys from 14 to 21 years of age are being killed in accidents on the railroads in their efforts to go from place to place seeking jobs. Most of these boys, it is perfectly obvious, have never had a job, and the testimony is complete that most of them were driven from home because of economic conditions in their families. They would not stay home and see the food

taken out of the mouths of their younger brothers and sisters while they perforce sat idly by and could do nothing to care for themselves.

Mr. GLASS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Virginia?

Mr. COUZENS. Certainly.

Mr. GLASS. Some of us would be interested to have the Senator's views as to the difference in principle between the plan he is now proposing and the things that have already been done by the Congress and are now proposed to be done. In other words, several hundred million dollars have been taken out of the Treasury and loaned to States to defray the cost of taking care of the destitute, and there is a proposition pending to appropriate $500,000,000 more to be given to the States for the same purpose. Aside from the feasibility of what the Senator from Michigan is proposing, I should like to be told what is the difference in principle between what we have already done and what he is proposing to do.

Mr. COUZENS. Mr. President, I think the principle is much more in favor of my proposal, because my proposal provides for using facilities which the Government already has on hand. With a complacency almost impossible to realize, the Government has sat by while $1,500,000,000 of the Government's credit at least, and possibly the taxpayer's money before we get through, has been used for the purpose of keeping going those who are already well off and well to do.

(At this point a message was received from the House of Representatives, and other business intervened, which appears after the speech of Mr. COUZENS.)

Mr. COUZENS. Mr. President, in the testimony before the Committee on Manufactures there appears testimony given by the chief of police of the New York Central Railway under date of January 13, 1933. I quote from page 24:

> It is generally known, however, that in recent years the number of young men between the ages of 16 and 20 riding trains has increased alarmingly. This is due in part to the difficulty experienced by boys on leaving school to obtain employment and who then use the trains as transportation to other places where they believe work may be found. One thing we have noted, that is, that persons apprehended for illegally riding trains represent every possible trade and profession.

In the testimony submitted by the chief special agent of the Missouri Pacific Railroad, he said (p. 35):

> We took official notice, in 1928, of 13,745 transients, trespassers that we found on our trains and property.
> In 1929 that figure was 13,875.
> In 1930 we took a record of 23,892.
> In 1931 that volume jumped to 186,028.

So, Mr. President, it is quite evident in what condition the unemployed transient is to-day.

On page 42 of the hearings there appears testimony to the effect that of the unemployed boys appearing at Phoenix, Ariz., 15 per cent were under 21 years of age.

On page 45 Professor McMillen, who did some work for the Department of Labor, testified:

> I think it is undoubtedly true that fully 60 per cent are under 30 years of age, and about 25 per cent are under 21 years of age.

On page 50 of the testimony I again quote Professor McMillen, where he says:

> I talked with an 18-year old boy in the camp at Big Basin. His attitude was touching. He told me he came from Mississippi and that he had been living around there amongst various married brothers and sisters and he had gotten to the point where he was definitely a dependent wherever he was living because there was no employment for him; so he had struck out, hoping to make his own way. He found it very tough going and when California opened up her arms and let him go to a camp where he knew he could eat and have a place to sleep, his gratitude was very great indeed.

That is just an example of the gratitude that at least 80,000 boys would have if they had an opportunity to get an adequate place to sleep and some food.

On page 61 of the same hearings, testimony appears as follows:

> The boys, for instance, are gradually growing harder and more difficult to adjust. They are joining the professional group of homeless men; they are becoming diseased, crippled, are growing accustomed to the road, and if employment were offered many of them would not accept it.

A prolongation of this condition is only making the condition worse; and here we have facilities all ready to undertake the solution of this problem in part.

I recognize that these uniformed West Point officials do not like the task of looking after these boys, but it is not a question in these days of what we like or do not like; it is a question of using every facility and every chance we have for relieving the present conditions.

I again make reference to the total number of boys who, it is estimated, are tramping the country.

On page 63 of the hearings Mr. Nels Anderson, instructor in sociology, Columbia University, testified:

> The cities that we have heard from report a total of 256,124 persons, which seems to be about one-fifth or one-sixth of the homeless and transients in the United States.

If that is the proper percentage, it would be about 1,300,000 altogether, of which 20 per cent would be 260,000.

Again, there appears on page 67 of the testimony this statement:

> This would bring my estimate of homeless in the United States up to nearly 2,000,000. I have, at other times, estimated 3,000,000, which is probably too high. The estimates run from 2,000,000 to 5,000,000, so I am giving you a very conservative figure here.

I again refer to the fact that all the testimony indicates that about 20 per cent of the transient unemployed are boys within the ages I have discussed.

On page 68 reference is made to the type of boy that usually starts out on his own:

> The road draws out a younger, more able-bodied type of person. Older men stay in the large cities.

On page 69 of the hearings testimony appears from the same Professor Anderson with respect to the fact that this is an intercity problem. I will not go to the extent of reading it all; but if anyone is interested in determining whether this is an intercity problem, he may find the evidence to that effect.

On page 72 of the record there appears testimony from a Los Angeles witness to the effect that out of 3,000 there were 1,000 boys under 21 years of age who passed through the police station in a short period of time. On page 73 of the testimony there appears the following:

> Last summer a study of police statistics of Los Angeles indicated that in the period of six months 10,000 boys had passed through the hands of the vagabond squad. That meant those 10,000 boys had spent a night in jail, appeared in the night court, had been given 30 days with 29 days suspended, and told by the police that the following day they would have to leave the city.

Mr. President, these boys are kicked around from place to place, with the opportunity of saying that no thought is given for their welfare or no facilities provided for them.

On page 74 of the testimony there appears the following statement:

> To review the present policy, it is "move on" for the men, except for a relatively small number which are absorbed by our camps. It is "move on" for the boys, except a fortunate small number which are taken by a private agency, the community boys' lodge, and for whom personal plans and adjustments are worked out.

Mr. President, even the girls and the women are suffering to some extent in accordance with our principle "Women first and girls first"; they do not suffer the same conditions the boys suffer.

On page 78 there is testimony given by Mr. William R. Lovejoy, secretary of the New York Children's Aid Society. He testified to this effect:

> There is also a serious effect on health. These boys, wandering from place to place, hitch-hiking, and bumming their way across the country, or riding the rods on the trains, living in jungles and camps, are exposed to a very direct danger to their health. The spread of venereal and other communicable diseases is becoming marked in many sections of the country, and we have noticed that in New York.
>
> As to the effect on morals, it is impossible to make any generalization that would be of any value, although I believe our judgment would indicate that if a boy had gone clear across the country hunting for a job and has simply been moved on from

place to place and finding that there was no job, and continue several months or years in his search, he will end the search by hoping that he will not find one.

Mr. President, that typifies the possibilities from letting this matter go unconsidered.

Mr. Lovejoy again testified, as appears on page 81 of the hearings, referring to the proposal for the treatment of these boys in military camps:

Only this, that unless the optional treatment meant the option to stay or go, to stay inside, or go outside, I should be very much opposed to it.

He says he would not object if they were privileged to move on if they wanted to, and that is taken care of in the measure I have proposed. He says he would be opposed to putting them under duress in a camp, and I would equally be opposed to that.

General Glassford, who formerly was superintendent of police in the District of Columbia, testified before the committee, and his testimony appears on page 126. He said:

The more venturesome and the more ambitious take to the road. Those without ambition, content to remain in their communities unemployed, idle, and hanging around street corners and pool rooms, and picking up a little food here and there, with occasionally a few hours of employment, are not in any way comparable with the young men who are traveling the road to-day.

Mr. President, that is another bit of evidence that the cream of these boys are the ones who are tramping the highways and not the ones who are remaining about the cities in pool rooms and making themselves generally loafers. General Glassford testified further:

It is because of the pressure of harsh economic conditions. Many of them come from families that are destitute; they are existing on charity. They have brothers and sisters younger than themselves who are underfed, and they believe by going out they could find employment somewhere in order to relieve the situation at home.

Mr. President, there is no plan that can be adopted, in my judgment, that will drive these boys back home to continue under the present economic conditions. It has been testified before the same subcommittee of the Committee on Manufactures that what we ought to do is to send these boys back home. To send them back home would mean further to humiliate them by requiring them to live in homes that are already supported by charity, to see the food taken out of the mouths of their younger brothers and sisters so as to maintain them. No decent, self-respecting boy would stay at home under those conditions.

Mr. President, we have facilities all ready, the personnel, and clothing to the extent of millions of pairs of shoes, millions of pairs of socks, and all other facilities ready to provide for the needs of these boys, but we sit indifferently by and store these facilities in warehouses while the boys tramp the highways.

General Glassford further testified:

The communities that I visited are doing very little. The various cities, those of 25,000 inhabitants and over, have missions or municipal lodging houses where the transients are given a night's lodging and one or two meals, and then required to move on. The most constructive measures that I have observed were in Florida.

He went on then to describe a camp at Jacksonville, where they take care of 302 transients; and, from the testimony, it seems that that is a very worth-while thing. But the appropriation for which I am pleading would in no way interfere with such projects.

General Glassford further testified, as appears on page 129, that if funds were appropriated they could be utilized to send boys home. The very contention I make is that these boys will not go back home, and properly should not go back home, and help to augment the difficulties their families are already encountering because of the economic conditions.

The Department of Labor issued a memorandum entitled "The Transient Boy." I do not want to encumber the RECORD with an unnecessary repetition of the reasons why these boys should be taken care of, but I am going to quote from a few of the comments in this memorandum. I doubt whether it is worth while having it all printed in the RECORD.

These facts were assembled in the spring of 1932, and the information the Children's Bureau asks for was:

1. How many boys are leaving their homes, wandering into the communities and other States and becoming stranded there?
2. To what parts of the country are these boys going in largest numbers?
3. What are local communities doing, or planning to do, where the migration is of such proportions as to constitute a genuine problem?
4. Are local resources adequate to take care of this nonresident boy problem?
5. What is actually happening to these boys on their wanderings?

In the same report there is a paragraph headed, "Boys under 21 years of age on the road." Under a subheading there is the statement:

Numbers riding the freight trains.

In autumn, winter, and spring the migratory army of men and boys flows toward Florida, the Gulf States, the Southwest, and California. From first-hand observers, from local police, and from special agents and other employees of the railroads come estimates that seem to indicate a problem entirely beyond the knowledge of most of the country's social workers.

Mr. President, if it was beyond the knowledge of the country in the spring of 1932, it certainly should not be beyond the knowledge of the country in the rigid winter of 1933.

Under another subparagraph, the same memorandum states:

The men in charge of plant-quarantine stations on the principal highways entering California made some actual sample counts of hitch-hiking boys under 21 entering that State during April and May. The number averaged about 150 per week at each of three points.

To indicate the fact that it is a national problem, under a subheading in the same memorandum this is stated:

From practically every State in the Union boys fare forth to join the aimless army. The Community Boys' Lodge in Los Angeles reported the place of residence of 623 boys who applied for shelter there in the five months ended March 31. Forty-five States and the District of Columbia had contributed to this group.

New York stood first in a community 3,000 miles away from New York. Illinois stood next; Pennsylvania third; Texas fourth, with 38; then Oklahoma, with 35; Michigan, with 34; Ohio, with 28; Missouri, with 26.

And so on down the list. Of the 1,529 boys served by the Volunteers of America in Phoenix more than 50 apiece came from Texas, California, Oklahoma, Illinois, Missouri, Ohio, New York, Pennsylvania, Colorado, and Michigan. Twelve additional States have contributed from 25 to 50 boys each.

Under a subhead entitled "Types," referring to the types that had been discovered as tramping the country in search of work, there appears this statement:

There is much testimony to the effect that these boys came from substantial American families. A study of 5,438 young men and boys served by the Salvation Army in Atlanta, Ga., during four winter months shows that 194 had been in college and 1,641 had attended high school.

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

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Cutting	Kendrick	Schuyler
Austin	Dale	Keyes	Sheppard
Bailey	Davis	King	Shipstead
Bankhead	Dill	La Follette	Shortridge
Barkley	Fess	Lewis	Smith
Bingham	Fletcher	Logan	Smoot
Black	Frazier	McKellar	Steiwer
Blaine	George	McNary	Stephens
Borah	Glass	Moses	Swanson
Bratton	Glenn	Neely	Thomas, Idaho
Brookhart	Gore	Norbeck	Thomas, Okla.
Bulkley	Grammer	Norris	Trammell
Bulow	Hale	Nye	Tydings
Byrnes	Harrison	Oddie	Vandenberg
Capper	Hastings	Pittman	Wagner
Caraway	Hatfield	Reed	Walsh, Mass.
Clark	Hayden	Reynolds	Walsh, Mont.
Connally	Hebert	Robinson, Ark.	Watson
Coolidge	Hull	Robinson, Ind.	White
Costigan	Johnson	Russell	
Couzens	Kean	Schall	

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed a joint resolution (H. J. Res. 597) to provide appropriations to carry into effect the act entitled "An act to authorize the distribution of Government-owned cotton to the American National Red Cross and other organizations for relief of distress," approved February 8, 1933, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

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

H. R. 698. An act authorizing the President to transfer and appoint Lieut. (Junior Grade) Arnold R. Kline, United States Navy, to the grade of assistant paymaster with the rank of lieutenant (junior grade) in the Supply Corps, United States Navy;

H. R. 1225. An act authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Campus Martius Memorial Museum, of the city of Marietta, Ohio, the silver service presented to the United States for the gunboat *Marietta*;

H. R. 2065. An act for the relief of the Great Western Coal Mines Co.;

H. R. 5786. An act for the relief of Essie Finger;

H. R. 6637. An act authorizing the President to present a medal of honor to Richmond Pearson Hobson;

H. R. 7385. An act for the relief of Sidney Joseph Kent;

H. R. 9636. An act to authorize the Postmaster General to permit railroad and electric-car companies to provide mail transportation by motor vehicle in lieu of service by train;

H. R. 9714. An act for the relief of Marion F. Blackwell;

H. R. 11930. An act to provide a preliminary examination of the Green River, Wash., with a view to the control of its floods;

H. R. 12329. An act to establish the boundary lines of the Chippewa Indian territory in the State of Minnesota;

H. R. 13372. An act to extend the times for commencing and completing the construction of a bridge across the Pee Dee River and a bridge across the Waccamaw River, both at or near Georgetown, S. C.;

H. R. 13523. An act in reference to land in the Bonnet Carre floodway area;

H. R. 13535. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak.;

H. R. 13743. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a free highway bridge across the Illinois and Mississippi Canal near Tiskilwa, Ill.;

H. R. 13744. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a free highway bridge across the Illinois and Mississippi Canal near Langley, Ill.;

H. R. 13770. An act to authorize an appropriation to carry out the provisions of the act of May 3, 1928 (45 Stat. L. 484); and

H. R. 13852. An act to extend the times for commencing and completing the construction of a bridge across the Rock River, south of Moline, Ill.

DISTRIBUTION OF GOVERNMENT-OWNED COTTON

Mr. McKELLAR. Mr. President, may I make an explanation in reference to the joint resolution that has just come from the House appropriating money for carrying into effect the Red Cross cotton legislation which we passed several days ago? A few days ago we passed substantially the same provision or exactly the same provision in the Agriculture Department appropriation bill, but it is not known when that bill will be finally approved. The Red Cross is very anxious to start this work immediately. I am wondering if I may not ask unanimous consent for the immediate consideration of the joint resolution to carry that provision into effect?

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

The joint resolution (H. J. Res. 597) to provide appropriations to carry into effect the act entitled "An act to authorize the distribution of Government-owned cotton to the American National Red Cross and other organizations for relief of distress," approved February 8, 1933, was read the first time by its title, and the second time at length, as follows:

Resolved, etc., That to enable the Federal Farm Board to carry into effect the provisions of the act entitled "An act to authorize the distribution of Government-owned cotton to the American National Red Cross and other organizations for relief of distress," approved February 8, 1933, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $4,100,000: *Provided*, That in addition to the purposes for which an appropriation was made by Public Resolution 43 of the Seventy-second Congress, approved July 22, 1932, for carrying out the provisions of the joint resolution entitled "Joint resolution authorizing the distribution of Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress," approved July 5, 1932, any balance, or so much thereof as may be necessary, now or hereafter existing in such appropriation is hereby made available to enable the Federal Farm Board to carry into effect the provisions of such act of February 8, 1933: *Provided further*, That the unexpended balance, or so much thereof as may be necessary, of the appropriation under Public Resolution 43 of the Seventy-second Congress, approved July 22, 1932, shall be transferred in such amounts from time to time as may be requested by the Federal Farm Board to the appropriation herein made for the purposes of such act of February 8, 1933.

Mr. McKELLAR. Mr. President, I have submitted the matter to the Parliamentarian who prepared the provision contained in the Agricultural Department appropriation bill, and I am informed by him that it is precisely the same. I hope it may be passed to expedite the matter.

Mr. KING. Mr. President, I should like an explanation of the character of the measure before us.

Mr. McKELLAR. It is the same provision that was adopted as an amendment to the Agricultural Department appropriation bill on last Friday.

The VICE PRESIDENT. Is there objection to the request of the Senator from Tennessee?

Mr. KING. Mr. President, I should like a little further explanation of the matter.

Mr. SMITH. When the conferees met it was ascertained that there was an amount approximating $11,000,000 that had to be provided to meet the obligations incurred in connection with the cotton in question. The market price amounted to about $8,000,000 and the overhead to about $2,000,000. It was ascertained that there was about $4,000,000 still unexpended of the previous appropriation made in the allotment of the cotton to the Red Cross. That had not been carried into or reported as a part of the revolving capital of the Farm Board. An agreement was reached that the $4,000,000 which they had left over from the previous transaction should be used by the Farm Board in liquidating this expenditure. The Farm Board then agreed that they would take $2,500,000, which was the overhead, and assume that out of their revolving fund. That made $6,500,000 that was taken out of the fund of the Farm Board directly and indirectly, leaving a balance of $4,000,000 required to liquidate the transaction. That is the situation. Instead of the Government making an appropriation of $11,000,000 to liquidate—the total amount was $11,500,000—the Farm Board assumed $6,500,000 and the Government $4,000,000.

Mr. KING. Mr. President, I am not sure that I follow the Senator and understand all the implications of the pending measure. When the bill came from the House providing that 350,000 bales of cotton should be turned over to the Red Cross for proper distribution to the aid of the needy, it called for the Federal Government to assume all the obligations incident to the discharge of the existing liens against the cotton and the future charges against it. The Senate refused to accept that view and adopted an amendment, under the terms of which the Farm Board was to pay the entire charges against the cotton. That went to conference, but the conferees struck out the Senate amendment and

accepted the position of the House. When the report was submitted it was adopted. A motion was subsequently entered, in due time, for a reconsideration; and when the motion for reconsideration was brought to the floor, it was agreed that the bill should go to conference again and conferees were appointed by the House and by the Senate.

The conferees reported the second time, and I understood—I was not present when the matter was brought up in the Senate—that under the terms of the amended bill agreed to by the conferees, approximately $4,000,000 only were to be paid by the Government of the United States, and the residue, amounting to about $7,000,000, was to be paid out of the $28,000,000 to the credit of the Farm Board in the Treasury of the United States, which $28,000,000 constituted a part of the $500,000,000 revolving fund.

Mr. SMITH. Mr. President, will the Senator allow me?

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

Mr. KING. I yield.

Mr. SMITH. The Senator has stated exactly what I said—that there was unaccounted for of the $28,000,000 the sum of $4,000,000, left over unexpended in the previous transaction in connection with the 500,000 bales of cotton which, in 1931 or 1932, had been allocated to the Red Cross. There was an unexpended balance of $4,000,000 which ultimately would have been at the disposal of the Farm Board. Now, they take that $4,000,000 and assume the overhead, which is $2,500,000, making $6,500,000 that comes out of the funds of the Farm Board, the Government only to appropriate $4,000,000. That is all.

Mr. McKELLAR. The amount is $4,100,000, and that authorization has already——

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

Mr. KING. I yield.

Mr. McKELLAR. That authorization has already been agreed to, and this measure provides for carrying it out.

Mr. SMITH. That is all.

Mr. McKELLAR. And the appropriation was provided day before yesterday on the agricultural bill, but the House has passed this separate joint resolution.

Mr. BINGHAM. Mr. President——

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

Mr. KING. I yield.

Mr. BINGHAM. If this joint resolution shall be passed by the Senate, then, of course, the conferees will strike the provision out of the agricultural appropriation bill.

Mr. SMITH. Certainly.

Mr. McKELLAR. Of course, that will be done. I really think the joint resolution ought to be passed, and I hope the Senator from Utah may see his way clear to let it pass.

Mr. SMITH. It was the best we could do.

Mr. McKELLAR. Yes; it was the best we could do.

Mr. KING. In view of the rather labyrinthine, not to say serpentine, course which this matter has pursued and the obligations which have arisen and the misinformation which has been sent out from Washington all over the country as to the effect of this measure, I am not disposed to hold up the matter; but I do feel, Mr. President, that it is very unfair and very unjust to take $4,100,000 out of, to use an Irishism, the empty Treasury of the United States in order to pay debts—for that is what it amounts to—of the Farm Board. The Farm Board has incurred obligations in connection with this cotton—that is, the Farm Board and its subsidiary, the Stabilization Cotton Corporation—of approximately $11,000,000, as stated by the able Senator from South Carolina. Now the Treasury of the United States is asked to appropriate $4,100,000 to help liquidate those charges which have been incurred in the purchase of the cotton, its storage, insurance, and so on. But, as stated, Mr. President, I am inclined to think the Senate conferees have done the best they could, and without complimenting them too highly upon the job which they have done, I shall not object.

The VICE PRESIDENT. Without objection, the joint resolution will be considered as having——

Mr. SMOOT. Mr. President, just a moment. I ask that the joint resolution be laid aside temporarily.

Mr. ROBINSON of Arkansas. What is the suggestion of the Senator from Utah?

The VICE PRESIDENT. The Senator from Utah asks that the joint resolution be passed over temporarily. The Chair understands he wants to inquire into it further.

Mr. ROBINSON of Arkansas. Mr. President, I hope we may dispose of it right away.

Mr. McKELLAR. I think we should do that.

Mr. SMOOT. Mr. President, I ask that the joint resolution go over temporarily. I am not in any mood to make any objection, but I want to ascertain if an amendment may not be offered here that will not interfere with the measure at all. I should like to have an opportunity to look into it, and all I ask is that it be laid aside temporarily.

Mr. McNARY. Mr. President——

The VICE PRESIDENT. The Senator from Utah has the floor. Does he yield?

Mr. SMOOT. I yield.

Mr. McNARY. I was just going to observe, as chairman of the conference committee, that a few days ago we brought in the measure providing for the distribution of cotton the second time in the form in which it was finally passed, with the idea that we would provide the necessary appropriation at the first opportunity. I sincerely hope the Senator from Utah may collect himself and decide what he wants to do with it right away or very shortly.

Mr. SMOOT. I am going to send for the papers which the Senator from New York [Mr. COPELAND] said he wanted me to look over. I have no desire to interfere with the passage of the joint resolution, but I do want at least to see whether the suggestion made by the Senator from New York can be added to the joint resolution without interfering with its passage in any way, shape, or form. I am as much interested in this relief legislation as is the Senator from Tennessee or the Senator from South Carolina or the Senator from Arkansas; all I am asking is that it go over temporarily.

Mr. McNARY. May I suggest to the Senator from Utah that day before yesterday, when the agricultural appropriation bill passed, an amendment carrying this particular appropriation was offered by the Senator from Tennessee and adopted and is now in conference, the conferees having been appointed yesterday.

Mr. SMOOT. I am perfectly aware of that, and in the meantime it is to pass the pending joint resolution.

Mr. ROBINSON of Arkansas. The joint resolution merely provides an appropriation to carry out an existing authorization.

Mr. McNARY. That is all.

Mr. McKELLAR. That is all it does.

Mr. ROBINSON of Arkansas. Any modification of the authorization would be subject to a point of order and cause delay, and I respectfully suggest that we ought to pass this joint resolution providing the appropriation to carry out the authorization. Then, if the Senator wants to offer a new resolution, let him do so, but we have had already enough delay, it seems to me, in regard to this matter.

Mr. McKELLAR. Mr. President, I want to say to the Senator from Utah, if he will permit me, that I shall be glad to join him in his purpose. I know what it is; I think it is very wise, and I have no objection to it; but I do not think the amendment he has in mind ought to go on this joint resolution, and I do not believe it can be attached to it, as I think it would be subject to a point of order.

Mr. SMOOT. That may be; I do not know as to that; but all I want is that the joint resolution go over temporarily. I repeat, I have no desire to defeat it; it can be passed to-day, but I do feel that I should have an opportunity to comply with the request of the Senator from New York to look into it. That is what I ask, and I have no intention whatever to prevent the passage of the joint resolution.

The VICE PRESIDENT. The Senator from Utah objects to the present consideration of the joint resolution.

Mr. HALE. I hope the Senator from Utah will decide as soon as possible whether he is going to ask to have the joint resolution referred to the committee.

Mr. SMOOT. I have already stated my purpose to the Senator.

Mr. HALE. Haste is imperatively necessary in getting this joint resolution through; otherwise the House would have waited for action on the agricultural appropriation bill. If the Senator can make up his mind on this matter, and we can get the resolution agreed to within an hour or so, it will do a great deal of immediate good.

Mr. SMOOT. Mr. President, I want to say to the Senator——

Mr. COUZENS. Mr. President, this debate can not continue in my time. I feel I have been yielding now for 20 minutes.

The VICE PRESIDENT. Does the Senator from Michigan decline to yield further?

Mr. COUZENS. I do not see why the discussion on the matter should be continued indefinitely.

The VICE PRESIDENT. The Senator from Michigan declines to yield further.

Mr. SMOOT subsequently said: Mr. President, I find that the amendment suggested by the Senator from New York [Mr. COPELAND] is not included in this joint resolution, and therefore I have no objection to its passage.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was ordered to a third reading, read the third time, and passed.

CALL OF THE ROLL

Mr. SHORTRIDGE. Mr. President——

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from California?

Mr. COUZENS. I yield.

Mr. SHORTRIDGE. I raise the question of a quorum.

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

Mr. COUZENS. I do.

The VICE PRESIDENT. The Secretary will call the roll.

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

Ashurst	Cutting	Kendrick	Schuyler
Austin	Dale	Keyes	Sheppard
Bailey	Davis	King	Shipstead
Bankhead	Dill	La Follette	Shortridge
Barkley	Fess	Lewis	Smith
Bingham	Fletcher	Logan	Smoot
Black	Frazier	McKellar	Steiwer
Blaine	George	McNary	Stephens
Borah	Glass	Moses	Swanson
Bratton	Glenn	Neely	Thomas, Idaho
Brookhart	Gore	Norbeck	Thomas, Okla.
Bulkley	Grammer	Norris	Trammell
Bulow	Hale	Nye	Tydings
Byrnes	Harrison	Oddie	Vandenberg
Capper	Hastings	Pittman	Wagner
Caraway	Hatfield	Reed	Walsh, Mass.
Clark	Hayden	Reynolds	Walsh, Mont.
Connally	Hebert	Robinson, Ark.	Watson
Coolidge	Hull	Robinson, Ind.	White
Costigan	Johnson	Russell	
Couzens	Kean	Schall	

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present.

(After the conclusion of the speech of Mr. COUZENS.)

C. N. HILDRETH, JR.

The VICE PRESIDENT. The Chair lays before the Senate a bill coming over from the House of Representatives and calls it to the attention of the Senator from Florida. The title of the bill will be stated.

The bill (H. R. 11461) for the relief of C. N. Hildreth, jr., was read twice by its title.

Mr. FLETCHER. Mr. President, the Senate day before yesterday passed practically an identical bill, and I ask unanimous consent to consider and act on the House bill at this time.

The VICE PRESIDENT. Is there objection?

There being no objection, the bill (H. R. 11461) for the relief of C. N. Hildreth, jr., was read, considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to credit the accounts of C. N. Hildreth, jr., former collector of customs for collection district No. 18, with the sum of $89.10, representing the amount of a payment made to the A. A. A. Garage of Miami, Fla., on voucher 851 in his August, 1928, accounts, and heretofore disallowed by the Comptroller General.

ORDER FOR RECESS

Mr. REED. Mr. President, I ask unanimous consent that when the Senate concludes its business to-day it shall take a recess until 12 o'clock noon Monday.

The PRESIDING OFFICER (Mr. FESS in the chair). Is there objection? The Chair hears none, and it is so ordered.

WAR DEPARTMENT APPROPRIATIONS

The Senate resumed 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.

Mr. TYDINGS. Mr. President, I think this session has brought to light one serious matter in relation to the Congress making appropriations. We have 12 appropriation bills, and we consider each subject matter unto itself without taking into consideration the relationship between the total amount appropriated for a particular activity and the total appropriations for all activities. When we are considering the War Department or the Navy Department appropriations or the Veterans' Bureau, or what not, we talk of the sum of money which is to be appropriated for the single purpose and consider that sum of money without considering its relationship to the total appropriations. We do not consider what part of our money goes for the Army or the Navy or for any other particular purpose. We simply put down what ought to be used to regulate or run or operate a particular department or bureau without regard to the national picture as a whole.

Nothing could more clearly illustrate this than the amendment which the Senator from Michigan [Mr. COUZENS] proposes to offer to the pending War Department appropriation bill. In that amendment he proposes to take care of about 80,000 or 90,000 boys from 14 years to 21 years of age. To take care of those boys would require, roughly, about $85 apiece per annum. In other words, it would require $8,500,000 to provide for facilities to take care of 100,000 boys in an Army camp for a year. We do not feel that we have the money to do that. We say we can not afford such an expenditure, but that economy should be effected in the conduct of the National Government. But, Mr. President, in another bill entirely we have appropriated just that sum of money for another purpose. The sum of $8,440,000 has been appropriated for prohibition enforcement.

I know there are many here who feel that that appropriation is necessary. I know there are conscientious men who will support the $8,440,000 for prohibition enforcement. But if we must decide between the two propositions, whether we are going to take care of these 100,000 boys on the one hand, or have the prohibition agents on the other hand, by the elimination of which of these will the national moral fabric be done the greater harm? I submit that the national moral fabric of America will be improved if we take the $8,500,000 now proposed to be appropriated for prohibition enforcement and give it for the use of the 100,000 youths of the Nation, who now are roaming the roads and highways of the United States.

If there is anything in relativity, if we are looking after the morals of the young men of the country, is it not better to take the man with no home, who is sleeping in a box car, consorting on occasion with criminals as the testimony shows, while he is in his tender years, and place him under some wholesome influences, than it is to take that money and employ 3,000 or 4,000 prohibition agents to police a country of 120,000,000 people, a country 3,000 miles from east to west and practically 2,000 miles from north to south?

Mr. KING. Mr. President——

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

Mr. TYDINGS. I yield.

Mr. KING. Does not the Senator underestimate the cost of taking care of the 80,000 young men or boys to whom he refers? I recall that in the appropriation for the Indian

Bureau a few days ago it was disclosed that it costs $425 to take care of each little Indian child in boarding schools where the buildings have already been constructed. That is merely for the food and clothing.

Mr. TYDINGS. While the Senator from Utah was absent the Senator from Pennsylvania [Mr. REED] and the Senator from Michigan [Mr. COUZENS] together produced figures, one from the War Department and the other from investigators, as to what it would cost to take care of 100,000 men in this manner. Those figures were purely an estimate, but they ran to a little less than $100 a year.

Mr. REED. Oh, Mr. President, will the Senator yield?

Mr. TYDINGS. Certainly.

Mr. REED. For food alone it would run to $73 a year, and for clothing more than that, counting nothing for housing, nothing for medicine, nothing for transportation, nothing for the service of the officers who will be required. We could not possibly do it.

Mr. TYDINGS. The Senator, of course, wants the amendment defeated, and I do not blame him for taking a pessimistic view; but, by his own statement, made a few moments ago, he said that nothing would be needed for housing. He read the number who could be taken care of without any additional facilities. Why does he want to put that item in the equation now, when the figure I am using is the figure which he, himself, used but an hour ago?

Mr. REED. If these young men were put into tent camps, using all the tents the Army has, the Senator would surely expect those tents to be replaced? They will not last more than about a year.

Mr. TYDINGS. I am not so much worried about the tents being worn out in a year, and I do not think the Senator is. I lived in a tent for a considerable period during my own life—for almost three years—and I think the life of a tent is considerably more than one year, and I believe the Senator thinks so, too. So that when the housing and other costs are dragged into this picture, I do not think they are fair items to be charged up in the cost of operating this service. But whether they are or not, I want to go back to the original proposition that it is more in the interest of humanity, more in the interest of morals, more in the interest of patriotism, more in the interest of economy, more in the interest of the future of this Nation to take that sum of money—$8,440,000 which is now appropriated to pay prohibition agents—and to spend it upon these 80,000 or 100,000 boys than it is not to spend it on those boys and to apply it to prohibition agents with salaries of $2,000, $3,000, and even $4,000 a year. I do not think any man in his right mind, be he "wet" or "dry," prohibitionist or antiprohibitionist, if he had the choice to make between those two purposes, namely, the use of this money for prohibition agents, on the one hand, or its use to take care of a hundred thousand boys from the ages of 14 to 21, on the other, would hesitate a moment to appropriate that sum of money for the care of the youth of this country. I say it is little short of a legislative crime to take nearly $9,000,000 and hand it out for prohibition enforcement and not to spend it for the care of these youngsters who have no homes, who have no food, and who are frequently subjected to conditions and circumstances which can do nothing but hinder or prevent that wholesome development which more kindly events and circumstances would permit.

How can we get at this matter? As I said in the beginning, under our system there is no relativity in the consideration of appropriations. We have before us one appropriation bill at a time; now it is the Army bill; we can not transfer an appropriation from the independent offices bill to the Army bill, because it must come up separately; so that the question of merit as between these two items, as a parliamentary proposition, is not susceptible of solution in the way ordinarily to be taken to accomplish the desired result. But, Mr. President, I am hoping that we can accomplish the result I have in mind by adding just that sum of money to this amendment if it shall be adopted, namely, that we appropriate $8,440,000 to take care of these boys who are without any homes and that we take that sum of money from the prohibition enforcement appropriation. When the bill carrying that item shall come before the Senate——

Mr. BROOKHART. Mr. President——

Mr. TYDINGS. In just a moment I shall yield to the Senator from Iowa—I shall offer an amendment to strike out the prohibition-enforcement appropriation, if we shall adopt the amendment of the Senator from Michigan, so that in the end the appropriation necessary to take care of these boys will not have cost the Government a single solitary red cent. We shall simply take it from something where it is now, in my judgment, being wasted, anyway, and apply it to where it will yield golden dividends in the rehabilitation of 100,000 boys who are without homes and without support in this emergency.

Now I yield to the Senator from Iowa.

Mr. BROOKHART. Some time ago the Senator pointed out that there were a good many million bootleggers in this country. Will not his scheme turn those bootleggers out among the unemployed?

Mr. TYDINGS. If it would turn them out into Iowa, I think, in some respects, it would help the general level in logic. [Laughter.]

Mr. President, suppose all the American people could be assembled in this Chamber; suppose the proposition could be debated, and suppose finally it could be put to a yea-and-nay vote, namely, shall we spend this $8,440,000 to pay three or four thousand prohibition agents or shall we spend it to provide care and training and food and housing for 100,000 boys from the ages of 15 to 21? What would the answer be? I may be perhaps over enthusiastic, but I believe that the response would come back, "Spend it on humanity; spend it to take these boys off the road, out of the stockyards, off the railroad trains; spend it to house them and feed them and train them; they are in their impressionistic years; they are in the years when they are laying the foundation for all their manhood; give to them the chance to be good citizens and let the men who are enforcing prohibition do without that sum of money." If that would be the attitude of the American people, let me inquire in whose interest are we here if not in the interest of our country, looked at as a whole? I would not be afraid to go to Kansas or to Iowa or to any other State in the Union, if it were physically possible, and submit that question to the men and women of the various States. In my judgment, the answer would be like a tidal wave in its magnitude; the answer would be, "We doubt very much, anyway, that any good comes from the so-called enforcement of prohibition, on the one hand; but, even conceding that there does come good, let us take care of these boys from 15 to 21, if it costs no more money than is now being expended on prohibition-enforcement agents? I dislike to inject the wet-and-dry question into this very meritorious matter.

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

Mr. TYDINGS. I yield to the Senator from North Carolina.

Mr. REYNOLDS. I should like to ask the Senator from Maryland what amount of money would the Treasury have to appropriate for the maintenance and upkeep of the hundreds of thousands of people who would annually find their respective ways into these camps?

Mr. TYDINGS. May I say to the Senator from North Carolina it was roughly estimated—and, of course, it was only an estimate; there could be no accurate figures—that, with the housing now available at the Army posts, with the tents we have now available, about 88,000 persons could be cared for by the Government. It was also estimated that the cost of keeping them for a year, without equipment, such as rifles, and so on, would be somewhere around a hundred dollars a year.

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

Mr. TYDINGS. Yes; I yield.

Mr. REED. We might as well be accurate.

Mr. TYDINGS. Yes; let us be accurate.

Mr. REED. The estimate for subsistence alone is $73 a year; the estimate for clothing is $116 a year more——

Mr. TYDINGS. Oh, Mr. President, does the Senator mean to say that one of these boys during a single year would require $116 worth of clothing, bought at wholesale?

Mr. REED. That is what the estimate says, if the boy is to be clothed. The estimate for medical attention is $18 a year; the estimate for transportation is $6 a year; the estimate of the cost of the officers necessary to take care of them is $84 a year; and the estimate, which the Senator disputes, for barracks and quarters, which includes the operating cost of the barracks—the heating of them, and that sort of thing, for, presumably, those in the North would have to be heated—averages $68 per man per year, representing a total of about a dollar per day per man. It was brought out by the Senator from Utah that we are spending about one-third more than that in taking care of the Indian children who are our wards out in the West, but, presumably, these young men would not be cared for at so much expense as we are under in taking care of the Indian children.

Mr. TYDINGS. Mr. President, first of all the Senator says "clothing and equipment." He did not stress the word "equipment" very heavily, because the Senator knows that the soldier's equipment costs more than the soldier's clothing. First of all, he has to have a rifle; he has to have a cartridge belt——

Mr. REED. Will the Senator yield?

Mr. TYDINGS. I will yield in a moment—he has to have a first-aid case; he has to have a canteen; he has to have a mess kit; he has to have a knapsack.

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

Mr. TYDINGS. Yes; I yield.

Mr. REED. The Senator himself has been a soldier and he knows that rifles are not included in the quartermaster's item of clothing and equipage. The Senator knows that rifles come from the Ordnance Department, which is a totally different branch, and in the estimate there is no allowance whatsoever for such equipment.

Mr. TYDINGS. The Senator is drawing a distinction which his own memorandum does not show. It does not show that part of the estimated cost is from the Ordnance Department and a part from the Quartermaster's Department.

Mr. REED. There is not anything included from the Ordnance Department.

Mr. TYDINGS. How does the Senator know that?

Mr. REED. Because the item of clothing and equipage has been carried in the Army appropriation for probably a hundred years, and includes only quartermaster stores.

Mr. TYDINGS. I think I can draw the difference between the opinion of the Senator from Pennsylvania and that of myself to a head by this observation, that, speaking from a commercial standpoint, I myself would love to have the contract to furnish boys from 15 to 21 years old clothing at $116 apiece a year, and I doubt if there is any man in this Chamber who would not like to have such a contract.

Mr. President, it is easy to furnish these young men clothing at a figure away below the amount estimated in this memorandum, which is $116 a year, when suits of clothes may be purchased by the Army at from $8 to $10 and shoes at $2.60 a pair. How many suits will a boy want at that figure?

Mr. REED. Mr. President, will the Senator yield again?

Mr. TYDINGS. Yes; I will yield.

Mr. REED. I did not prepare these figures, and the Senator need not "shake his glory locks" at me, because I am not to blame for them. This is the estimate of the Army, and includes not only outer clothing but under clothing; it includes mess kits and knives and forks and blankets and pillows, and heaven knows what all. When the Senator takes the contract of which he is speaking he will be astonished to find how many things, such as blankets and pillows and cots and articles of that sort, that he had not counted on will be included, and he will not make so much money.

Mr. TYDINGS. We have already on hand a year's supply of blankets for a million men, and certainly we could use those without buying any new ones. We have also a year's supply of shoes for a million men, and we certainly could use those to the extent of a hundred thousand.

Mr. REED. Will the Senator yield again?

Mr. TYDINGS. Yes; I yield.

Mr. REED. The Senator would be the last Senator in this Chamber to advocate doing away with our reserve stock which we are keeping for the Army, and which we will have to have in the next war.

Mr. TYDINGS. That is right.

Mr. REED. Certainly, if we devote that reserve stock to this asylum performance, as suggested by the amendment, we will have to replace it, and it will cost just as much as if we bought it for these young men originally.

Mr. TYDINGS. Well, Mr. President, I am of the opinion that it would be better to impair to a slight degree the reserve stock of a million men in times like these than it would be to keep that reserve intact and leave 12,000,000 people unprovided for for months and months and months. After all, the greatest element of national defense is confidence in and love for one's country.

Unless people have some regard for their Government and their country, all the reserve uniforms and rifles will not be worth a continental. With 12,000,000 people out of work, with 5,000 bank failures, with over a million farms sold under mortgage foreclosure and for delinquent taxes, this appropriation bill comes before us and Senators insist on making practically a uniform year's appropriation for prohibition enforcement when we could use the same sum of money to take care of 100,000 youths or even 50,000 youths. I say that we are showing neither morality nor heart nor intelligence nor logic if we continue to appropriate this vast sum for prohibition enforcement while these hundreds of thousands of young men roam about this country.

I lay that down as a basic proposition, and I should be glad to make it in any church in this land, because I have the belief that the most sincere lover of national prohibition as a theory and a principle would recognize that were he or she forced to make a decision between the two, the decision would lie on the side of these young men. Most of these church people are mothers. It might be their boys that are concerned. It might be that this would represent the difference between making a good citizen and a bad one.

Mr. President, I should be reluctant to stand here and draw this parallel if these agents could go and stamp out all the liquor in America. If it could all be wiped off the face of the earth, I should be glad to see the hundreds of millions of dollars appropriated; but we have had 13 years of this effort. We have had national prohibition with us ever since 1920. It is now going in its fourteenth year, I believe; and we know that while there may be some small gain, there are big losses connected with the eighteenth amendment.

Therefore, when I seek by this motion to transfer that sum from prohibition enforcement so that it may be used to take care of these young men, I do it with absolute confidence that on the whole there will be just as good enforcement without this appropriation as there will be with it. On the other hand, the 100,000 young men or the 50,000 or 60,000 young men that that sum of money would care for will be better off by far if it is appropriated for that purpose.

Mr. President, at the appropriate time I shall move to recommit the bill, with instructions to report it at once with an appropriation of $8,440,000 in line with the purposes of the Couzens amendment; and on a subsequent date, when the independent offices bill is before us, I shall make a motion to strike out the $8,440,000 appropriated for prohibition enforcement; so that what we will have accomplished will be the transfer of an appropriation from one bill to the other, the canceling of the enforcement appropriation, and the making of an appropriation for the care of the young men referred to in the Couzens amendment.

Now, I want to revert just shortly, before yielding the floor, to the figures adduced by my friend from Pennsylvania [Mr. REED].

Barracks and quarters, $68 a man.

Mr. President, I do not follow that logic. I believe that the men who made this estimate allowed lots of safety; that a factor of safety was used, because they would not want to be caught in the position of having underestimated the cost; and I think even the Senator from Pennsylvania will concede that perhaps that was done in this matter.

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

Mr. TYDINGS. Yes; I yield.

Mr. REED. It is quite obvious, is it not, that in the North these barracks are going to have to be heated?

Mr. TYDINGS. Yes.

Mr. REED. It is quite obvious that all over the country they are going to have to be cleaned.

Mr. TYDINGS. That is right.

Mr. REED. It is quite obvious that there is some expense involved in keeping house for these young men, just as there is in keeping house for anybody else.

Mr. TYDINGS. The Senator from Pennsylvania says the barracks will have to be cleaned. I am assuming that there will be enough discipline in these camps that the men who occupy them will be compelled to keep them clean. As for heating the camps, it strikes me that on many of our reservations, like Camp Meade, over in Maryland, the Edgewood Arsenal, or Fort Hoyle, over in Maryland, there are lots of pine woods owned by the Government and a great deal of brush growing up in those woods where these young men could be taken out and could cut, for the most part, all of their firewood.

Mr. REED. I should like to suggest to the Senator that the bill before us provides that the only thing that can be done with these young men is to give them healthful exercise, and I do not think scrubbing floors or peeling potatoes would be called healthful exercise. We would have to hire somebody to do that for them.

Mr. TYDINGS. Yes; but the Senator also recollects that there is a general provision in the bill that the Secretary of War shall prescribe what those healthful exercises happen to be; and I think both the Senator and myself remember what some of those prescriptions were in years gone by. I have no fear that these young men will not get the healthy exercise which we all want them to have. They will have to peel potatoes, of course. I do not see why they could not garden on a part of these reservations, why they could not raise a part of their food, at least their fresh vegetables. There is plenty of ground there. It strikes me that a great many of these boys have some knowledge of raising agricultural products, and certainly that would lower the cost of subsistence. It would not be $116 a year for one man.

Mr. REED. Seriously, can the Senator imagine a lot of East Side boys on Governors Island running a successful garden?

Mr. TYDINGS. Yes; I can, with a little training.

The Senator figures that clothing and equipment will cost $116 a year. I am sure the Senator must concede that that is a tremendous outlay to clothe a boy 15 or 16 years old, particularly where he is dressed in a uniform that is made on the same pattern at wholesale. I have not the exact figures, but my recollection is that an Army coat and an Army blouse cost about $6 for the two. A pair of shoes costs $2.50. That is $8.50. After providing underclothes and shirts you have practically given the boy clothing for normal days like spring, summer, and fall; and if you can do that for $15 you would still have $101 left over to take care of him in three months of the wintertime.

I do not concede for a minute that these men are going to wear dress uniforms. They will have no shakoes in their hats. This is plain, substantial clothing, which we hope will be sufficient. Ordinarily, I would not be so much inclined to support a proposition of this kind, and I may be wrong about it, but I simply want to renew this thought: If $8,440,000 will permit 75,000 or 100,000 of these boys to be housed and trained when they are 15 to 21 years of age, it is a lot better to spend the money there than it is to pay three or four thousand prohibition agents this $8,440,000.

If anybody cares to take issue there, I can understand that he is more in favor of national prohibition, it seems to me, than of humanity in its broader aspects, because prohibition is not responding to national control.

Therefore I want to leave just this additional thought: Out of the first 3,000 prohibition agents who were hired by this Government, 872 of them—over 25 per cent—were discharged for discovered corruption. I think Colonel Woodcock has greatly improved that service. I think he is a fine, conscientious man, who has done his best as he sees it to enforce this law; but the result as far as drinking is concerned, as far as bootlegging and hijacking are concerned, as far as stills are concerned, still remains with us.

Senators, in a period of great national emergency I think it better to spend this money to take care of 100,000 boys of tender age than to spend it on the futile experiment of trying to force morality upon the people with the bayonet and the bullet in a disguised form.

ON THE PUBLISHED TERMS OF DEBTORS TO BE PROPOSED TO THE FOREIGN DEBTS

Mr. LEWIS. Mr. President, I beseech the Senate to let me occupy a moment of its time upon a subject not expressed in this bill, but which has to-day become timely and appropriate in view of the public statements given us in the cables of this morning sent from the foreign countries who are included in the general definition of international debtors to the United States.

Mr. President, I have listened with a commanding interest to the discussion we have just heard upon the amendment of the Senator from Michigan [Mr. COUZENS], and I have heard our distinguished friend the chairman of the Military Affairs Committee [Mr. REED], and my honorable comrade in arms from Maryland [Mr. TYDINGS] descant upon the relative figures touching the subject they are presenting.

Mr. President, may I be pardoned parenthetically here to offer a definition? These gentlemen, eminent as they are, indulge in the pastime, so often resorted to, of quoting statistics. I think I can define statistics when presented to the Senate. Statistics is something that to the Senate seldom stays and never sticks. [Laughter.] Therefore, I must depart from any allusion to it. I return to another form of statistics, that of an international character and relating to a subject which, as I feel, greatly impends upon us in this hour.

Mr. President, I see upon the floor the distinguished chairman of the Foreign Relations Committee [Mr. BORAH], one who has done a service entitling him to the credit he receives from his Nation; and I delight if I can have his attention while I present my thought for a moment.

We are told in the public press, and in a general form of public information, that there is to be held in the city of Washington at an early day an international conference. It is designated one, called as an economic conference. On this floor some time past I dared venture the prophesy to the Senate that it would discover that under the guise of an economic conference the true object was to force the adjustment of the international debts, either through some form of cancellation or some other form of reduction and concession.

Mr. President, while these views are before the country as generally expressed, and while it is understood that the delegates of the debtor countries are being selected to make one of those annual hegiras known as international conferences, and to do us the compliment of presenting their personalities for our admiration, and voicing expressions of their sublime philosophy for our inspiration and guidance, we read that it is cabled for four consecutive days—I mention the time merely that it may be seen that that to which I refer was not an accident or an error, but so oft repeated as indicating a conviction and a fixed purpose—it is published that two of the debtor nations announce that there will be, so far as they are concerned, no trading nor any concessions touching any trade privileges.

They come to this conference with a proposition complete, and, as the public-print cables this morning announce, they have instructed the distinguished ambassador of Britain to return to the United States and present for that country, eminent as it stands in international relations, the specific proposition they bring to their creditor. The other land announces that what they have previously presented is what they will continue to repeat.

These two eminent debtors, eminent in international affairs and in historic conference, practically tell the United States, "We say to you, Mr. Creditor, we come to this conference with our proposition shaped and molded. It is one to our advantage. We have, after much consideration and deliberation amidst our own officials, reduced our proposition to an exactness, and we are to present it to you to take it or to leave it." While one of these debtors insists—on what, through four different sources of its official officers it has repeated—that that which they have previously presented will be repeated and they will accept no qualification.

Mr. President, these eminent debtors of ours, however much we may feel kindly toward them in all senses of a friendly Nation, seem to discard the fact that we did not ask for the conference. It is they who imposed upon the present sitting distinguished President of the United States their wish, and, out of the accommodating spirit of our Nation, executed their will.

They now confront us with the audacious proposition, rarely paralleled in the relations of a debtor to his creditor, that, "We come to you with a proposition framed and shaped, to our advantage, and to let you know in the beginning, before we assemble, that there is to be neither concession nor qualification, and further to inform you that the conference, so far as it is called to be such, is to be on our part the presentation of that which we have already decided, concluded, fixed, and established. Whatever may be its effect upon you or your commerce is not in our consideration, Mr. United States. Whatever result it may have upon your people, and the way they will react to their representatives, we do not know, nor pause we to consider. We merely announce to the world that we are moving toward you with the assumption that we, as debtors, will dictate to the creditor, and are confident that in our dictation we bear the means by which we can enforce our will by visiting upon the United States some commercial aspect of disadvantage, or visit punishment on your people if our offer is declined."

Mr. President, I rise to say that if these constant reports, quotations from officials of the Governments, as reported by the reliable news agencies of our land and of their exchanges in Europe, be true, why should there be this conference? What justification can the United States now have for holding a conference, ostensibly economic in name, but now guided by the spirit of dealing with the debts of the debtors, if we are to be confronted with the statement that they who are the debtors and who come to the conference are prepared neither for concession by proposition from us nor offering one which they themselves could appropriately tender? If we are already prejudged, and the debtors have prepared to come to the United States with a flaming defiance, asserting to us that the propositions they have shaped and framed among their delegates shall be tendered as their ultimate, final, and sovereign ones, and that any attempt by us to qualify them is to be a transgression, sir—if that is the attitude, and we are to assemble those who prejudge us and, in their prejudices of the past, are to renew all their hostilities of mind and heart for the future—it is an error for us to go one step farther in the convoking of this conference.

Mr. President, it should be ascertained now whether these declarations on the part of these eminent representatives have been made as represented; and if it is their object to adhere to them, sirs; if such is true, let us not multiply these prejudices by another assemblage which may break out in some further flame of hatred. Better our foreign debtors remain in their homes, while we carry the presumption of kindness in their behalf, than to proceed to an unhappy error in their international statesmanship as recorded in their expressions. We proclaim that if they come here with the purpose solely of hippodroming by number, or, sir, intimidating the United States by design of finance and force of tariffs into adopting whatever they propose, and do not give us the quarter of courtesy to hear our proposition where we have one, and withal announce their unwillingness to concede anything in any manner of a conference of friendship, better that we now declare the call, by whomsoever made, as void and at an end. Better, indeed, is it, not to repeat these farces which have been enacted in seven different places since the World War, but which have, when we, the United States, are involved, left us where we have either been made ridiculous before the world or the object of pity in the eyes of our own Nation and its people.

Rather than that such again be duplicated in its offensive attitude and its harsh reenactment it is far better that we remain as we stand, presenting, as we have before, our righteousness, based upon the law both of justice of the world and of humanity of mankind. It is here that we inform these debtors that if they can not come to us in the spirit of Holy Scripture, transcribing in its expression, "Come, let us reason one with another," then it is better that they not come at all.

Mr. President, I do not want to see another repetition of proceedings that awaken more hatred in the bosoms of European nationalities against the United States. I want to see no further drama which invite the citizens of the United States to carry with them a continuous suspicion and a judgment of enmity against those of foreign lands. I want to see no more or never again the constant conduct that has produced no result other than to incite fears on the part of our own Nation, that is being juggled with, to the object of a trickery that cheats a people of its debt and humiliates it of its honor.

I wish to see no more where the nationalities of Europe, long practiced in the art of delusion and deception in matters of statecraft and diplomacy, shall again try their ancient craft with success upon a trusting and indulgent people such as we have ever shown ourselves to be in every gathering that has ever been summoned looking to the reestablishment of a friendship or the fixity of a friendly commercial rivalry in trade and finance.

Therefore, Mr. President, I impose upon the time of the eminent chairman of the Military Affairs Committee and that of the Senators in charge of this pending bill, all advocating one aspect or the other of right and justice in our national defense. I beseech their attention to the fact that it is timely that we again consider the international threat boldly made as to the United States, and that before it reaches the point where it can be executed that from some place of authority in this Government the voice may go out that if such threat as expressed is to be the policy of those who shall attend the conference—that is, to yield nothing, to concede nothing, demand everything, and have it or to retire with what they feel a wound for having been refused, while they flaunt us before the world as again either being defeated in combat of intellect or made ridiculous in diplomacy—that we will have nothing to do with it.

Therefore, I rose, Mr. President, to call attention of my honorable colleagues to the position in which we were being placed at the hour by these publications being circulated in every court in Europe and in every civilized part of the world, all of which inditing upon the hearts of Americans and flashing upon the minds of statesmen that which already puts us before the conference to be assembled as having been discredited before we began and dishonored at the finish.

If these honorable nations which are invited shall assemble in the spirit of some mutual concession, they are welcome here, both in the courtesy that comes from an American heart and in the generosity of the American nature.

We seek only justice. We hope that the conference will do nothing more nor less. If it shall do the justice that is

sought by mankind, that we approve, for we delight to express here that we accept the expression of the great Cardinal Richelieu: "For justice all places a temple, all seasons summer."

I thank the Senate.

WAR DEPARTMENT APPROPRIATIONS

The Senate resumed 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.

Mr. SMITH. Mr. President, as the amendment proposed by the Senator from Michigan [Mr. COUZENS] is before us I want to enter my protest against the consideration and adoption of it. I know that the principle involved may be one that is humanitarian, but I want to ask my colleagues, particularly those who come from the section of the country which I in part represent, what they would visualize if this should become the law? Every post would be flooded with young men between the ages specified. All sorts of affidavits and asseverations will be made that they are unemployed. Even those who are employed or who could find employment, as a matter of course, would select and elect to go to where the Government was furnishing them food and clothing and delightful training and recreation for a year.

Just visualize what effect that would have, not only in the South, where we have a very improvident race, but in every section of the country. It is an invitation to young men to accept by every conceivable device this proposal of the Government. There is no limit to the number that may go. Therefore none of us can say what would be the limit of the appropriations necessary under the provisions of the amendment in order to meet the condition which we ourselves create and which would practically bankrupt the Treasury if we persisted in it. The calculations which have been made here as to what it would cost per capita are interesting, but the principal consideration is, What would be the number that we would have to feed and clothe?

So far as the available labor supply in nearly every section of the country is concerned, it would be exhausted between the ages specified in the amendment. It is bad enough for us to have unemployment and to be making appropriations for those who have earnestly sought employment and could not find it. It is bad enough for us to have to meet that condition. We should meet it. But deliberately to introduce a measure that invites unemployment is beyond my comprehension. That is what the Senator's amendment proposes to do. The young men or boys must make affidavit that they have been unemployed for six months and we give them a year in which to do so, six months of which time they may idle around and then make application and the necessary affidavit.

Aside from that, the principle involved is disastrous to the youth of the country, no matter to what race they belong. In the very formative period of their character for us to invite them to take advantage of this proposal would be extremely disastrous.

Mr. BROOKHART. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Iowa?

Mr. SMITH. Certainly.

Mr. BROOKHART. I would like to ask the Senator if the way things are going now is not disastrous to the youth of the country?

Mr. SMITH. Yes; I recognize that, and I want to beseech the Congress to address itself to remedying the principles which have brought about this condition rather than to indulge in certain legislation which intensifies the destruction of self-respect and a respect for the Government.

Mr. BROOKHART. I quite agree with that principle, but I want to ask the Senator another question. It will take some time for anybody's plan of relief to employ these boys and get them jobs. In the meantime should not something like this be done to take care of them?

Mr. SMITH. No, Mr. President. I really think that in the main we are prone to exaggerate the condition. But suppose we do not. This plan would not relieve the condition that has brought about the present distressing situation, but would intensify it. If we are to invite the unemployed between the ages specified in the amendment of the Senator from Michigan to become the wards of the Government, we have instilled into them the idea and started the habit in their very youth of depending upon the Government for their support, for their food, clothing, and training. They and we ought to recognize that the Government is not instituted for the purpose of providing these things, but for the purpose of providing a means by which every man, woman, and child in the country shall have an opportunity to make a decent and comfortable living.

We all know what has brought about this condition and yet we have not the courage to meet it and solve it. We know why this financial restriction. We know why this deflation. Every man understands what the conditions were when we had an abundance of currency and easy credit, when everybody had a job, when from 1914 to 1919 the bank failures in the country decreased until 1919 there was not a bank failure in the United States. On May 20, 1920, by the exercise of the arbitrary power of our bankers and their allied interests, deflation was set about which gradually grew from bad to worse until to-day we are the victims of the crime of May, 1920.

We did not call an international conference to deflate. We did it with American bankers in the city of Washington. Then why should we be here asking for an international conference to rectify that wrong which American bankers did? Why do we stand here day after day and treat or attempt to treat the symptoms of a fundamental disease of a lack of adequate circulating medium? Here we are actually attempting to jeopardize the character of the youth of our country, causing them to look to a dole from their Government rather than creating a condition where they can look to their own efforts for an honorable living and setting aside enough for an honorable old age.

No, Mr. President; I am not going to vote for any more of these treatments of symptoms.

Mr. COUZENS. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Michigan?

Mr. SMITH. Certainly.

Mr. COUZENS. The Senator from South Carolina very eloquently said a moment ago that the Government is not organized for the purpose of looking after these youths. I wonder under what conception the Senator believes the country is organized to relieve the cotton farmers?

Mr. SMITH. I am not asking the Government to relieve the cotton farmer. I am asking the Government to take the barriers away and let the cotton farmer relieve himself. That is what I am asking be done.

Mr. ROBINSON of Arkansas. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Arkansas?

Mr. SMITH. Certainly.

Mr. ROBINSON of Arkansas. Considering the amendment of the Senator from Michigan as a military measure—that is, as a provision designed for the improvement and strengthening of the national defense—it seems to me to be almost wholly ineffective. It makes a boarding house, so to speak, of every Army post in the country, requires no service, provides no training for the young men who are presumed to be the beneficiaries of the provision. Therefore as a military measure it is ineffective.

Considered as a measure of destitution relief, it limits the alleged benefits to certain classes on the basis of arbitrary distinctions. First, there is an age limit between 17 and 24. Next, in order to get admission to an Army post under the provisions of the amendment the applicant must prove not only that he is unemployed but that he has been unemployed for at least six months.

I have a full appreciation of the motives and purposes of the very able Senator from Michigan, who offers the amendment, but I do not think it is to be approved either as a military measure or as a destitution relief measure.

Mr. SMITH. May I ask the Senator a question right there in my own time.

Mr. ROBINSON of Arkansas. Certainly.

Mr. SMITH. For what character of young men are we providing their board and keep at the expense of the Government?

Mr. ROBINSON of Arkansas. There is no limit except as to age and period of unemployment.

Mr. SMITH. Does not the Senator know that these young men, and their name is legion, who would not accept a job if it was offered, who are idle and hitch-hiking on the public highways, infesting our cities, overrunning every highway and byway on the ground that the Government owes them a living, would constitute a part of this group?

Mr. ROBINSON of Arkansas. Mr. President, I am assuming that there are many young men in the country who would like to have employment, but are unable to secure it, and that there is a considerable number who would actually be benefited by the operation of the amendment of the Senator from Michigan should the same be enacted into law. But I make the point, and reaffirm it, that to admit into the military posts any young man who happens to be between the ages of 17 and 21 and who has been out of employment for a period of six months, without any requirement or provision for training, with only the general arrangement that the Secretary of War shall be authorized to make such rules and regulations as he may deem necessary to carry out the provisions of the amendment, makes the provision ineffective for any military advantage.

Then, passing to the second phase of the matter, the limitations as to the beneficiaries are arbitrary, and perhaps necessarily so, because manifestly all of the idle can not be provided for at Army posts. Manifestly it is essential to make some limitations. It seems to me that the limitations made by the Senator from Michigan are not unreasonable. Nevertheless it is an inadequate arrangement for destitution relief. It will work harm rather than benefit to the military service, because, as suggested by the junior Senator from Missouri [Mr. CLARK] in a question that he asked during the early period of the debate this morning, it is impossible to take a hundred thousand idle men in military posts with only a general requirement that they shall be subject to discipline and with no definite plan for the utilization of their services without threatening, if not breaking down, the morale of the men who are actually in the service and with whom they must come in contact.

I think the Congress must in the early future proceed to the consideration of a destitution relief measure. We passed one last session, and I think we must pass another in the very early future. In all probability it will be brought forward within a day or two. However good its intention is—and I concede it to be good, and I recognize that the Senator from Michigan has an active, quick mind and that he is always able to give logical and forceful reasons for any proposal he advances—I feel it my duty to say that I do not believe the arrangement proposed will prove a very effective destitution relief measure.

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

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Iowa?

Mr. SMITH. Yes.

Mr. BROOKHART. Mr. President, I desire to call the attention of the Senator from Arkansas [Mr. ROBINSON] to the fact that I gave notice of my intention to offer an amendment including vocational training so far as there may be practicable or available facilities, and the Senator from Michigan [Mr. COUZENS] said that he would accept the amendment.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from South Carolina yield to me further?

Mr. SMITH. Yes.

Mr. ROBINSON of Arkansas. I understood the Senator from Michigan to say this morning in answer—at least indirect answer—to a question I asked him, that, according to his estimate, about 88,000 young men should be provided for under this arrangement. A mere amendment to the amendment of the Senator from Michigan providing for vocational training will not accomplish very much. Military posts have no facilities for that sort of training.

Mr. BROOKHART. The Senator is mistaken as to that.

Mr. ROBINSON of Arkansas. I am not mistaken in the sense in which I am speaking. I recognize the fact that my statement may not be taken literally but certainly the Senator from Iowa will not contend that the facilities now provided by law at military posts are adequate for the vocational training of 88,000 additional men, that is, 88,000 men in addition to the number that are now at such military posts. If he makes that contention, I should like to hear him discuss the facts upon which he bases it.

Mr. SMITH. Mr. President, I think I still have the floor.

Mr. ROBINSON of Arkansas. Yes; and I thank the Senator from South Carolina for yielding to me.

Mr. BROOKHART. Mr. President, will the Senator permit me, just for a moment, to reply to the Senator from Arkansas?

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Iowa for that purpose?

Mr. SMITH. I yield.

Mr. BROOKHART. I wish to call attention to the situation at Rock Island, Ill. Right now there is equipment there for the vocational training of fifteen or twenty thousand men, and it is standing idle.

Mr. SMITH. Mr. President, I have expressed myself in reference to this amendment. Just a word in indorsing what the Senator from Arkansas [Mr. ROBINSON] has said.

What will be the effect upon every Army post of having precipitated upon it this flood of young men who are not there for the purpose of military training, and who, if they were, entirely lack previous training and previous equipment along the lines of discipline? It would mean the total demoralization of discipline at every Army post; it would be converting our military posts into temporary boarding houses for all the idle youth from the age of 17 to 24. Who can determine what number would be there? Beside that, Mr. President, the principle involved is a wrong one.

Mr. WAGNER. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from New York?

Mr. SMITH. I yield for a question.

Mr. WAGNER. I wish, if I can, merely to correct what I think, from a statement made by him, is a wrong impression on the part of the Senator from South Carolina as to the type of young men who are now wandering through the country and who are called "transients."

I understood the Senator to say that they are young people who do not care to work. As a matter of fact, they are not of the type which we used to designate as "hoboes" or "tramps." They are young men and young women, a very large number of them—it is said there are more than 50,000 young women in this category—who are wandering through the country, having left their own homes because during these depression days there is no opportunity for them to secure employment at home, and they are going out into the country in search of an opportunity for employment. As they arrive in other localities they are denied unemployment relief because of the restrictive measures which nearly all municipalities have now adopted, providing that one must be an actual resident of the community for a year or so before any employment will be given to him by relief agencies. So these young people, striving for an opportunity for employment, many of whom are educated, some of them being college graduates, are denied that opportunity, and their case becomes absolutely hopeless, unless, with the cooperation of the Federal Government, the State is able to deal with the particular problem.

Mr. SMITH. This amendment does not propose to provide employment.

Mr. WAGNER. I was not speaking in behalf of the proposed legislation. I simply heard the Senator from South Carolina say that these were young men who do not want to work. I wanted to assert, after having had the benefit of

listening to the testimony of witnesses who have made a thorough investigation of this whole subject, that these are young people who do want employment, and they are out in search of it but can not get it.

Mr. SMITH. I recognize, perhaps equally as well as does any Member of this body, the distressing condition of unemployment, but this amendment does not propose to provide employment. It does not seek to bring about a condition under which one may maintain his self-respect and, at least, make an effort, under provisions made by the Government, to sustain himself in some kind of employment. He is simply to be the guest of the Government at an Army post for a year without any cost, with food and clothing furnished him.

The Senator from New York indicates that there are an equal number of young ladies wandering over the country. If we should follow the modern fashion we would have coeducational institutions at the Army posts and let the boys and girls be there together. I think we might augment the number of unemployed if we would incorporate such a provision in this measure.

But, Mr. President, it seems to me we have selected the wrong place for housing and caring for the unemployed. The adoption of the proposal would demoralize our training camps and inject a flood of irresponsible individuals who in a manner would be put under the discipline of those who have charge of the camps without being required to do anything but to take a certain amount of exercise each day and to receive food and clothing.

Mr. President, there is not a Senator here but who can visualize what would be the result if this provision were enacted into law, particularly in the South. I am not so well acquainted with conditions that exist elsewhere as to the character of those who would take advantage of this opportunity, but I know what would happen in my section.

I am against the principle involved in this bill. I think if we would resolutely set our faces toward curing the disease that has brought these manifestations of distress we would not need to take care of the unemployed. There is plenty in America, and there should be the opportunity for every able-bodied man and woman to be employed and to enjoy its vast wealth. The difficulty is that the wealth is in the hands of a few, so that at a time when we have the greatest amount of wealth the Nation ever had, even our Government is failing to meet its expenses; States are defaulting on their bonds; municipalities and other political subdivisions are going bankrupt, banks are failing all over the country, fear and distress exist everywhere. Why? Because Congress has not the courage to do its duty under the Constitution, and we are subject to the sweet will of those who take advantage of our laws, hoard our money, and permit the country to become bankrupt and ruined.

Mr. GORE. Mr. President, I should like to call the Senator's attention to the fact that a few days ago I received a letter from a business man living in a little town in my State. In the letter he referred to the Government supplying food and clothing to the unemployed. He happens to live in a cotton-growing section of my State, where usually the farmers depend on colored labor for picking the cotton crop. He said that since the distribution of free food and clothing began last September it had been impossible for the farmers to prevail upon the colored laborers to engage in their customary pursuit of picking cotton, that they preferred to rely on Uncle Sam's bounty and favor.

Mr. CLARK. Mr. President, out of order I ask unanimous consent to offer and have considered an amendment which I understand the committee is willing to accept.

The PRESIDING OFFICER. The amendment offered by the Senator from Missouri will be stated.

The LEGISLATIVE CLERK. On page 48, line 18, after the word "States," it is proposed to insert the following:

Provided, That nothing in this provision shall be so construed as to prevent the application of funds herein contained to the pay and allowances or travel expenses of any officer or enlisted man of the National Guard who may surrender said pension, disability allowance, disability compensation, or retired pay for the period of his service in the National Guard.

Mr. REED. Mr. President, I understand that this amendment is being considered by unanimous consent and does not interfere with the motion of the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan has not as yet made his motion.

Mr. COUZENS. I wish to point out that I have not made the motion as yet.

Mr. REED. Very well; I am glad to be informed as to the situation.

The PRESIDING OFFICER. The amendment is in order, and the question is on agreeing to it.

Mr. CLARK. Mr. President, the only purpose of this amendment is to guard against a construction which might be given to the provision which was adopted by the House and retained by the Senate committee. It is simply designed to make it clear that that provision is not intended to apply to a National Guard officer or enlisted man, drawing disability pay or pension, who surrenders such disability pay or pension during the period of his service in the National Guard.

Mr. REED. My understanding is, Mr. President, that this amendment is in entire accord with the thought of the committee. We had supposed that it affected only those who are actually drawing compensation from the Government. If the amendment of the Senator will make it more clear, as I think it does, I interpose no objection to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Missouri.

The amendment was agreed to.

Mr. GEORGE. Mr. President, I do not rise to discuss the amendment but merely to make a brief statement. I should not like to vote against the amendment without making the statement, because I think everyone must sympathize with the general purpose which the distinguished Senator from Michigan [Mr. COUZENS] has in mind—to wit, some sort of care and relief for the very large number of young men who are traveling about the country at this time without employment.

It seems to me, however, that in the bill introduced by the distinguished Senator from New York [Mr. WAGNER], and in the Costigan-La Follette bill, a much wiser and better provision is made for the same general purpose. Moreover, it is much broader, because, as I read both of those bills, provision is made for the transient unemployed wherever they may be found.

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

Mr. GEORGE. Yes.

Mr. WAGNER. There is another advantage in that dealing with the subject is delegated entirely to the States where the individuals are located.

Mr. GEORGE. I was going to come to that. It seems to me, also, to be a very distinct advantage over the amendment offered by the Senator from Michigan to leave to the States, as both the Costigan-La Follette bill and the Wagner bill do, the relief of the transient unemployed of all ages.

It seems to me to be rather dangerous to bring about unusual concentrations of young men between 17 and 24 years of age in the various military posts of the country, wholly aside from all of the other objections that have been pointed out. These unusual concentrations must make against the public health. They can not promote sanitary conditions, because these young men can not be placed under military restrictions in any proper sense. I therefore believe that the true principle would be the care of the unemployed transients not by concentration but by decentralization, leaving the problems to each of the States, and by making the necessary appropriation to meet the necessities of the present time.

Mr. BROOKHART. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Iowa?

Mr. GEORGE. I yield to the Senator.

Mr. BROOKHART. I should like to ask the Senator if there is not much more danger to the public health in the way they are concentrating now, without medical attention or anything else, than there would be if they were brought together in orderly fashion and under medical care in these military posts?

Mr. GEORGE. I should unhesitatingly say "No," because I think the Senator must realize what we may expect to find when an unusually large number of young men are brought together without very strict military discipline in the several military posts scattered throughout the country. It is bad enough as it is; and the purpose to relieve this situation is altogether laudable and commendable. If there were no other way of doing it, or, as I think, no better way, I think I should vote for the amendment offered by the distinguished Senator from Michigan; but I think a better way is pointed out in both the Wagner and the Costigan-La Follette bills.

Mr. President, I merely wanted to make that statement before voting upon this amendment, because I should be unwilling to vote against it without a word of explanation.

Mr. BLACK. Mr. President, a few moments ago, when I was out of the Chamber, I understand that the junior Senator from Missouri [Mr. CLARK] offered an amendment to this bill which was accepted. I had an amendment to the same provision which takes care of a condition which the committee desires to take care of; and I should like to send that amendment to the desk and have it stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. The Senator from Alabama offers the following amendment:

On page 48, line 18, after the word "States," insert:

Provided further, That present adjutant generals who may be drawing such emoluments may be continued in a federally recognized status without pay under this act.

Mr. REED. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Pennsylvania?

Mr. BLACK. I yield.

Mr. REED. There are now four adjutant generals in the United States who were partially disabled through wounds received in action with the enemy. They are apparently entirely capable of performing their duties as adjutant generals. In case of war they would not be called upon for field service, but would remain in their home States. For that reason their cases are different from those of the officers of the National Guard generally, who would be called upon for field service.

The committee was asked to make an exception for these adjutant generals from this provision that is found on page 48, and our inclination was to do it; but we refrained from doing it because of the feeling that if we did it for the adjutant generals it would be unfair to the officers on their staffs and to the other members of their staffs, and that is the only reason they were not excepted entirely.

The amendment offered by the Senator from Alabama changes the picture quite a little because of its provision that these adjutant generals may be federally recognized, but will cease to draw any pay from the Federal Government under this Army appropriation bill. For that reason, Mr. President, I know that I speak the sense of the committee when I say that I shall not interpose any objection.

Mr. COUZENS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Byrnes	Fletcher	Hull
Austin	Capper	Frazier	Johnson
Bailey	Caraway	George	Kean
Bankhead	Clark	Glass	Kendrick
Barkley	Connally	Glenn	Keyes
Bingham	Coolidge	Gore	King
Black	Costigan	Grammer	La Follette
Blaine	Couzens	Hale	Lewis
Borah	Cutting	Harrison	Logan
Bratton	Dale	Hastings	McKellar
Brookhart	Davis	Hatfield	McNary
Bulkley	Dill	Hayden	Moses
Bulow	Fess	Hebert	Neely
Norbeck	Robinson, Ind.	Smoot	Vandenberg
Norris	Russell	Steiwer	Wagner
Nye	Schall	Stephens	Walsh, Mass.
Oddie	Schuyler	Swanson	Walsh, Mont.
Pittman	Sheppard	Thomas, Idaho	Watson
Reed	Shipstead	Thomas, Okla.	White
Reynolds	Shortridge	Trammell	
Robinson, Ark.	Smith	Tydings	

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present. The question is on the amendment of the Senator from Alabama [Mr. BLACK].

The amendment was agreed to.

ASSESSMENT WORK ON MINING CLAIMS

Mr. NORBECK. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. NORBECK. Would it be in order for me to make a motion at this time to reconsider the vote by which a joint resolution passed the Senate day before yesterday? I would like to make the motion to reconsider.

The PRESIDENT pro tempore. The Senator should enter a motion to reconsider and at the same time make a motion to request the House to return the joint resolution.

Mr. NORBECK. I enter that motion, and I move that the House be requested to return to the Senate joint resolution (H. J. Res. 533) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska. If the motion is agreed to, I shall take no further action on the joint resolution in the absence of the Senator from Idaho [Mr. BORAH], with whom I have an agreement that we might reconsider it. I merely want it restored to the calendar.

The PRESIDENT pro tempore. The Senator from South Dakota moves to reconsider the action whereby the Senate passed House Joint Resolution 533 and requests the House to return the joint resolution to the Senate and restore it to the calendar. The question is on agreeing to the motion proposed by the Senator from South Dakota.

Mr. BRATTON. Mr. President, does the Senator object to the bill, or what is his object?

Mr. NORBECK. No; I do not object to the measure. I am heartily in favor of it. I had an amendment that I wanted to offer to it simply making it possible to keep better track of these mining claims and have them available for mining purposes.

The PRESIDENT pro tempore. The question is upon agreeing to the motion submitted by the Senator from South Dakota that the House of Representatives be requested to return the joint resolution.

The motion was agreed to.

WAR DEPARTMENT APPROPRIATIONS

The Senate resumed 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.

Mr. REED. Mr. President, a number of Senators have asked me my intention about continuing with the bill. I hope very much that we shall be able to pass it this afternoon. I believe that we can pass it before 5 o'clock. I should like to run along for a while in the effort to do that.

Mr. SHORTRIDGE. Mr. President, there are a number of Senators who desire to be heard more or less briefly, some of whom are not here. I am here, but I should prefer that the matter should go over until Monday.

Mr. REED. Those Senators knew that the Senate would be in session to-day. I do not think they are entitled to go away and hold up the business of the Senate. The Senator from Michigan tells me that he has not quite finished his remarks; and therefore I will withhold my own brief remarks until he finishes.

Mr. COUZENS. Mr. President, the Senator from South Carolina made a statement which I challenge, that is, that these boys are not willing to work.

Mr. SMITH. Mr. President, may I correct the Senator in that statement? I said a percentage of them were not willing to work; not all.

Mr. COUZENS. I venture to say that the Senator from South Carolina can not present any authentic information showing that a percentage are not willing to work.

Mr. SMITH. I may not be able to present information as to any great percentage, but the Senator from South Caroline is pretty thoroughly convinced that there is a percentage of the individuals to whom the Senator refers who are not willing to work. So far as that is concerned, even were there not, I think I gave satisfactory reasons why I thought this amendment should not be agreed to.

Mr. COUZENS. The Senator also referred to doles. I would welcome his analysis of the doles, which have amounted to nearly $2,000,000,000, which have been passed out of the Treasury through the Reconstruction Finance Corporation, and doles which have gone to the cotton States by the hundreds of millions, which will never be repaid. If those are not doles, then I do not understand the meaning of the word.

Mr. SMITH. Mr. President, will the Senator indicate just what appropriations that have gone to the South he considers doles, outside of the emergency fund which has just in the last few months been made available for the relief of unemployment?

Mr. COUZENS. The Senator admits that the one we just let go through by unanimous consent was a dole?

Mr. SMITH. I think the one we provided some time ago, amounting, I think, to $300,000,000, to be allocated among the States at the request of the governors of the States, looking toward helping out unemployment, had at least an element in it, so far as it applied to my State, that was infinitely better than a straight dole, in that the people are employed in different kinds of work, sweeping up leaves on the lawns or cleaning out drains—at least making a gesture to earn the amount that is donated.

Mr. COUZENS. The Senator very properly calls it a gesture, but I want to submit that during my service here the Senator from South Carolina has made the most earnest pleas on this floor—most of which have been listened to and complied with—for relief of Southern States suffering from drought, floods, and one thing or another. If the appropriations we have made were not doles in the emergencies when they were made, then the appropriation I ask would not be a dole, because the present emergency is equal to those of the past.

Mr. SMITH. Mr. President, I want to call the attention of my colleagues to the fact that if they will refer to the history of the loans made to the drought and storm-stricken regions and to the sections where, on account of very low prices, the banks have failed, it will be found that in excess of 87 per cent of the money borrowed has been paid back by those who received it.

Mr. President, there is not a man in this body for whom I have a higher regard than I have for the Senator from Michigan.

Mr. COUZENS. I thank the Senator.

Mr. SMITH. I have had no colleague here who has more earnestly cooperated with me in the efforts I have made to relieve the distress to which he has referred. But we must differentiate between such relief as is requested here and the furnishing of credit to those who can not otherwise get it, and who, employing that credit, have sustained their self-respect and paid back to the Government in excess of 87½ per cent of the actual amount borrowed plus the interest on it.

Mr. COUZENS. Of course, if the Senator reduces this whole problem to a question of gold, then he probably is accurate. If the Senator is unable to visualize any return under Government activity except gold, then he is undoubtedly right. But I have submitted evidence this morning, and I am going to submit some more, to the effect that there will be returns to this country which will be much greater and better than gold. Therefore I refuse to reduce this discussion to a mere balance sheet, to a mere calculation of the percentage of gold that will be returned to the country as a result of the Government's activities.

Mr. SMITH. Mr. President, if the Senator will allow me, I heartily concur with him in that, but I do object to the manner in which he proposes, in this measure, to bring about what I think could be brought about in another way, a way which would enable the individuals to retain their self-respect, and also would not interfere with our Military Establishment.

Mr. COUZENS. Mr. President, does the Senator recall the comments made by the Senator from Georgia with respect to the Wagner bill and the Cutting bill, both of which I favor? Does he recall that the money is to be used for feeding and housing, and for exactly the same purpose in my amendment? Does the Senator favor those measures?

Mr. SMITH. I think they would be an improvement over this suggestion, because it would leave the matter to the States. They would not concentrate the boys in our Military Establishment, and would leave some manner of discretion to those who administer the funds to take care of that precious element known as the self-respect of the individual.

Mr. COUZENS. I ask the Senator whether he contends that the proposal of the Senator from New Mexico to set up camps such as there are in California, and one in Georgia and one in Florida, with an appropriation of $15,000,000, would tend to maintain the self-respect of the young men more than putting them in the Army?

Mr. SMITH. No, Mr. President; nor have I spoken in favor of it.

Mr. COUZENS. I ask the Senator whether he would be in favor of that.

Mr. SMITH. I think not.

Mr. LA FOLLETTE. Mr. President, will the Senator yield to me?

Mr. COUZENS. I yield.

Mr. LA FOLLETTE. The Senator from Michigan has indicated a great familiarity with the testimony taken by the subcommittee of the Committee on Manufactures, and he knows that it is replete with information from the persons who are most familiar with the types of men and boys, transients, who are now on the road. He knows, further, that almost without exception the witnesses testified to the fact that the largest percentage of these young men and boys, and the older men, too, for that matter, are traveling because they are seeking work. Many of the witnesses pointed out that it was the more enterprising, the more self-respecting, the more ambitious, who were on the road.

Mr. COUZENS. The Senator must have overlooked that I read all of that.

Mr. LA FOLLETTE. I wanted to direct the Senator's attention, in refutation of the statement made by the Senator from South Carolina, to the statement of Mr. Black, who is in charge of the California camps for transients in the forests, as it appears on page 4 of the hearings. I could not be present during all the time the Senator was speaking, and I do not know whether he read what Mr. Black said in response to the question of Senator CUTTING, "What do you find out about the character and general type of transients?" Did the Senator read the answer to that?

Mr. COUZENS. I did not.

Mr. LA FOLLETTE. It seems to me it would come in very appropriately following the remarks of the Senator from South Carolina.

Mr. COUZENS. At the suggestion of the Senator from Wisconsin, I will read the reply of Mr. Black to Senator CUTTING's question, as follows:

> We found them just as good as you find a man in the daily walks of life. The men in camp were, for the most part, of the highest types in the ranks of the unemployed. They were recruited through various charitable relief agencies in the cities. Only volunteers were accepted in the camps, but after reaching camp each man was required to work or leave. As a matter of fact, I would say that it is a boys' paradise. Many of them were laborers, but there were also business men and tradesmen. There were many professional men and many high-school and college graduates. In one camp we had 18 college graduates and 33 high-school graduates, which is a very high percentage. We have graduates of some of the largest colleges in the United States. As I say, we have quite a number of small tradesmen and business men who have gone broke. We have had men who held fairly

responsible jobs as engineers, occasionally a doctor and a dentist. The occupations of the men are listed in this pamphlet which I shall be glad to leave with the committee. We have men who had been bankers and brokers. They listed themselves as clerks and after that they came in to get a job, many of them giving a false name, as a matter of pride.

From the standpoint of the men the program was most successful.

I think that covers the part relating to the character and type of men.

Mr. President, I submit that, whatever program is carried out, as provided in the proposal made by the Senator from New Mexico [Mr. CUTTING] it will take some considerable time. In other words, they will have to organize to set up these camps, which, I submit, will take some time, and whether I am quite correct about that I do not know, because I have not studied the bill of the Senator from New Mexico.

I am unable to see what there is so sacred about the Army. Just why would taking care of these 88,000 boys disrupt the Army? Certainly when we went to war, and the boys were wanted for the protection of our country, these camps and these facilities were readily available.

Mr. President, we are now at war with depression, we are now at war with need, and the facilities are in the same condition in which they were when we went to war in 1917. There was no complaint then about disorganizing the Army. There was no complaint about taking the youngsters in from 16 to 21. There was no complaint that they would disorganize the Army. But now, when we are in a fight against depression, in an effort to protect the flower of the country, we are confronted with the contention that it would disrupt the Army.

Mr. President, not even the War Department, in the reply to the Senator from Pennsylvania, indicated that it would disrupt the Army. The letter of the Secretary of War was, in my judgment, a fair statement of the facts. He did not say one word about disrupting the Army.

Not only that but I am advised that only to-day one of the admirals of the Navy, being called on the telephone in an effort to get his influence against this proposal, said that the Navy would be glad to take care of 15,000 of these boys.

Mr. President, if it should eventuate that I can not succeed in having this proposal put on the Army appropriation bill I will revise it to include both the Army and the Navy and present it as an amendment to the Navy appropriation bill, and I will continue to offer it to every appropriation bill for the remainder of the session, because it is not my intention, from false pride about the Army, to stand by and neglect 88,000 boys who could be taken care of under the provisions of my proposed amendment.

Mr. President, before I was interrupted to permit the taking up of some other matters, I was in the midst of continuing a brief recital contained in a memorandum issued by the Department of Labor, the Children's Bureau, last year. I started to read the discussion of the types of boys, and this is particularly apropos in view of the statement of the Senator from South Carolina that these boys were made up of a large percentage of loafers, boys unwilling to work. I read from the pamphlet:

There is much testimony to the effect that these boys come from substantial American families. A study of 5,438 transient men and boys served by the Salvation Army in Atlanta during four winter months showed that 194 had been in college and 1,641 had attended high school. The Salvation Army in Washington, D. C., registered 7,512 transients during the first quarter of this year. Among them were 258 who were college trained, 2,060 who had been in high school, and 1,866 who had an eighth-grade education.

Social workers, police, and railroad men, who are in constant touch with these boys, assert their belief that the overwhelming majority of them are young men and boys who would normally be in school or at work, but that they are on the road because there is nothing else to do, sometimes because sheer pride will not permit them to sit idly at home, sometimes because the whole support of the family came from relief agencies, wholly inadequate properly to feed the younger children; that they are on the whole not the habitual hobo criminal type.

I think that effectually refutes the charges that these young boys are a lot of hoboes and unwilling to work.

Now, I want to draw the attention of the Senate to some of the hazards and hardships with which these boys have to contend. The point I make is that these things are unnecessary. There is no necessity for these boys having to stand the hardships and take the hazardous risks that they do when the Federal Government has facilities to prevent it. I have no sympathy with keeping boys and men in idleness. I have no sympathy with laziness. I have no sympathy with indolence. But I refuse to be diverted from this plan simply because some Senators say that these boys do not want to work or that it is approaching the project from the wrong direction.

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

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Texas?

Mr. COUZENS. I yield.

Mr. CONNALLY. I think we ought to have a quorum to hear the Senator from Michigan. I make the point of no quorum.

The PRESIDING OFFICER. Does the Senator from Michigan yield for that purpose?

Mr. COUZENS. I do.

The PRESIDING OFFICER. The clerk will call the roll.

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

Austin	Couzens	Kendrick	Robinson, Ark.
Bailey	Cutting	Keyes	Robinson, Ind.
Bankhead	Davis	King	Russell
Barkley	Fess	La Follette	Schall
Bingham	Fletcher	Lewis	Schuyler
Black	Frazier	McKellar	Sheppard
Blaine	George	McNary	Shortridge
Borah	Gore	Moses	Smith
Bratton	Grammer	Neely	Smoot
Brookhart	Hale	Norbeck	Steiwer
Bulow	Harrison	Norris	Tydings
Byrnes	Hastings	Nye	Vandenberg
Capper	Hatfield	Oddie	Wagner
Caraway	Hebert	Pittman	Walsh, Mass.
Connally	Johnson	Reed	White
Coolidge	Kean	Reynolds	

The PRESIDENT pro tempore. Sixty-three Senators having answered to their names, a quorum is present.

(At this point Mr. NORBECK submitted a motion relative to H. J. Res. 533, which appears on page 3855.)

Mr. COUZENS. Mr. President, before the quorum call I was about to discuss some of the hazards and hardships with which these young men have to contend. I hardly think it is necessary to emphasize the fact that the value of the youth to the country is recognized by all, and I do not think I shall take the time of the Senate to read from numerous documents I have here concerning the value of the youth of the country, notwithstanding the disparagement placed upon them by the Senator from South Carolina [Mr. SMITH]. I do wish, however, to quote from a memorandum prepared by the Childrens' Bureau of the Department of Labor, as follows:

Boys accustomed to decent standards of living find themselves going for days at a time without taking off their clothes to sleep at night, becoming dirty, unkempt, a host of vermin. They may go for days with nothing to eat but coffee, bread, and beans. In winter they suffer from exposure. Last winter in one western city 35 young men and boys were removed from box cars seriously ill, some in advanced stages of pneumonia.

Yet, Mr. President, for the maintenance of the aristocracy of the Army these boys must not annoy them.

Continuing to quote:

Freight yards are policed. Hence trains must be boarded outside the yard limits while the train is in motion. One railroad alone reported more than 50 young men and boys killed and more than 100 crippled in this way last winter. It is no longer possible to pick up odd jobs here and there.

And yet, Mr. President, the Senator from South Carolina and the Senator from Arkansas say that we are not reaching the ills of the situation. Why this constant opposition to doing something that will relieve distress while we are attempting to find a mythical way of expanding currency and doing other things to get at the fundamentals? Every time some one approaches a problem of this kind the protestants get up and talk about not attacking "fundamentals." Well, Mr. President, I have heard the words "fundamentals" and "sound policies" and "economy," and so on, until I am sick and tired, and the whole United States

ought to be sick and tired of the constant repetition of the words "fundamentals," "economy," "sound money," and all that sort of crazy talk while millions and millions of our people are in distress.

We must not, Mr. President, do anything that will disturb "rugged individualism"! We must not do anything that in any manner, shape, or form will affect the dignity of the youth of the land. We must enable them to retain their self-respect; we must not offer them something for nothing; we must stand here and see them traveling in the slough of despond, in misery, in distress, and sickness, afflicted with venereal and other diseases, and at the same time stand by and preach "fundamentals" and "economy," and we must do this in spite of the fact that on one railroad alone 50 young men were killed and 100 crippled while traveling across the country in search of jobs, which the Senator from South Carolina says they should have, instead of receiving some assistance from their Government. Thousands more are being killed and crippled while the Senator from South Carolina says we are not dealing with "fundamentals." We must hold up measures of this kind and see these youths demoralized, while the Senator from South Carolina deals with "fundamentals," while he talks hazily about some method for providing new currency and some kind of credit expansion. We must first get all those questions settled while in the meantime the youths of the Nation are going through an experience to which no human being should be subjected.

Continuing to read from the memorandum of the Department of Labor:

It is no longer possible to pick up odd jobs here and there. Communities jealously reserve even the occasional short-time job for local residents. Therefore the unwelcome nonresident boys—

I emphasize the word "unwelcome." Can Senators who have sons and grandsons sit here and realize with complacency that there are 300,000 boys traveling over this country who are "unwelcome"? The nonresident boy is told everywhere he goes "Move on; move on; we will give you some coffee and beans to-night and a shack to live in, but to-morrow move on, move on." And yet we stand here and appropriate millions of dollars to maintain credit. To none of the measures making such appropriations have I expressed any opposition, and all I ask is that the same consideration and cooperation be given to these homeless boys by the beneficiaries under previous acts of Congress.

Therefore the unwelcome nonresident boy must either depend on the bread line or soup kitchen, or he must beg or steal. In the box cars, in the "jungles," as the camping sites adjacent to the railroad yards are called, or even in the municipal shelters, he will meet men whose entire influence is destructive—criminals, fugitives from justice planning new "jobs"—

Referring to criminal "jobs"—

and looking for clever new recruits—degenerates and perverts eager to initiate new boys into evil habits and teach them how they can pick up a few odd dollars in any big city. Such men are in the great minority, but one or two can do an incalculable amount of damage. Worst of all, perhaps, because it is so contagious, is the workless philosophy, the "getting by" attitude everywhere encountered and very easily acquired on the open road. To this species of demoralization the "keep them moving" policy universally in vogue not only offers no opposition but in fact contributes.

Mr. President, the Senator from Arkansas and the Senator from South Carolina say we must not have the sacred Army of the United States demoralized by requesting them to take care of 88,000 destitute, vigorous, energetic boys who are unable to get work. What method of reasoning do these gentlemen employ? What is the philosophy of those who take this position?

Mr. President, not one-tenth of the energy has been devoted by Congress to the care of the human side as has been devoted to taking care of the financial side. Call that demagoguery, if you desire; but if it be demagoguery, I am willing to accept the challenge.

I recognize the desirability and the advantages of keeping commerce as free as possible through the maintenance of the ordinary channels of business; I recognize that we must do everything that is proper to permit depositors in banks to withdraw their money so as to enable them to pay their help, to pay their bills, and to live. I am and have been willing to do that up to date, but I am now in doubt how much further we can go. I have been willing that the taxpayers' credit should be used to maintain the railroads' inordinate capitalization, because there are some 60,000,000 life policyholders in the United States whose equity in their policies I was unwilling to destroy. I have stood by and seen hundreds of millions of dollars appropriated for the aid and maintenance of the farmers, and have cheerfully contributed to support such measures, but now, Mr. President, the Senator from South Carolina and the Senator from Arkansas and some others from the South—a section which has been the greatest beneficiary under the appropriations of Congress to ameliorate flood and drought conditions, and to provide seed for farmers—stand up here and say that was perfectly all right because we got back 87 per cent in gold. Mr. President, I submit that what we will get back if we shall adequately take care of these youths will be worth more than 87 per cent in gold.

During the nearly 11 years that I have been a Member of the Senate I have seen almost every kind of legislation go through in the interest of business. I have not opposed those measures; I am not against the railroads or other business; I want to see their integrity maintained; but, Mr. President, I also want to see maintained the integrity of the youth of the land and I want to see them preserved. I am unable to understand men with sons and with grandchildren standing here and saying, "This scheme is impracticable because it will disturb the Army." What is there sacred about the Army or the Navy that they can not contribute their assistance to relieve a condition which everyone admits is intolerable and should not be permitted to continue?

The Senator from Pennsylvania was kind enough to have his clerk submit to me a memorandum of the reasons for the adverse report made on this bill by the Committee on Military Affairs. The first is—

While the Army has neither barracks nor tentage which could house as many as 100,000 men, Senator COUZENS estimates the number of applicants at about 300,000. Many members of the committee felt that the number would be far greater than this.

I do not criticize the committee for making that statement, for there was admittedly nothing in the bill which limited the number, but I had no information as to the capacity of the Army facilities. I did expect, however, that the Committee on Military Affairs would be sympathetic enough with the principle involved to go into the matter and rewrite the bill or insert amendments which would have shown some interest on their part and have taken care of the number of youths who could have been taken care of by the War Department without extending its facilities beyond their existing capacity.

Their second reason is:

The Army has no supply of clothing which could be issued to these young men.

The War Department in their letter to the Senator from Pennsylvania did not make any such statement as that. They said that whatever equipment or clothing was used for this purpose would have to be replenished. Of course I understand that and I understand appropriations will have to be made for replenishing the clothing which the Army will have to use in order to clothe these young boys.

3. The Army appropriation for subsistence is barely sufficient to feed the present Regular Army of 118,750 enlisted men. To feed 300,000 additional men would require a further appropriation of two and a half times as much as our present appropriation for this purpose.

I expected that the Military Affairs Committee, to which this bill was referred and which later referred it to a subcommittee, would amend the bill introduced to take care of the situation. But they never changed a word in the bill, Mr. President. They made no recommendations. The chairman of the subcommittee was the junior Senator from Iowa [Mr. DICKINSON], with whom I spoke about holding hearings. They not only did not hold any hearings, they not only did not ask me to come before the committee and

discuss the matter with them, but they just cold-bloodedly referred the matter to the Committee on Military Affairs without a hearing, without any consideration from persons who had familiarity with the subject, and referred it to the full Committee on Military Affairs, who, in turn, cold-bloodedly kicked it out on the calendar with an adverse report.

4. Discipline of this group of young men would be next to impossible, since they would not be enlisted and would be beyond the Army's authority to punish for infractions of rules. They could not even be required to keep their own quarters clean, and the Army has no funds with which it could employ civilian labor for this purpose.

Mr. President, I submit that with the intelligence of the chairman of the Military Affairs Committee, with his familiarity with War Department affairs, with the attention of the whole committee devoted to military affairs, the committee could have amended the bill so that these boys would have been required to keep their own quarters clean. They could have inserted in the bill a provision giving absolute authority to the commanders to discipline or dismiss boys who were taken in under their jurisdiction; but not one word did they change, Mr. President. Not one thing did they do. In other words, the whole proposal was received in a most unsympathetic manner and referred back with an adverse report.

Mr. President, days and days, weeks, and months have been given at this session of Congress by the Committee on Banking and Currency, the Committee on Agriculture and Forestry, and other committees to devising ways and means to protect the credit structure of the country, to protect the railroads, to protect industry. Hours have been devoted to amending bills that were submitted. The Senator from Delaware [Mr. HASTINGS] has spent hours of his brilliant, intellectual mind on laws to devise ways and means for taking people out of bankruptcy; but, Mr. President, the Military Affairs Committee never spent one minute to take out of moral bankruptcy these boys who are in it.

Why this great distinction between taking care of human beings and taking care of dollars? Why are dollars so much more precious than 100,000 boys tramping the country, looking for jobs? Why is that more important?

Oh, Mr. President, this is "demagoguery." This, perhaps, is what Sergeant at Arms Barry meant when he said there was demagoguery in the Senate. That is what is always alleged when anyone gets up here to defend the underprivileged boys, girls, and men of this country. To fight for them, to do anything to save them from the ills of the economic depression, is demagoguery. To get up here and plead for billions to maintain the credit structure, and the income from bonds, is statesmanship.

Mr. President, I have no desire to be called a statesman. I am glad to be called a demagogue if standing up here for hours in defense of these 300,000 boys is demagoguery.

The fifth objection submitted is as follows:

The presence of a body of unenlisted boarders of indefinite number at each military post would greatly impede the performance of the regular duties of the Army.

Mr. President, that is the weakest of them all! There was some foundation for the other excuses offered by the committee, but that is the weakest of all. "Unenlisted boarders"! One hundred thousand or 88,000 of the best of the youth of the Nation designated as "unenlisted "boarders." "Unenlisted boarders"! Taken in because of economic conditions which they played no part in bringing about, they are called "unenlisted boarders"; and they, forsooth, Mr. President, would "greatly impede the performance of the regular duties of the Army"!

Pray, Mr. President, what are those "regular duties" which are so much more important than looking after 88,000 of the best flower of the country?

Oh, it is true that they are not the sons of any Members of this body. They do not belong to any fathers here, nor do they belong to the fathers who are Members of the House of Representatives. They belong to other fathers, who are just as fond of them as we in this body are fond of our children; and they are only "unenlisted boarders"!

Mr. VANDENBERG. Mr. President, my able colleague, the senior Senator from Michigan [Mr. COUZENS], has referred to the possibility that he may have earned classification as a demagogue because of his implacable insistence upon this humane legislation. He spoke sarcastically. But I want to address a preliminary word to this suggestion submitted by my colleague.

I presume he would be the last man who would sanction the thing I am now about to say. Nevertheless, I intend to say it, Mr. President. I intend to say that the interest which he displays in underprivileged boys is no new conception responding to the fleeting fancy of a vagrant moment. On the contrary, we of Michigan have grateful reason to know that not only his efforts and his sympathies, but his resources, with an amazing and almost unparalleled generosity, have been dedicated to underprivileged children for many fruitful years. Therefore, in the attitude which he takes to-day in this Chamber he is but pursuing the noble dedications of a lifetime; and the proposition that he lays upon the bar of the Senate this afternoon is but the lengthened shadow of a practical philosophy to which he has subscribed his own effort and resource for many blessed years. Uncounted children of Michigan are the beneficiaries of his sympathies in these respects. He is a veteran of many wars in their behalf.

No, Mr. President; there is no demagogy in the attitude of my colleague upon this proposition. There is simply consistency in dedication to underprivileged children and to their fair chance in life.

Mr. President, I support the plea which my colleague has so eloquently and so earnestly submitted. I support the plea for many different reasons. May I say that among other reasons is the fact that I am a firm believer in the theory and philosophy of citizens' military training camps and reserve officers' training camps, and the inevitable advantage in terms of citizenship that comes from any contact with well-directed and intelligent military supervision.

It is true that under the terms of the pending amendment it is not proposed to induct these boys into active military commitments. Nevertheless, it is equally true, under the literal language of the amendment, that any of these boys admitted to these posts under these circumstances shall, so far as practicable—and I read from the amendment—"be subject to the customary discipline maintained at such posts, and shall participate in all forms of beneficial and healthful exercise." Furthermore, the Secretary of War is authorized to make such rules and regulations as he may deem necessary to carry out the provisions of this section.

Very well. Even though there be no enlistment, even though there be no military commitment, Mr. President, it seems to me that if these otherwise itinerant boys are gathered together under these military auspices, and if the direction of the adventure proceeds with any imagination at all, the net result must be to produce better citizens, and to produce them in very much the same sort of a patriotic reaction for which we appropriate many millions of dollars to create citizens' military training camps.

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

The PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from Pennsylvania?

Mr. VANDENBERG. I yield.

Mr. REED. Let us take a practical case for illustration. Suppose that at Fort Myer we had a thousand or 2,000 of these young men, half white, half colored—doubtless they would be that—on a day like to-day. Just what would the Senator's own imagination provide for them to do? Military training is out of the question. That is not contemplated.

Mr. VANDENBERG. Why is it out of the question?

Mr. REED. The Senator from Michigan has stated that.

Mr. VANDENBERG. The Senator from Michigan has stated that there is no commitment, no enlistment; but he has not stated, nor do I believe that he contemplates, that there is to be a complete divorcement from the many activities that enter into the creation of sound bodies and sound minds under military auspices in these training camps.

Mr. REED. I understand that gymnasium work would be permitted, if there is a gymnasium, but that military training, drill, instruction in military subjects, is not contemplated. That is what I gathered as a result of the argument this morning. If military training is expected, certainly that ought to be stated; but if military training is not resorted to, just what type of healthful and beneficial exercise does the imagination of the Senator suggest for a day like to-day?

Mr. COUZENS. Mr. President, what would the Regular Army do?

Mr. REED. The Regular Army goes through with its drills. It has a lot of work to do.

Mr. VANDENBERG. Mr. President, if I were in charge of the experiment involving these thousand young men at Fort Myer to whom the Senator refers, I would contemplate, on a day like this, a type of drill which would in no sense necessarily be a commitment to the regulations, and yet which could well involve the discipline and the character-building which is contemplated within the latitude of this amendment.

Mr. COUZENS. Mr. President, will my colleague yield?

The PRESIDENT pro tempore. Does the Senator from Michigan yield to his colleague?

Mr. VANDENBERG. I do.

Mr. COUZENS. I am unable to know what the Senator from Pennsylvania refers to, because I see nothing in the amendment which prohibits military training.

Mr. REED. I understood the Senator this morning to say that military training was not contemplated, and the bill says nothing about it.

Mr. COUZENS. I say I did not contemplate it, because I am not a military man; but the chairman of the Military Affairs Committee is a military man. Why did not he put that in when the bill was before him, if he thought that was a good thing?

Mr. VANDENBERG. Mr. President, this colloquy between the senior Senator from Michigan and the Senator from Pennsylvania illustrates the point I am trying to make. There is no prohibition whatever in this bill against the use of the military brains with which the Army is commanded to create a ritual which will be of service not only to these temporary wards of the Government but to the Government itself in the reactions which, as I see the situation, can be built.

I am not a military man myself. I would not undertake to say what the specific possibilities are.

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

Mr. VANDENBERG. In just a moment. I would undertake to say, however, that if the Senator from Pennsylvania with his military experience were in charge of those thousand boys at Fort Myer, or if the Senator from Maryland, who now rises to his feet and who also is a splendid soldier, were in charge of those thousand boys at Fort Myer, they would have a busy, useful, healthful day.

I yield to the Senator from Maryland.

Mr. TYDINGS. Mr. President, I do not want to interrupt the Senator, but I think we ought to have a larger attendance here while arguments for and against this proposition are being made. Would the Senator object to yielding for the purpose of a quorum call?

Mr. VANDENBERG. I yield.

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

The PRESIDENT pro tempore. Inasmuch as the Senator from South Dakota [Mr. NORBECK] has entered a motion to reconsider, which may be counted as business, the call for a quorum is in order, and the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Austin	Caraway	Grammer	Keyes
Bailey	Connally	Hale	King
Bankhead	Coolidge	Harrison	La Follette
Bingham	Couzens	Hastings	Lewis
Black	Dale	Hayden	McKellar
Blaine	Fess	Hebert	McNary
Borah	Fletcher	Hull	Moses
Brookhart	Frazier	Johnson	Neely
Bulow	George	Kean	Norris
Capper	Gore	Kendrick	Nye
Reed	Schall	Smith	Wagner
Reynolds	Schuyler	Smoot	Walsh, Mass.
Robinson, Ark.	Sheppard	Tydings	Walsh, Mont.
Russell	Shortridge	Vandenberg	

Mr. FESS. I desire to announce that the junior Senator from Indiana [Mr. ROBINSON] is detained on official business.

The PRESIDENT pro tempore. Fifty-five Senators having answered to their names, there is a quorum present.

Mr. McNARY. Mr. President, I desire to propose a unanimous-consent agreement, that beginning on Monday at 12 o'clock no Senator shall speak longer than 15 minutes or more than once on the pending bill or amendments that are pending thereto and which may be offered to the bill.

The PRESIDENT pro tempore. May the Chair state in connection with that that there is already a unanimous-consent agreement to take a recess whenever the day's work may be finished?

Mr. McNARY. I appreciate that.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request?

Mr. REED. Mr. President, would not the Senator from Oregon broaden the request so as to provide that no Senator should speak more than once or longer than 15 minutes on any motion connected with the bill?

Mr. McNARY. Yes; I suppose that is contemplated. I certainly would include it. It is quite proper.

The PRESIDENT pro tempore. The Senator from Oregon asks unanimous consent that, beginning at 12 o'clock on Monday, no Senator shall speak more than once or longer than 15 minutes in connection with the pending bill, or any amendment thereto, or any motion in connection therewith. Is there objection?

Mr. COUZENS. Mr. President, reserving the right to object, I understand that if this is agreed to, we will go no farther to-night.

Mr. McNARY. That is the understanding.

Mr. FRAZIER. Mr. President, I have an amendment I wish to offer, and I want to talk on the bill. While I could divide my remarks up, I would not like to be limited to 15 minutes.

The PRESIDENT pro tempore. The Senator would have 15 minutes on the bill, 15 minutes on any amendment he desired to offer, and 15 minutes on any motion in connection with the bill. Therefore, the Senator might have 45 minutes, if he chose to demand his rights.

Is there objection to the unanimous-consent agreement proposed by the Senator from Oregon? The Chair hears none, and the unanimous-consent agreement is entered into.

THE GRAIN FUTURES ACT

Mr. CAPPER. Mr. President, although the price of wheat in the United States is to-day and for some time past has been ridiculously low, it is and has been substantially above an export parity. It is by far the highest priced wheat of any exporting nation in the world. Moreover, the speculative element of the grain trade apparently feel that the price of wheat is entirely too high; that to "help" the distressed farmer the below-the-cost-of-production price he is now receiving should be driven to still lower levels. In support of that statement I will quote from an editorial appearing in the Grain and Live Stock Herald (successor to the LaSalle Street Herald) of December 22, 1932, a financial and commercial journal published in Chicago. I quote:

> The Grain Futures Administration, in its annual report to the Secretary of Agriculture, confirms the belief that we have long held, namely, that it was fear of Government interference with the trade and of drawing down the wrath of the bureaucrats on their heads that kept the short-sellers from driving and driving hard toward an export basis during the past four years at a time when they might have had some chance of success.
>
> It was our belief, and has been, that one prime reason why we have not gotten on an export basis and did not fight to that level when prices were at a decent level was because the big speculators were afraid to act. They were afraid that if they sold heavily in Chicago against purchases in Winnipeg the Grain Futures Administration would see the report of their heavy volume of sales, call them on the carpet, and either force them to close their contracts or would force the exchange to close. This is borne out in large part by the fact that the instant the Secretary of Agriculture withdrew the requirement that trades of 500,000 bushels or more must be reported, the market here at Chicago immediately broke sharply * * *.

Mr. President, the statement that the large professional speculators, the self-styled "friends of the farmer," have been overwhelmingly on the short side of the wheat market during the past two crop years—July 1, 1930, to June 30, 1932, is amply supported by the records of the Grain Futures Administration. These official records disclose that during these two years the large speculators in the Chicago wheat market were net short on 521 days out of 598—87 per cent of the time—or nearly 9 days out of every 10. Moreover, the records further show that the largest net long position ever attained by the large speculators during the very brief time that they were net long was but 3,660,000 bushels contrasted with their maximum net short position of 13,700,000 bushels. It is a well-recognized fact that after these large speculators have entered the market on the short side their sole interest is in seeing prices decline to lower levels.

I can not subscribe to the doctrine of the "philanthropic speculators" who hope to "aid" the farmer by operating on the short side of the wheat market, and thus drive down the price of his product to still lower levels. On the other hand, I am convinced of the need of additional legislation to strengthen and reenforce the present grain futures act along the lines of the bill which I introduced at the beginning of the present Congress (S. 96).

Doctor Duvel, Chief of the Grain Futures Administration, has recently issued a statement explaining briefly just what the grain futures act is and what it is not, and I ask unanimous consent to incorporate his statement in the RECORD as a part of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The statement is as follows:

THE GRAIN FUTURES ACT—WHAT IS IT?

(Statement by Dr. J. W. T. Duvel, Chief of Grain Futures Administration, United States Department of Agriculture)

In view of what appears to be a deliberate and rather well-planned campaign to create a false impression among farmers and others concerning the purpose and effect of the grain futures act and to confuse it with the tariff act of 1922, the agricultural marketing act of 1929, and the revenue act of 1932, it seems desirable at this time to restate in simple terms what the grain futures act is, how it came to be enacted, and what it does and does not do.

The grain futures act was passed in 1922. It was the result of 40 years of legislative effort to obtain some measure of control over the type of business known as dealings in grain futures on boards of trade. Constantly recurring corners and market manipulations had made Federal regulation necessary.

It was recognized that the boards of trade themselves had the power to prevent manipulation and to prevent the spreading of false rumors by members to influence prices. The problem was to force them to exercise their power and control over such matters against the selfish desires of the powerful speculative interests who by well-distributed patronage were able to dominate board-of-trade affairs. It is only fair to say that the majority of board-of-trade members were more or less disgusted with the conditions that existed, but fear of reprisals and ruin of their own business rendered them helpless to do anything.

The grain futures act is not to be regarded as farm-relief legislation, although it was passed in response to a widespread demand among farmers for market supervision. It does not fix prices or affect prices, except by freeing them from manipulative control. It aims merely to safeguard the price-making machinery. It does not prohibit short selling. It imposes no taxes of any kind. It places no limitation upon the amount of grain that may be bought or sold for future delivery by any person or interest. There is no limit upon the amount that a person may be either long or short, although amendments have been proposed from time to time to authorize such limitations.

Contrary to representations which have been made recently by those who know better, the Grain Futures Administration has never required any person, either speculator or grain dealer, to sell out any part of his holdings. The act contains no authority for such action. The Chicago Board of Trade, through its business conduct committee, some years ago established the principle that individual speculative lines in excess of 5,000,000 bushels were a dangerous market hazard. The Grain Futures Administration, while believing that a 5,000,000-bushel limit is too large for the safety of a stable market, has cooperated with the business conduct committee to the extent of informing the committee of situations where single accounts approached or were above 5,000,000 bushels. The business conduct committee has warned individual speculators against increasing dangerous speculative lines, but has not, to the knowledge of the Grain Futures Administration, ever ordered them to close their trades or even to reduce their lines.

So much for the "restrictions" which the big speculator so vigorously opposes. In this connection, it is interesting to note that his opposition is heard always in the plea that except for the supervision imposed by the grain futures act which he chooses to call "restrictions," he would be in the market as a buyer supporting prices to help the farmer. During the past two and one-half years, however, when the Government itself for a time was undertaking to support prices for the benefit of farmers, the large speculators in Chicago wheat futures—those having accounts long or short at any one time in excess of 500,000 bushels in one future—were in the market practically all of the time, but, as a group, were pursuing the selling side. The group as a whole was net short most of this period. To be exact, from April 1, 1930, to June 30, 1932, out of a total of 675 trading days the group was short on 593 days, long on 81 days, and even 1 day.

The load of this short selling, as well as the hedging load occasioned by the large stocks of wheat in store during this period, was carried by the thousands of small speculators throughout the country, aided by the support given the futures market for a time by the Government through the Grain Stabilization Corporation. The small speculators, composing the so-called general trading public and the hedgers, are the ones who make maintenance of the futures market possible. Without them there would be no futures market.

The grain futures act since its inception has been strenuously opposed by the speculative element on the exchanges. At the outset it was carried to the United States Supreme Court in an attack upon its constitutionality. In spite of the fact that it was fully sustained in a sweeping decision announced by Chief Justice Taft, it is still being contested in the courts from every possible new angle of attack. At this moment a case is pending in the circuit court of appeals for the seventh circuit to enjoin the Secretary of Agriculture from exercising his power to require reports and to inspect the records of board of trade members.

What is there in the grain futures act so objectionable to the grain exchanges and the large speculators in the futures market?

Briefly stated, the principal provisions of the grain futures act are as follows:

1. Any board of trade desiring to maintain a market for dealing in grain for future delivery must be designated a "contract market" by the Secretary of Agriculture.

2. In order to be designated a contract market, a board of trade must meet the following requirements: (a) It must undertake to prevent manipulation of prices and the cornering of grain by members. (b) It must prevent its members from disseminating false and misleading crop and market information to influence prices. (c) It must not discriminate against cooperative associations in the matter of membership rights and trading privileges. (d) It must make certain reports to the Secretary of Agriculture and must require members to keep certain records open to inspection by properly authorized agents of the Government.

Has the Government been unreasonable or exercised unnecessary power by way of requiring reports or in the matter of inspecting books and records of board of trade members? In the suit brought to enjoin the Secretary from exercising his powers in this respect, which suit is pending on appeal to the Seventh Circuit Court of Appeals, Judge Wilkerson of the United States district court at Chicago on February 12, 1932, expressed the opinion of the court as follows:

"The court finds that the Secretary has not transcended the limits of what is essential to the intelligent performance of the broad duties imposed upon him by the statute. To limit his right to inspect books to cases in which he has already obtained information justifying a formal complaint against somebody defeats the purpose of the act. Regulation of boards of trade as contract markets necessarily requires, as the basis for the exercise of the regulatory authority, information concerning the business, in the transaction of which the board is used as an instrument."

WASHINGTON, D. C., *January 26, 1933.*

MUSCLE SHOALS

Mr. McKELLAR. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial on Muscle Shoals written by the Hon. Josephus Daniels.

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

CONSTRUCTIVE CONSERVATION—A BACKWARD GLANCE

The suggested development of the Tennessee Basin by President-elect Roosevelt is the most constructive and far-reaching conservation project in our history. It recalls the early conservation fight made by Theodore Roosevelt and Gifford Pinchot against the dissipation of our natural resources. The difference is this: Franklin Roosevelt's plan for the development of Muscle Shoals and the Tennessee Basin is proposed as a means of decentralization of industry and greater reforestation. Frank P. Walsh, chairman of the Power Authority of the State of New York, a high authority on power and kindred questions, says that President-elect Roosevelt's Muscle Shoals project will have "even more profound results throughout the Nation than did the building of the Panama Canal." Mr. Walsh adds that Mr. Roosevelt "has worked out a plan under which the project when completed will be self-sustaining. We now have high assurance that one of the greatest natural resources of our country will be fully developed, to endure for all time as a monument to those who have had the vision and the courage to preserve it and statesmanship to devote it to the service of the American people."

President-elect Roosevelt's plan of development recalls an editorial on conservation which appeared in the News and Observer

in its issue of February 10, 1910. It is furnished to this paper by J. S. Holmes, State forester, who writes that "in going over some old papers which I brought from Chapel Hill eight years ago" he found the copy of the paper which, he says, "emphasizes the fact to which I have often referred of your continued and unswerving support of conservation." He adds: "I can not help seeing a close connection between your attitude and the forward-looking policy which has so frequently been initiated by the President elect since you and he worked together for the protection of the oil supply of the United States."

The editorial in the News and Observer of February 10, 1910, is applicable this February, for present conditions emphasize the need of conservation at this time. It is as follows:

"CONSERVATION NEEDED SOUTH

"Aside from the direct issue of graft and public rights handed out for private exploitation raised by Gifford Pinchot in his manly fight for the Alaskan coal fields, in which the Ballinger handling of affairs has been vigorously attacked, there is even a more important reflex effect upon the entire country, which has been given a sharp notice to be on guard to protect other of its natural resources.

"In this problem of the conservation of natural resources the South has perhaps more at stake than has any other section of the country, and in the opening of the eyes of the Nation to its immense economic needs the South will be benefited if it will be taught the lessons that are plainly brought out in the sensational developments of the Pinchot-Ballinger controversy. The vast coal fields of Alaska are of great importance, and these ought not to be permitted to be gobbled up by private corporations working for greed, to the injury of the entire people, the few to reap at the expense of the many. In a still greater degree the South must look to the conservation of its water powers and of its forests.

"There are by a rough estimate some 200,000,000 acres of forest lands in the South, and these acres form about two-fifths of the entire timber acreage of the United States. In these forests of the South there are to be found the most valuable species of trees, all the longleaf pine, and all the cypress, in these broad acres being the source of naval stores and a great part of the supply of the hardwoods that are so valuable. These forests are not alone of immense value as to the money worth of the gift of nature in them, but there is an enormous added value in their relation to soil betterment and to water supply, agriculture and health, both being great debtors to the trees of this section.

"A matter that presses for quick attention is the conservation of these natural timber resources, for the indiscriminate inroads into the forests of the South means that in from 15 to 25 years cutting, at the present rate, the timber area will be desolate, a fact which is so patent that intelligent care for the forest area is a matter which presses upon the South in a far greater manner than the Alaskan coal fields upon the Nation.

"Fourteen thousand sawmills in the South are busily at work making inroads into the forests, these being about 45 per cent of all the sawmills in the United States, and with the evident fact that as the timber decreases the more vigorous will be the assaults upon the forests to secure what is left, the prospect is not an encouraging one. In this exploitation of southern forest area there is much capital from the North and East at work, these foreign interests caring nothing for the future, being only concerned in the profit taking of to-day.

"That the South should conserve its foreign interests is a matter of great importance and this can be done without placing any obstacles in the way of legitimate business enterprises. It is recognized that the lumber industry of the South is among its most important assets and there should be no legislation that would harass it. Yet despite everything that can be said there should be regulation of some kind that would tend to perpetuate our forests, to so arrange that as these are cut away new forests would arise, and that the vast areas be made to again provide for the call for timber.

"The South has need of the conservation spirit in not allowing its vast timber wealth to be treasure of to-day only, and it should take steps to regulate matters to the end that its forests be protected, each of the Southern States to have forestry commissions that would give intelligent study to conditions as they exist and plan on large scale to see that these vast natural resources are not foolishly wasted, but are cared for and nourished so that we may not rob the future for the mere gain of the present, that we conserve these great interests in a manner that will be of lasting value, giving to the generations yet to come that which is their due."

MESSAGE FROM THE HOUSE—ENROLLED JOINT RESOLUTION SIGNED

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 597) to provide appropriations to carry into effect the act entitled "An act to authorize the distribution of Government-owned cotton to the American National Red Cross and other organizations for relief of distress," approved February 8, 1933, and it was signed by the Vice President.

RECESS

Mr. REED. Mr. President, I move that the Senate carry out the unanimous-consent agreement heretofore entered into, and take a recess until 12 o'clock Monday.

The motion was agreed to; and the Senate (at 5 o'clock p. m.), under the order previously entered, took a recess until Monday, February 13, 1933, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

SATURDAY, FEBRUARY 11, 1933

The House met at 12 o'clock noon.

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

Eternal God, strong to save, incline Thine heart and hear our prayer. Allow no unworthy thought or desire to come with us into the presence of the Most High. Thou hast said the servant is not above his master, or the disciple above his Lord. Let the light of the first century be the light for the twentieth century. We beseech Thee to let Thy word be most thought compelling, most zeal inspiring, and country-wide transforming. We pray that it may bear the world onward to the goal of God's benevolent purposes. The Lord give us the power of might to respond with sweeping conviction to the appeals of our neighbors, our comrades, our fellow citizens, and even the stranger within our gates. In the name of Jesus. Amen.

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 9166. An act for the relief of William E. B. Grant.

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

H. R. 4368. An act for the relief of the widow of George W. McDonald;

H. R. 7518. An act to amend an act entitled "An act extending certain privileges of canal employees to other officials on the Canal Zone and authorizing the President to make rules and regulations affecting health, sanitation, quarantine, taxation, public roads, self-propelled vehicles, and police powers on the Canal Zone, and for other purposes, including provision as to certain fees, money orders, and interest deposits," approved August 21, 1916;

H. R. 7519. An act to amend the Penal Code of the Canal Zone;

H. R. 7520. An act to amend the Code of Criminal Procedure for the Canal Zone;

H. R. 7521. An act to provide a new Code of Civil Procedure for the Canal Zone and to repeal the existing Code of Civil Procedure;

H. R. 7522. An act to provide a new Civil Code for the Canal Zone and to repeal the existing Civil Code;

H. R. 7716. An act to amend the radio act of 1927, approved February 23, 1927, as amended (U. S. C., Supp. V, title 47, ch. 4), and for other purposes;

H. R. 9272. An act to correct the rating of John Huntz Roloff, Fleet Naval Reserve; and

H. R. 9473. An act for the relief of Olen H. Parker.

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

S. 1730. An act for the relief of Robert J. Smith;

S. 2508. An act for the relief of Maj. O. S. McCleary, United States Army, retired;

S. 2582. An act for the relief of Leo James McCoy;

S. 2583. An act for the relief of Albert Lawrence Sliney;

S. 2862. An act for the relief of W. H. Hendrickson;

S. 4589. An act to authorize the Secretary of the Interior to make payment of part of the expenses incurred in securing improvements in drainage project of drainage district No. 1, Richardson County, Nebr., and for other purposes;

S. 4590. An act for the relief of Juan Apodaca;

S. 5052. An act to empower the health officer of the District of Columbia to authorize the opening of graves, and

the disinterment and reinterment of dead bodies, in cases where death has been caused by certain contagious diseases;

S. 5214. An act for the relief of Michael J. Budzinski;

S. 5382. An act providing for an exchange of lands between the Colonial Realty Co. and the United States, and for other purposes;

S. 5433. An act for the relief of certain settlers on the Fort Peck Indian Reservation in the State of Montana;

S. 5469. An act to provide for the creation of the Morristown National Historical Park in the State of New Jersey, and for other purposes;

S. 5503. An act authorizing the Chesapeake Bay Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Chesapeake Bay from a point in Baltimore County to a point in Kent County in the State of Maryland;

S. 5504. An act authorizing the Bushkill Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Delaware River at or near Bushkill, Pa.;

S. 5537. An act to convey certain land in the county of Los Angeles, State of California;

S. 5539. An act authorizing the Secretary of the Navy to grant a perpetual easement to Pacific Gas & Electric Co., a California utility corporation, over, across, in, and upon the site of the lighter-than-air base near Sunnyvale, in the county of Santa Clara, in the State of California, for an existing 20-inch gas main;

S. 5555. An act to authorize an exchange of lands between the city of San Diego and the United States;

S. 5581. An act authorizing the Secretary of Commerce to dispose of certain lighthouse reservations, and for other purposes;

S. 5588. An act authorizing the acceptance of title to sites for public-building projects subject to the reservation of ore and mineral rights;

S. J. Res. 235. Joint resolution amending provisions in river and harbor laws relating to local cooperation in the prosecution of waterway improvements; and

S. J. Res. 237. Joint resolution authorizing the erection in the Department of State Building of a memorial to the American diplomatic and consular officers who while on active duty lost their lives under heroic or tragic circumstances.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 13520) entitled "An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes," disagreed to by the House, agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ODDIE, Mr. SMOOT, Mr. BINGHAM, Mr. DICKINSON, Mr. KEYES, Mr. MOSES, Mr. GLASS, Mr. MCKELLAR, Mr. BRATTON, Mr. BYRNES, and Mr. THOMAS of Oklahoma to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 13710) entitled "An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1934, and for other purposes," disagreed to by the House, agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SMOOT, Mr. ODDIE, Mr. NYE, Mr. MCKELLAR, and Mr. KENDRICK to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 13872) entitled "An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1934, and for other purposes," disagreed to by the House, agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCNARY, Mr. KEYES, Mr. CAPPER, Mr. KENDRICK, and Mr. SMITH to be the conferees on the part of the Senate.

BILL AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on February 10, 1933, present to the President, for his approval, a bill and joint resolution of the House of the following titles:

H. R. 14228. An act to change the name of "Roosevelt Island" to "Theodore Roosevelt Island"; and

H. J. Res. 565. Joint resolution to provide for the maintenance of public order and the protection of life and property in connection with the presidential inaugural ceremonies in 1933.

APPROPRIATION FOR DISTRIBUTION OF GOVERNMENT-OWNED COTTON TO THE AMERICAN NATIONAL RED CROSS

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent for the present consideration of the joint resolution (H. J. Res. 597) to provide appropriations to carry into effect the act entitled "An act to authorize the distribution of Government-owned cotton to the American National Red Cross and other organizations for relief of distress," approved February 8, 1933, and I ask unanimous consent that the same may be considered in the House as in the Committee of the Whole House on the state of the Union.

The Clerk read the title of the House joint resolution.

The SPEAKER. Without objection, the Clerk will report the resolution for the information of the House.

There was no objection.

The Clerk read as follows:

Resolved, etc., That to enable the Federal Farm Board to carry into effect the provisions of the act entitled "An act to authorize the distribution of Government-owned cotton to the American National Red Cross and other organizations for relief of distress," approved February 8, 1933, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $4,100,000: *Provided*, That in addition to the purposes for which an appropriation was made by Public Resolution No. 43 of the Seventy-second Congress, approved July 22, 1932, for carrying out the provisions of the joint resolution entitled "Joint resolution authorizing the distribution of Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress," approved July 5, 1932, any balance, or so much thereof as may be necessary, now or hereafter existing in such appropriation is hereby made available to enable the Federal Farm Board to carry into effect the provisions of such act of February 8, 1933: *Provided further*, That the unexpended balance, or so much thereof as may be necessary, of the appropriation under Public Resolution No. 43 of the Seventy-second Congress, approved July 22, 1932, shall be transferred in such amounts from time to time as may be requested by the Federal Farm Board to the appropriation herein made for the purposes of such act of February 8, 1933.

The SPEAKER. Is there objection?

Mr. SNELL. Reserving the right to object, does the gentleman from Texas prefer to answer some questions now or later? I do not intend to object to consideration of the resolution.

Mr. BUCHANAN. It does not matter to me.

The SPEAKER. Is there objection?

There was no objection.

Mr. SNELL. We wish to have an opportunity to discuss this matter, Mr. Speaker. I want to ask the gentleman from Texas one or two questions. I thought perhaps the gentleman wanted to explain the proposition.

The SPEAKER. The gentleman from Texas [Mr. BUCHANAN] is recognized for five minutes.

Mr. BUCHANAN. Mr. Speaker, this is a resolution making appropriations to carry into effect a resolution heretofore passed by the Congress authorizing the Farm Board to turn over to the Red Cross not exceeding 350,000 bales of cotton. As a matter of fact, there are only 344,000 bales on hand. Therefore it is 344,000 bales. This is cotton that now belongs to the Government, in the hands of the Stabilization Corporation, and is mortgaged, as security, to intermediate credit banks and other private enterprises, and is burdened to the extent of $10,400,000 plus. This resolution will make available to pay upon that secured debt $4,100,000 from the Treasury and $4,590,000 of the unexpended balance remaining in the appropriation of $40,000,000 made last July to pay for like securities in wheat and cotton, given in that time to the National Red Cross for charitable purposes.

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

Mr. BUCHANAN. Yes; I yield.

Mr. SNELL. When this matter was originally presented to the House I gave it a little attention, and I was under

the impression at that time that this cotton belonged to the Federal Farm Board and that it was not necessary to make any appropriation from the Treasury in order to carry out this gift to the Red Cross. I consulted with some members of the Committee on Agriculture, although I do not remember exactly who they were, but I understood from the committee at that time that this would not entail any new appropriation from the Treasury, but that we owned the cotton and were simply turning it over to the Red Cross.

Mr. BUCHANAN. At the time of the first gift of wheat to the Red Cross, no provision was made to pay off the outstanding mortgages against the wheat. Therefore the Farm Board had to pay off those outstanding mortgages from its revolving fund, which amounted to about $21,000,000 or $22,000,000. Then last July the question came up again and you gave another forty or fifty million bushels of wheat and 500,000 bales of cotton, and the Congress made an appropriation of $40,000,000 from the Treasury to pay off the outstanding loans. It would take $35,000,000 plus, of that money to pay off the outstanding loans in order that that cotton may be turned over to the Red Cross, free of any liens.

Mr. JONES. That involved cotton and wheat, too.

Mr. BUCHANAN. That involved cotton and wheat.

Mr. SNELL. As I understood, I asked the chairman of the Committee on Agriculture the question when we were considering this matter before, and I may not have understood him at the time, but I understood that this was cotton that we owned, and it did not entail any new appropriation from the Treasury.

Mr. JONES. It was made very clear that it followed the line of the old appropriation. Upon a question by the gentleman from Wisconsin it was clearly stated there were commercial liens against this cotton which would have to be paid off by an appropriation. If the gentleman will read the discussion at that time he will see that was clearly stated.

Mr. SNELL. I may not have had it clearly in my mind, but I know many others had the same impression that I had.

Mr. JONES. The very resolution itself provided for that, and that is what precipitated the discussion here. It was very clearly stated, and if the gentleman will refer to the RECORD he will find that. It was clearly stated in the bill. It was clearly stated in the report. It was brought out fully in the discussion in the House. It was again stated in the conference report. It is difficult to understand how the gentleman overlooked it.

Mr. SNELL. I did not understand from the testimony adduced before the Committee on Agriculture that it was going to take money to buy this cotton that we owned. I understood that we had a surplus and were simply turning over to the Red Cross the surplus cotton.

Mr. JONES. It was surplus, but there were outstanding commercial liens against it.

Mr. CLARKE of New York. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. CLARKE of New York. Was not assurance given to our committee, and was not the testimony such as to indicate, that it was a question of getting the cotton into the hands of those who were to manufacture the commodity, and that it was not going to involve any expense as far as the Government itself was concerned?

Mr. JONES. That was for the disposition of the cotton after it was turned over to the Red Cross. It was made very clear. If the gentleman will permit, it was stated in the resolution that an appropriation was necessary to take care of the commercial liens against the cotton. Of course, the Red Cross had nothing to do with that. The cotton is turned over to that organization free of all liens and obligations.

Mr. CLARKE of New York. I am not talking about the resolution; I am talking about the testimony before our committee and the assurances given our committee that there was going to be practically no additional appropriation or expense involved on the part of the Government.

Mr. JONES. Oh, no, no; that applied to the disposition of the cotton after it was turned over to the Red Cross. That, of course, has to do with the actual disposition of the cotton after it is turned over to the Red Cross, and as handled by them takes care of unemployment and relieves distress.

Mr. CLARKE of New York. How has it been handled without expense if we are faced here with the necessity of making an appropriation of $4,000,000.

Mr. JONES. That is an entirely different matter. As the gentleman knows, if he reads the resolution, it states in its terms that an appropriation is authorized to pay these commercial liens on the cotton.

Mr. CLARKE of New York. I am not talking about the resolution; I am talking about the testimony upon which we based the resolution. That assurance was given by the Red Cross itself.

Mr. JONES. The gentleman from New York [Mr. SNELL] was asking about the resolution itself, the terms of which are manifest. The Red Cross representative dealt only with the question of the distribution of the cotton.

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

Mr. BUCHANAN. I yield.

Mr. CHINDBLOM. Does the gentleman know how much money the Farm Board now has in its revolving fund?

Mr. BUCHANAN. I do not.

Mr. JONES. I can tell the gentleman. There is some $33,000,000, of which commitments have been made as to $31,000,000 plus. So they have about $1,900,000 of unallocated funds.

Mr. CHINDBLOM. Does the gentleman know how the $31,000,000 is committed?

Mr. JONES. It is committed in different ways to various local organizations and cooperative groups in commitments for loans and the handling of commodities. I have been furnished this information but do not have the figures before me.

Mr. CHINDBLOM. But they are not paying anything further in the way of expense for the holding of either wheat or cotton.

Mr. JONES. No. There is no wheat held; we have given that away. Of course, the carrying charges on this cotton will have to be paid up until the time of actual delivery or transfer to the Red Cross.

Mr. CHINDBLOM. Is all the wheat gone?

Mr. JONES. Yes; all the stabilization wheat is gone.

Mr. CHINDBLOM. And we are disposing of the balance of the stabilization cotton right now.

Mr. JONES. Yes. Of course, the board has outstanding loans on considerable cooperative cotton, but this cotton was never taken over by the Stabilization Corporation, and the legal title is still in the cooperative groups.

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

Mr. BUCHANAN. I yield.

Mr. SUMMERS of Washington. I may say to the gentleman from Illinois that the chairman of the Farm Board stated before our subcommittee a few weeks ago that they had about $200,000,000 of assets. I am wondering if the repayments that are coming in from the loans they have made would take care of this without an outright appropriation?

Mr. BUCHANAN. No. No repayments are being made during this period.

Mr. JONES. That is true of a lot of other institutions besides this one.

Mr. SUMMERS of Washington. Is the gentleman in a position to say that of the amount appropriated to pay off commercial liens a certain percentage will not be held back to pay the salaries of employees receiving $30,000 and $35,000 a year?

Mr. BUCHANAN. Not one cent will be paid for any purpose except to discharge the liens on the cotton and carrying charges.

Mr. SUMMERS of Washington. If the gentleman will further yield, would it not have been cheaper for us to have gone out and bought this cotton on the open market? Could we not have bought it at a cheaper price than that represented by the appropriation called for in this resolution?

Mr. BUCHANAN. If we did that we would still have this cotton on hand.

Mr. JONES. Besides, it would cost us more, and in addition we would still be paying carrying charges on this cotton.

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

Mr. BUCHANAN. I yield.

Mr. McFADDEN. Was this wheat and cotton taken over at the cost price to the Stabilization Corporation or the Farm Board? Was it taken over for the amount of the liens against it?

Mr. BUCHANAN. Liens amounting to $10,490,000 against this cotton, which were due to private interprise, or intermediate banks, and the purpose of this appropriation is to pay off those liens and carrying charges so the Red Cross can get possession of the cotton.

Mr. McFADDEN. What did it cost the Stabilization Corporation to acquire it?

Mr. BUCHANAN. I do not know.

Mr. McFADDEN. In other words, are they taking a loss?

Mr. BUCHANAN. They are taking a loss on everything they had—cotton, wheat, and everything else.

Mr. McFADDEN. What fund does that come out of?

Mr. BUCHANAN. It comes out of the revolving fund of the Federal Farm Board.

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

Mr. SNELL. Mr. Speaker, as I understand, on a resolution of this kind the gentleman has one hour.

The SPEAKER. No; the resolution is being considered under the 5-minute rule in the House as in Committee of the Whole House on the state of the Union.

Mr. BUCHANAN. Then, Mr. Speaker, I ask unanimous consent to proceed for five minutes more.

The SPEAKER. Is there objection?

There was no objection.

Mr. MICHENER. Will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. MICHENER. What is the difference in whether we buy these commodities to-day and pay for them in the open market or advance this money to take this Farm Board material?

Mr. BUCHANAN. The cotton will be a little cheaper by paying off these liens and we will also get rid of the cotton.

Mr. MICHENER. But when we get right down to it, this bill really refinances some of these institutions, does it not?

Mr. BUCHANAN. It is paying off some liens, if we may call that refinancing.

Mr. MICHENER. It has the double purpose of refinancing institutions and at the same time using the material.

Mr. BUCHANAN. Yes.

Mr. MICHENER. If it were not for the refinancing of certain institutions, as a matter of fact, we could go on the open market and buy the material and be money ahead without all this fussing about it.

Mr. BUCHANAN. No; I think not.

Mr. SNELL. If the gentleman will permit, I can not see anything else for the gentleman to do but present this resolution at this time and we have to appropriate the money, because it has been authorized; but I do feel we ought to be a little more careful before we distribute any more goods that the average person thinks belong to a board or some department of government. We ought to go into such matters more carefully at the time of passing the original legislation.

Mr. SUMMERS of Washington. The lien amounts to how much per pound?

Mr. BUCHANAN. The gentleman can figure it out. There are 344,000 bales of cotton and the amount is $10,490,000.

Mr. JONES. The amount covered by the resolution is less than that, because we are only paying the commercial liens. The accumulated carrying charges, interest, and storage are to be paid by the Farm Board out of the revolving fund.

Mr. BUCHANAN. Yes.

Mr. CHINDBLOM. What is the price of cotton now per bale?

Mr. BUCHANAN. Cotton is a little over 6 cents per pound.

Mr. THOMASON. Thirty dollars a bale.

Mr. BUCHANAN. Yes.

Mr. Speaker, in the time I have remaining let me say to those who say Congress has not been charitably inclined that the appropriations to the Red Cross involving cotton and wheat amount, in round numbers, to $89,000,000, representing 844,000 bales of cotton and 85,000,000 bushels of wheat; and I may say now, after hearing the Red Cross testimony, that never in my life have I seen or heard of a charitable appropriation where the beneficiaries have received more benefit from any appropriation than they have from these appropriations.

Mr. CLARKE of New York. Will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. CLARKE of New York. Is it not true we could go out in the open market to-day and buy more cotton for $4,000,000 than we can secure in this way?

Mr. BUCHANAN. No; it is not.

Mr. HASTINGS. This cotton would be worth about $10,500,000.

Mr. BUCHANAN. The Red Cross distributed over 59,000,000 yards of cloth through its 375 chapters. This cloth was taken by these chapters and made into garments. The chapter furnished the thread and the buttons and made the garments, without a cent of cost and distributed to the needy.

There were other garments that they had to have manufactured and they got them manufactured by 365 cotton manufacturers at actual cost and without any profit whatever to the manufacturers.

So, as a result, the Red Cross distributed food and clothing to over 4,000,000 families in this country, and I hope the House will pass this resolution to-day, because with the country locked fast in the coldest and most inclement weather we have had in recent years, there was never a more fitting or more appropriate time to put such a resolution through the House and through the Senate.

If you pass this resolution they can start immediate distribution, because they can go to the manufacturers who have on hand not only clothing but blankets and comforters and trade this cotton for the manufactured articles and immediately distribute them to the suffering people who have not sufficient clothing to shield them from the weather.

Mrs. ROGERS. Will the gentleman yield?

Mr. BUCHANAN. Yes.

Mrs. ROGERS. Is it not true that some mills which have been idle will be started to work at once and give much employment and this will mean money in the pockets of all classes of the people and money in the banks and money in the stores and help every community?

Mr. BUCHANAN. I have been informed that mills would immediately go to work, and some of their representatives were here asking that the resolution be passed as soon as possible so they could start their mills at work.

I hope the House will pass the resolution promptly.

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

A motion to reconsider was laid on the table.

REVALUATING GOLD

Mr. LUCE. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting in the RECORD a speech recently delivered by myself.

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

There was no objection.

Mr. LUCE. Mr. Speaker, as I had occasion to say Monday night in New York City, inflation is the chief topic in Washington, as, indeed, it is throughout the country. It bids fair to be the big political issue in the next four years, to determine the next congressional election, and to decide the Presidency in 1936, as it did in 1896.

At the outset the discussion is badly muddled by the vague use of the word "currency." We shall have no clear thinking if it is not understood that two kinds of money are involved, assuming that "money" is what does the work of money. First, there is cash, with which about one-tenth of the money work of the country is done. Secondly, there is credit, in the form of checks and drafts, which does nine-tenths of the money work.

There is now no general dispute about the desirability of expanding credit, as, for example, the Federal Reserve Board has been trying to do. The only real quarrel, certainly the only one to which the mass of the people will give any attention, is that over expanding the volume of cash.

The proposal that to-day most interests the public at large is made by Father Coughlin, a Detroit priest, who by use of the radio has reached with it a vast number of the people. The radio can do great good. Unfortunately, it can also work great mischief. What it has already done in this matter may be gathered from an averment I find in a newspaper letter:

> Father Coughlin is advocating a plan so simple that every citizen understands it completely. His convincing words have by now reached every home in the United States; his plans for the immediate return to a sane and durable prosperity are discussed and approved by millions of persons.

All of this is exaggerated, but there is foundation for what it says about the extent to which the argument has been carried by the radio. To this the printing press has added. Eight of the discourses have been put in pamphlet form, and their circulation bids fair to rival that of Coin Harvey's Financial School, a book said to have been read by more persons than any other since Uncle Tom's Cabin and to have been the most powerful factor in the Bryan free-silver campaign.

Father Coughlin opened his third discourse by saying that he had received more than 100,000 letters. There pass over my desk nearly 100 letters a week from constituents urging me to support the Coughlin proposal.

What is it?

The good father proposes that we take our gold coins, say, for example, the $20 pieces, remint them, and stamp them $40 instead of $20. Such a coin to-day weighs a little more than an ounce. Thereafter a $20 coin would weigh about half an ounce. The bullion value of gold is pretty nearly the same the world over, is kept nearly level by shipments to and fro, and that level will not be appreciably changed by whatever we do. So the gold as gold will buy no more and no less than before. But by putting a new stamp on it we can make it in this country pay more debts, twice as many if the scheme works as planned.

So this is a proposal to cut in two the debts of the country, somewhere between $150,000,000,000 and $200,000,000,000 in amount. That means also cutting in two the buying power of all life-insurance policies, of which there are about 120,000,000 in the United States, nearly three-quarters of them industrial policies, carried mostly by wage earners. It means reducing by one-half the buying power of all the thrift deposits in the banks, with their 50,000,000 passbooks, of all pensions, of all allowances to veterans, of every fixed income. All along the line it means hitting everybody who has saved a dollar or to whom a dollar is owed.

Money is worth what money will buy. Halving its value, its buying power, means halving every dollar in your purse, your pocketbook, your cash drawer, your safe. At the beginning of this year the cash in circulation in this country amounted to $5,674,941,484, being $45.33 for every inhabitant (which, by the way, was almost a third more apiece than in the middle of 1914, just before the outbreak of the World War). Each family has now, on the average, about $200 in cash with which to do its trade or hold in reserve for later use. Could the Coughlin plan have instant and full effect it would cut the worth of that $200 by a half. Also, to the same extent it would cut the buying power of your salary or wage. Months, years later there might be readjustment, but the immediate effect of the Coughlin plan would be to your serious loss.

It would be the equivalent of our going off the gold standard. In England since September of 1931 that has resulted in cutting the pound sterling by about a third. Father Coughlin would go farther with cutting the dollar by a half. In England in these 15 months and more the result has been that prices have been raised but a trifle, foreign trade both export and import has fallen off, wages have been reduced, unemployment has increased. Last year the aggregate full-time wages of 2,275,000 working people whose rates of pay were listed fell about $1,200,000 a week. The number of idle workers registered in Great Britain and North Ireland was 220,000 more at the end of December than at the beginning of the year.

One reason for this result is that there has been in England no such inflation of cash as Father Coughlin's plan would bring about here.

Suppose his scheme to inflate cash should, as he hopes, raise prices to the benefit of the farmers who produce and the employers who manufacture. That might happen if after we had changed the inscription on a gold disk it proved necessary in order to do the cash work of the country for us to have 40 $1 bills instead of 20 as now to do the work of an ounce or so of gold. This would mean doubling the paper money of the country. We did that sort of thing in the Civil War period. It lifted the price level from 100 to 216.8 in five years, but it lifted money wages only from 100 to 143.1. Just as every time cash inflation has been tried, the wage earner suffered most.

This tinkering with the gold content of coins is an old device to transfer value from some persons to other persons. The ancients began it by covering cheap metal with a gold or silver veneer. "Core money" it is called. Herodotus tells us that when Polycrates, Tyrant of Samos, had to make a big payment to the Lacedæmonians, he cheated them by giving them coins of lead covered with gold. A Macedonian king stuck coins of copper covered with silver when he was short of funds with which to pay his army in the war with the Chalcidians. At Athens in the very crisis of the Peloponnesian War the coinage was debased by core money, not a mere change of alloy.

In Rome the first use of this kind of depreciated currency—and, mind you, the effect is just the same however it is done—was the result of military disaster at the time of the war with Hannibal, after the Battle of Lake Trasimene. The Roman generals followed the example in the war against Hannibal in southern Italy. Under the Republic the Senate resorted to the swindle from time to time, issuing veneered coins. As a result of the great confusion this worked, one Gratidianus stopped the forced circulation of the core money and obliged the treasury to redeem the bad with good coins. This so delighted the public that they erected statues to him. Then along came Sulla, who said this was a dangerous act of democracy against the right of the State to alter money. So he caused the statues to be pulled down and Gratidianus to be put to death.

The situation became so bad that Cicero said no person could know what he actually possessed. Under the emperors it grew worse. The most extensive frauds were perpetrated. They continued until what was supposed to be good money had been so debased by alloys that the costly handiwork of veneering became not worth while. In our day Lenin is said to have declared that the best way to destroy the capitalist system is to debauch the currency. He may have recalled that debauching the currency went along with the decline and fall of the Roman Empire, and if not one of the causes was surely one of the symptoms.

Lowering the actual while keeping the nominal value by increasing the alloys was a recourse of European monarchs in the Middle Ages, when they were hard pressed for funds. In England a notable instance was the fraud of the last years of Henry VIII and the first of his successors.

Changing the content in the vain hope of balancing gold and silver coinage was a common practice. It is said that in France there were 150 such changes in one century. That sort of thing, however, was not necessarily such a cheat as is the debasing of coin, whether by veneers or by alloys.

Now we find deliberately proposed and strongly urged what is virtually the same idea, for stamping different numerals on a coin accomplishes the same result, if not in the same way. The purpose of the thing is to get cheap money, not worth what it purports to be worth, in order that some men may gain at the expense of others.

I am as anxious as anybody else that the terrible burden of debt brought about in three years by the rise in the buying power of gold, that is to say, by low prices, shall be lessened, indeed removed if it can be honorably done. But this is not the right way to do it, not the wise way, to say nothing of its being a dishonest way. It would throw the work of the country, its production, its distribution, in short, the business of the whole land, into confusion worse confounded. It would delay recovery by years. It would work harm in countless ways. All would suffer. None would make righteous gain.

To this, as to every other form of cash inflation, the voice of the people should give a stern "No." If there is to be any lawmaking at all, it should be with increasing not the volume of cash, but the volume and particularly the use of credit. If that can be done, it will be without swelling the tide of fear that now almost drowns us. Loss of confidence by all of us is the real source of our troubles. Let nothing be done to increase our fears, to make a bad matter worse. Let us not jump out of the frying pan into the fire.

DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. CANNON, from the Committee on Appropriations, by direction of that committee, reported the bill (H. R. 14643, Rept. No. 2001) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1934, and for other purposes.

Mr. HOLADAY reserved all points of order.

Mr. CANNON. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 14643, the District of Columbia appropriation bill, and, pending that, I should like to ask the gentleman from Illinois if we can not agree upon time for general debate?

Mr. HOLADAY. I suggest that the debate continue throughout the afternoon, the time to be equally divided between the two sides.

Mr. CANNON. Mr. Speaker, I ask unanimous consent that general debate continue through the afternoon, the time to be equally divided between the gentleman from Illinois and myself.

Mr. SNELL. I do not object, but I thought the understanding yesterday was that we would run along this afternoon, finish general debate, then read the first section of the bill, and adjourn.

The SPEAKER. The gentleman from Missouri asks unanimous consent that general debate run through the day, to be equally divided between himself and the gentleman from Illinois. Is there objection?

There was no objection.

The motion of Mr. CANNON was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. PRALL in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. HOLADAY. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, it is not my purpose at this time to enter into a discussion of the details of this bill. I want to discuss some general phases of District affairs and insert in the RECORD some statements that I may not take the time of the House to read.

The terms of the present Commissioners of the District are drawing to a close. They will have served the District at the close of their terms for four years. I take this opportunity to express my appreciation of their services and my belief that the District of Columbia has profited by their services.

They have not been hampered by any outside influences, they have devoted their entire time to their official duties, and I believe that there has been progressively year by year during their terms improvement in the conduct of business affairs in the District.

I think it is also proper that I should mention Colonel Donovan, the auditor of the District, who has served the District for 42 years. He is intimately acquainted with the financial affairs of the District and has conducted them with the best methods of accounting, a model that might profitably be followed by a great many cities of the United States.

About a year ago there was a general reorganization of certain divisions of District affairs, and four new departments were created, the first of which was the division of highways under the control of Captain Whitehurst. He has been connected with the District for several years. Improvements that he has effected have resulted in the District's receiving, I believe, lower bids than any other city in the United States has been able to receive for the same class of work.

At the head of the division of sanitary engineering is Major Gordon, who has served in that capacity for some years and who has been carrying on the work of that division satisfactorily, and in addition has been planning for the future of Washington, I may say that one improvement of major importance, and one that will be of considerable expense and yet necessary, is the improvement and remodeling of the sewer system of the city. We have mains that were installed before the Civil War, and with the great increase in the size of the city the time is rapidly approaching when there must be an entire revamping of the sewer system of Washington, which necessarily will be an expensive proposition.

The third division created under this reorganization plan was that of inspection. All phases of inspection work are grouped in one department under Captain Oram and as a result of that regrouping and the efficient service of Captain Oram there has been an improvement in that service.

The fourth division of the reorganization was the division of construction. A new man, Harold Baker, was brought in from an outside city about a year ago. He was confronted with a very difficult situation. As long as I have been a member of the District subcommittee, the office of the municipal architect has not functioned satisfactorily. It has been the purpose of Mr. Baker to bring about an improvement in this office. I believe that he is improving the service, but there yet remains improvement which should be made.

About $10,000,000 is annually going into the public schools of the District of Columbia. I think there has also been an improvement in the school situation. A great many useless teachers, in the opinion of the committee at least, who were performing certain special duties have been assigned to the general teaching force, and while the number of teachers has increased and will continue to increase with the increasing population, I believe that we are having a more economical administration of school affairs. The building program has been going along satisfactorily, but we will need in the years to come not only additional buildings to take care of the natural increase in pupils but to replace buildings that should have been replaced some years ago.

Mr. McCLINTIC of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. HOLADAY. Yes.

Mr. McCLINTIC of Oklahoma. The gentleman mentions the building program. Does not the gentleman think that until the condition of the Treasury would warrant, it would be advisable to stop the building program in the District, provided we would not be penalizing some contract?

Mr. HOLADAY. That is a question of general policy, but I can not agree with the gentleman.

Mr. McCLINTIC of Oklahoma. I introduced such a bill yesterday, which would give to the President the authority to stop all building programs until this billion-dollar deficit in the Treasury could be wiped out; that is, leaving it to his discretion, so that the Government would not be penalized in any way.

Mr. HOLADAY. In this bill the reconstruction building items were cut $1,000,000, and at the same time we are proposing a half million dollars to feed the needy. It seems to me it would be a better business proposition to spend $1,000,000 for construction and give these men work than to spend half of that amount in the relief of the unemployed.

Mr. McCLINTIC of Oklahoma. If the gentleman will permit, I notice an item in this bill that calls for an appropriation of a million dollars for the Planning Commission, if I remember correctly. If we have more public buildings under construction than we are able to pay for, and we do not have in mind the laying out of any additional plans, why could you not take this million dollars as provided in this legislation——

Mr. HOLADAY. If the gentleman will permit the interruption, I think the gentleman is wrong about that. I know of no such item. What the gentleman probably refers to is the million dollars which under the Cramton law is being paid back by the District as an annual payment on the $10,000,000 loan made by the United States Government to the District some three years ago.

Mr. McCLINTIC of Oklahoma. What I had in mind is found on page 72, for reimbursing the United States, and so forth, under the title of the Planning Commission, $1,000,000.

Mr. HOLADAY. That represents the third annual installment that the District is repaying to the Government on the $10,000,000 which it received from the Government under the Cramton law passed three years ago.

Mr. McCLINTIC of Oklahoma. In other words, we appropriated the money to the District, and then the District turns it back into the Treasury?

Mr. HOLADAY. We appropriated $10,000,000. That money has been spent, and under the terms of the Cramton Act the District pays it back at the rate of $1,000,000 a year. That is the payment of a debt.

Mr. Chairman, the police force of Washington, as well as the police force of every other city, is always a more or less troublesome item. When General Crosby became a member of this Board of Commissioners, he found a very unsatisfactory condition existing. He is gradually improving that condition, and in my opinion there is no city in the United States that has a police force that is more free of cliques or dishonesty than the Metropolitan police force of the city of Washington. I believe it is in better shape than it has been for a great many years.

In my opinion the future usefulness of the police force will not depend so much upon an increase of personnel, as it will upon the better training and the better equipment of about the same force that we have at the present time. Those remarks may also be applied to the fire department.

I now come to a subject I want to discuss in a little more detail, and that is the welfare department of the District and the emergency relief proposition. Last year for the first time in the history of District affairs we appropriated $350,000 for emergency relief. This year we were confronted with a request for a million and a quarter dollars, one-half of which has already been appropriated in the deficiency appropriation bill and the balance is carried in this bill. To develop this subject I want to go back a little bit into the general situation in Washington.

For some years we have had in this city a community chest, which operates along the same lines as community chests of other cities. In 1932 the Washington community chest collected $2,207,265.11. The community chest is the organization which collects this money. They then divide the money among 65 organizations in the city. The community chest of itself does not do any relief work. It simply collects the money and turns it over to the various relief organizations. It cost the community chest in 1932, in overhead expenses and administration, $124,879.39, or 5½ per cent of all the money that was collected in 1932. The community chest has 36 annual, year-round employees. One of these men draws $9,000 a year, another draws $5,400 a year, another $3,420, another $2,808, and the balance of the 32 draw lower salaries.

This money is collected by the community chest at a cost of 5½ per cent. Then it is turned over to the 65 agencies. The community chest divides those agencies into six different classifications. Those classified under "A" are those organizations that are, in large part, administering direct and material relief; that is, handing out food, clothing, providing housing, fuel, and so forth. The organization that receives a larger donation than any other of those "A" institutions from the community chest is the Associated Charities. In 1932 the Associated Charities dispensed $476,104 at a salary cost of $85,284. Their total operating expense was $101,060, or 21 per cent of the amount they received from the community chest. So that of the one-half million dollars spent by the Associated Charities, 21 per cent, plus 5½ per cent taken out by the community chest, went for overhead expenses. The Associated Charities has 61 employees with a top salary of $5,670.

Another organization classed as "A" is the Bureau of Rehabilitation. It cost them to operate 69 per cent of all the money they received from the community chest. They have three employees with a top salary of $3,600.

The Travelers Aid Society is another in "A" classification. They have 14 employees with a top salary of $4,000. They spent for salaries and administration 51 per cent of all the money they received from the community chest.

Another class "A" organization is the American Legion. They spent 16 per cent of their funds for salaries. That is, for salaries, and as near as I could ascertain, about 3 per cent additional should be charged up for administration purposes, outside of salaries.

The Catholic Charities operated at a 20 per cent salary cost.

The Disabled American Veterans operated at a 55 per cent salary cost.

The committee on unemployment at a 12½ per cent salary cost.

Then we come to some other organizations. The reason I am taking your time to call these facts to your attention is because the people operating these various private agencies say that their salaries are not equal to the salaries paid for like services in other cities. In other words, they are not using as much of the money for salaries and administration as is used in other cities. If their statements are correct, then it is a matter of general interest.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. HOLADAY] has expired.

Mr. HOLADAY. Mr. Chairman, I yield myself 15 additional minutes.

There is an organization known as the Washington Institute for Mental Hygiene. They are paying out 90 per cent of all the money they receive for salaries. It has one employee at $9,000 a year, one at $3,300, two at $2,700.

From the literature of this society its main work seems to be a study of the problems of childhood, such as eating, thumb sucking, temper tantrums, bed wetting, pulling ears, night terrors, overactivity, lack of confidence, running away from home, an unhealthy attitude toward school, and other undesirable childhood traits.

This organization reports that for a salary expenditure of $23,520 they studied, in 1932, 381 children. Whatever number of those 381 children studied in 1932 may have been afflicted with the thumb-sucking habit, it is probable most of that number will have outgrown the habit by the end of the present calendar year. If the $9,000 man can invent a preventive for the age-old habit of babies sucking their thumbs, he will have contributed in no small degree to the peace of mind of the future American motherhood.

Mr. PARSONS. Will the gentleman yield?

Mr. HOLADAY. I yield.

Mr. PARSONS. I wonder if the gentleman has given any consideration to the expenditure made in the Interior De-

partment with reference to finding out which can jump the farthest and the highest, the flea or the bullfrog? I notice there has been considerable in the press recently with reference to that investigation.

Mr. HOLADAY. There are very many important investigations going on, not only in the District of Columbia but throughout all the Government organizations, and it may be the one the gentleman refers to is an important one.

Mr. PARSONS. The gentleman will remember noting in the press a few days ago that the Secretary of the Interior had a letter from a constituent in California who desired this information, and after several days' investigation by experts, they finally decided that the bullfrog could jump 3 feet on marshy land, but if he had good solid backing he could jump 6 feet.

Mr. HOLADAY. Well, that is interesting, whether it is profitable or not, or whether it is true.

Now, there are some more of these organizations that are classified as character building.

For all I know they may be the best organizations of the kind in the country; I do not know anything about that. The thing I am pointing out is the amount of money paid out for salaries. Following this I want to develop the effect it has on the pending bill.

There is a neighborhood house that expends 62 per cent of its appropriations for salaries, and the following organizations spend for salaries the amounts indicated:

The Girl Scouts, 50 per cent.

Northeast Boys' Club, 100 per cent.

Boy Scouts, 56 per cent.

Boys' Club, 63 per cent.

All through these we find top salaries of $2,700; $4,950; $3,217, and so forth.

Here is the Social Hygiene Society: They spend 100 per cent of their funds for salaries. While I do not have the exact information, as near as I can ascertain the facts, the secretary of this organization is drawing $6,000 a year.

The Washington Animal Rescue League: With an appropriation from the community chest of $4,599.89 they are spending $4,549 for salaries. Their purpose is to locate the owners of lost dogs and try to provide good homes which are carefully investigated for animals that are suitable for placing in homes.

Here is the Washington Council of Social Research, doing no material aid, but aiding by research, spend 78 per cent of its funds for salaries, and in addition to that has to pay for office rent and general overhead. This is what they say in their literature:

> The function of the council is to study the social needs of the community and to provide for the fulfillment of those needs through intelligent social planning. Our total budget, therefore, is 78 per cent salaries, as we give no relief and our work is only of an administrative character.

Now I come to the last one I shall mention, the Social Service Division. They are expending 76 per cent of their appropriation for salaries.

Remember, all these percentages are in addition to the 5½ per cent taken out by the community chest proper.

Here is the statement of the Social Service Division, the statement of their own secretary in reporting to the organization what it had been doing:

> It was this committee that initiated the request last summer for the sum of $600,000 for public relief and worked for its enactment; also worked for the more recent appropriation of $1,250,000. The secretary organizes groups to appear before Congress in favor of social legislation.

For that they are spending 76 per cent of all the money they collect.

What is the future to be?

Up until last year there was no particular trouble here in the city of Washington. Government business was running along. There had been no reductions in pay and but few people had been cut off the pay roll, so the community chest was able to collect enough funds to spread out to these bodies and enable them to maintain their organizations. When times became harder and there was a demand and need for more funds, these people who were drawing salaries of $9,000, $6,000, $5,000, $4,000, and on down were the ones who came before the committee and demanded that public funds be expended to take care of the needy and hungry.

If this condition exists throughout the United States, as these high-priced professional charity workers claim it does, then it is a matter to which the Members should give serious thought. One of two things must happen: Either public funds must be appropriated or these high-priced workers must have their salaries reduced. Naturally they say, "We must have public funds."

I think the people of the District of Columbia who donate to these organizations are entitled to know just how the money is being spent. It is private funds. If it is satisfactory to them, it is satisfactory to me; and, again, I say that so far as I know all these organizations are spending the money for the general purposes for which it is supposed to be expended except a large percentage is being expended for high-priced salaries.

I have a statement with reference to the Municipal Center.

Mr. Chairman, I ask unanimous consent to extend my remarks by inserting this statement.

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

There was no objection.

The matter referred to follows:

THE MUNICIPAL CENTER

It is a matter of knowledge, of course, that the District government is being required to vacate the present District Building because of the Federal building program in the so-called Triangle. The commissioners were notified a few years ago that this development would take in the District Building, and they thereupon started to take such action as they deemed necessary for the purpose of protecting the municipal government's interests, particularly with respect to the finding of some other site on which buildings could be erected to house the municipal organizations.

Originally, the commissioners asked that they be permitted to continue in the present District Building and to acquire the square immediately to the south to provide additional office space. Such an arrangement was in conflict with the Federal building program, and the commissioners, therefore, had to drop it. The commissioners then endeavored to obtain authority to acquire the property owned by the Southern Railway, immediately east of the District Building. That arrangement was also found to be in conflict with the Federal building program, so that the commissioners were compelled to find some other site in some other part of the city where new buildings for the municipal government could be erected.

The commissioners finally decided that the two blocks, squares 490 and 533, bounded by Third Street on the east, Sixth Street on the west, C Street on the north, would provide sufficient ground on which to erect the new buildings. The commissioners thereupon prepared a bill and submitted it to the Budget Bureau proposing the acquisition of these two blocks. It was provided by this legislative bill that the two squares should be acquired and that the cost of acquiring the land and the cost of constructing the buildings should be paid 50 per cent by the government of the District of Columbia and 50 per cent by the United States. The Director of the Bureau of the Budget notified the commissioners that the proposed legislation would not be in conflict with the financial program of the President if section 2 of the bill were amended so as to eliminate the provision of the 50 per cent payment by the United States and the District, and a new section 2 substituted therefor under which the cost of acquiring the land and erecting the buildings would be paid by the District of Columbia in like manner as other appropriations, without any direct participation by the United States other than that represented by the lump-sum contribution of $9,000,000.

The commissioners, in submitting their report to the Budget Bureau on the bill referred to, and later in reporting on the bill (which had been introduced in Congress) to the House and Senate legislative committees on the District of Columbia, stated that the assessed value of the property was $1,603,363, and that the estimated cost of acquiring the land, on the basis of 50 per cent over the assessed valuation, was $2,405,045.

The commissioners further stated that when these two squares should be acquired they proposed to erect a building on square 490, west of John Marshall Place and fronting on Louisiana Avenue, to house the recorder of deeds, the police court, the juvenile court, and the municipal court, the building for this purpose to contain approximately 460,000 square feet and to cost $4,700,000. On square 533, east of John Marshall Place and fronting on Indiana Avenue, the commissioners proposed to construct a general administration building for the District Government to contain approximately 485,000 square feet at an estimated cost of $5,000,000.

Therefore under the plan and according to the draft of the bill prepared by the commissioners and approved by the Budget Bureau, and transmitted to and introduced in Congress, it was

contemplated that only the two squares in question should be acquired as a site for the municipal center, and that the total cost on this basis would have been slightly over $12,000,000. The District could very easily have financed a new municipal center on this plan practically without using any of the current revenues. In other words, the District's accumulation of surplus revenues, amounting to $6,500,000 plus approximately $5,000,000 as the purchase price to be paid by the United States for the present District Building, making a total of $11,500,000, would be applied toward the cost of the municipal center as proposed by the commissioners, namely, $12,105,000, leaving only about $600,000 to be taken from current revenues.

The arrangement proposed by the commissioners, however, was not satisfactory to Congress, and Congress assumed the responsibility of modifying the bill submitted by the commissioners so as to require the District to purchase the four blocks between Third and Sixth Streets and Pennsylvania Avenue and the courthouse as a site for the municipal center, the commissioners to erect thereon buildings of a monumental character that would conform architecturally with the Federal development on the south side of Pennsylvania Avenue. The scheme required to be followed by the commissioners, as the result of congressional action imposed upon the District, a far more expensive project than the one the commissioners had recommended. As against the commissioners' project, estimated to cost $12,000,000, the project required as the result of legislation by Congress will cost about $22,000,000.

By joint resolution approved June 15, 1929, $3,000,000 was appropriated toward the purchase of this site. The 1931 District of Columbia appropriation act appropriated a further sum of $3,000,000 for the similar purpose. The additional amount required to complete the purchase of the site was carried in the 1933 District appropriation bill. The entire site has been purchased with the exception of some small parcels costing less than $100,000. The money to complete the purchase of the entire site has been appropriated and is now available.

The construction of the first unit of the municipal center contemplated the use by the District of Columbia of approximately $5,000,000 to be paid to the District by the United States for the present District Building at Fourteenth Street and Pennsylvania Avenue NW. It was believed that the Secretary of the Treasury, under existing law, had ample authority and that funds were available to effectuate the transfer of title to the United States for the District Building. It develops, however, as a result of conferences of the commissioners with Treasury officials, that certain matters relating to the purchase by the United States of the District Building must be settled by Congress before the transfer of the property can take place. One of these matters has to do with the question of whether the District of Columbia shall be entitled to receive and use for its own purposes the entire value of the District Building. The view of the Treasury officials is that the United States, by reason of participation in appropriations for the purchase of the site and the erection of the present District Building to the extent of 50 per cent of the cost, might be entitled to an equity of that amount in the purchase of the District Building, leaving only about $2,500,000 that the District would actually receive from the United States. In addition to this, there also arises the question as to whether the District would be permitted, should the United States purchase the District Building, to continue in occupancy thereof until such time as quarters were available in the municipal center without the payment of rental.

It must be clear that the District is unable, without grave injury to other District needs, to carry on the municipal center project out of current revenues. The first unit could be completed without difficulty, provided the District could obtain the purchase price of about $5,000,000 for the present District Building. As the matter now stands, the second unit and the several other items would have to be financed entirely out of current revenues. It has been stated that the Secretary of the Treasury will not purchase the present District Building and place the money to the credit of the District until further legislation is obtained from Congress, which would authorize the District to have the benefit of the entire purchase price of the building and to continue to use the present District Building without rental until such time as the new building in the municipal center would be available for occupation. There appears to be no question as to the legal right of the Secretary of the Treasury to purchase the District Building, but there is doubt as to whether the District should receive any greater amount than one-half of the purchase price of the building, and also doubt as to the right of the Secretary of the Treasury to permit the District to occupy the District Building without payment of rent.

In order to carry out the general beautification plan of the Capital, Congress has, by authorizing the purchase of additional land and the expansion of the building plans, made necessary total appropriations for the municipal center, that are approximately double the amount necessary to provide a municipal center entirely adequate to supply the needs of the municipal government. This additional expenditure is entirely the creature of Congress and was authorized by Congress in spite of the recommendation of the District Commissioners to the contrary.

I believe necessary legislation should be promptly enacted to authorize the purchase by the Government of the present District Building, at a price of approximately $5,000,000, and that the District government should be permitted to occupy this building rent free until the new municipal building is ready for occupancy.

Mr. HOLADAY. It will be remembered that a year or so ago an investigation was made by the committee with reference to the number of hours that the judges of the various courts were putting in holding court. At that time it was found that the dockets were very much behind. Perhaps as a result of that investigation the judges changed the system to some extent and devoted more time to the hearing of cases, and the condition of the dockets of our courts are in much better shape. The criminal docket is current and some of the other dockets that were 2 or 3 years behind are now only about 18 months behind, and year by year improvement is being made.

Mr. Chairman, in conclusion I wish again to refer to this subject of appropriation of public funds for the relief of the needy. The same organization that takes credit for the passage of the $350,000 last year and the $1,250,000 this year are now backing a proposition to give the District the authority to borrow from the Reconstruction Finance Corporation. They are the ones who are appearing before the committee. From a moral standpoint I believe the District of Columbia should have the same right to borrow from the Reconstruction Finance Corporation as has any State; but from the standpoint of the taxpayers of the District I do not believe it is wise that they have that right, because if it is granted, these same lobbyists and every other organization or person that has some particular thing in mind for which public funds are wanted, will be exerting pressure on the District Commissioners, whoever they may be, to take advantage of the right and borrow the money. It must be remembered that when the money is borrowed, it must, ere long, be paid back, and that the money for the repayment of these loans will be collected through taxes levied on the residents of the District of Columbia. [Applause.]

Mr. CANNON. Mr. Chairman, I yield 20 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, availing myself of the privilege of general debate, I wish to call the attention of the House to a governmental practice which I think should be stopped. It is one of those practices, altogether too numerous, which seems on the surface to conform to public uses but which in their major bearing serve private and group interests at a heavy cost to the American taxpayers.

I refer to a practice which has grown up and has now attained indefensible proportions whereby various bureaus and agencies of the Government republish in varied forms to serve special groups and interests the statistics of the United States census which have already been collected and published at enormous cost to the American taxpayers by the Census Bureau.

Every one of these bureau publications which is based on the United States census reports contains statistical information that already has been published by one branch of government, namely, the Census Bureau. The subsequent publications by other bureaus than the Census Bureau present the census figures in more convenient compilations, in more handy form to serve special groups and interests.

My contention, which I believe is a perfectly righteous one, is that these groups and interests should make their own compilations and their own deductions from the United States census reports, which are always open and available to them, and should not expect these extra tables and deductions to be prepared for them by Government-paid employees and delivered to them on a silver platter, as it were, in handy volumes from the presses of the Government Printing Office, all at the expense of the taxpayers of this country.

This practice, it seems to me, illustrates as aptly and pertinently as any similar practice I can recall how far our Federal Government has gone astray in trying to be ultra-paternalistic and to put itself in the position of George in the famous phrase, "Let George do it." Of course, if private associations and interests can induce Uncle Sam to prepare interpretative publications and statistical compilations for their special benefit and save them that expense they would hardly be human if they did not accept his kind offices.

But all of these interests, associations, combinations, and groups have access to the common reservoir of information, namely, the reports of the United States Census Bureau, and if they want special tables, special arrangements of statistics, special analyses and deductions to suit their special purposes, they should pay for these themselves and not expect the taxpayers to pay for them.

The 1930 census of the United States cost the taxpayers the enormous sum of $39,407,580. It is embraced in 40 large volumes, which are accessible in many places, including nearly every library of any size in the country. To superimpose upon this cost the extra and duplicated cost of printing at public expense statistical volumes containing census information in rearranged form to suit groups that ask for it and thus relieve them of the expense of making such publications is to my mind unthinkable.

I do not like to criticize. I would much rather praise. Least of all do I like to criticize the head of a bureau who is full of zeal in the discharge of his office and who has many fine, worth-while achievements to his credit, but as an example of the duplicated publications to which I refer, I can not refrain from drawing attention to a book of 1,070 pages called Manufacturing Market Statistics, issued by the Bureau of Foreign and Domestic Commerce of the Department of Commerce. The Bureau of Foreign and Domestic Commerce furnishes an illuminating illustration of typical bureaucratic growth. That bureau is hardly 20 years old. It had the usual small and humble start. In 1914 its total appropriation was only $174,860. For the fiscal year 1932 Congress gave that bureau $5,334,122, or more than thirty times the amount appropriated for its activities 19 years ago. It is just one more instance showing how the rolling snowball grows.

That bureau recently took the census reports and made up a volume entitled "Manufacturing Market Statistics," of which 2,943 copies have been printed at public expense at a cost of $16,057.19. This was done, of course, in the utmost good faith and in order to be of service to certain manufacturers.

Away somewhere in the background is a theory that enough copies of this book will be sold to reimburse the Government for its cost, but how many do you suppose have been sold? Exactly 771. Curious to know how the sale was progressing, I inquired of the Public Printer, and I have his reply, which follows:

MY DEAR MR. LUDLOW: Receipt is acknowledged of your inquiry of January 23, 1933, addressed to the Superintendent of Documents, regarding the publication entitled "Manufacturing Market Statistics," issued by the Department of Commerce. The information you ask is as follows:

	Copies	Cost
Department of Commerce	1,000	$14,898.66
International exchanges	70	37.10
Superintendent of Documents:		
For sale	1,481	925.37
For depository libraries	392	196.06
Total	2,943	16,057.19

The sales copies ordered by the Superintendent of Documents were delivered to him about 30 days ago at a cost of $0.624 a copy, and to date he has sold 771 copies at $1 a copy, a total revenue of $771.

Respectfully,

GEORGE H. CARTER,
Public Printer.

If one wishes to be facetious he might say that the sales leave the Government to pay only $15,286.19 of this bill of $16,057.19. The unpaid balance may be reduced a bit by dribbling future sales.

While I know that publication was issued with the best of intentions and with a genuine desire to be helpful, I do not think it should have been issued. I think this Congress should establish the policy, if the bureaus do not, that whenever special groups or committees representing particular industries want this sort of specialized information compiled from the census reports and published they should compile and publish it at their own expense.

When William M. Steuart, the Director of the Census, was before Judge OLIVER's subcommittee of the Appropriations Committee, the one dealing with appropriations for the Department of Commerce, on December 8 last, he was asked by Mr. OLIVER:

Does not this publication—Manufacturing Market Statistics—represent a duplicate publication of the same facts by you?

His reply was:

Yes; the statistics of manufactures are those that have been reported, compiled, and published by the Bureau of the Census, and I imagine the same is true of a great deal of the statistical information contained in this volume; that is true of a great many Government publications.

The Bureau of Foreign and Domestic Commerce has broad enough a field for its useful activities and for the exercise of the talents of its splendid chief without issuing publications revamping census statistics and thus duplicating costs. The same may be said of bureaus of the Department of Agriculture which are constantly reproducing census statistics in various publications.

I can not close these remarks without paying a compliment to Mr. Steuart, Director of the Census, for the firmness he has displayed in resisting the pressure of special interests which are constantly seeking to inveigle him into promises to print at Government expense census publications for their special uses. It is a common custom for the heads of industries to survey the census possibilities and to decide that if the Director of the Census could be induced to compile from the census schedules certain information in pamphlet form it would be greatly to their benefit. Usually a committee is appointed to wait on the Director of the Census and present the suggestion to him and represent it to him in the light of a public duty. His reply usually is that his public duty is exactly the opposite, namely, to refrain from doing what is asked, but when he puts thumbs down on the proposal he does so with the courteous invitation to the committee to make the publication at their own expense, which invariably causes the committee to retire in confusion.

Not long ago a company that does outdoor advertising had the rare nerve to ask Director Steuart to prepare and have printed as a Government publication a volume embracing information about every city and county in the United States, the information desired being of a kind that would help that company in its advertising activities. The veteran director stiffened up until he looked like old Andy Jackson must have looked in his sternest moments.

"If you want that kind of a publication, get it out yourself," he said.

Up to date it has not appeared in print.

Mr. Chairman, I yield back the balance of my time.

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

Mr. SNELL. Mr. Chairman, there is going to be a determined effort on Monday to bring before the House legislation dealing with the subject of depreciating currency and the effect that imports from countries with depreciated currency are having on our domestic markets at the present time.

As far as I am concerned, in regard to this individual piece of legislation, known as the Crowther bill, from the consideration of which the Ways and Means Committee is sought to be discharged, I am not especially interested. I am interested in getting the subject before the House of Representatives for consideration, and the only way we can reach it is to discharge the committee and bring it up, and then it will be considered under the general rules of the House, each Member having the right to express his views and to discuss and amend the bill as he may see fit.

To me there is nothing partisan in this matter. The whole question is simply whether we are going to make effective the laws that are on the statute books at the present time, whether we are going to continue to adhere to the policies to which we have always adhered, the right of our people to make their own domestic policies; and at this time this mat-

ter pertains particularly to the question of protection and also to our immigration policy.

If we continue to go along under present conditions and the various nations of the world continue to depreciate their currency even more than it is depreciated at the present time, the practical result is that the average import is paying very little to come into this market and receive the benefits of this market, and instead of our making our own domestic policy at the present time it is being made by countries with depreciated currencies, and will continue to be made by them as long as we remain silent and inactive.

You will remember that when the nations of the world began going off the gold standard the few remaining nations, outside of the United States, that were on the gold standard immediately, by executive order, put into effect an executive proclamation that absolutely met the question of depreciated currencies in the countries from which imports came, and thereby maintained and made effective such tariff laws as they had at that time.

We are the only country that has not met that issue up to the present time, and the people of the country as a whole, in my judgment, are beginning to appreciate the fact that something has happened to our home markets and are calling upon Congress to do something to make our present protection policy effective.

If you remember, during the debate last winter on the tariff, when some one interrogated the gentleman from Illinois [Mr. RAINEY] as to why he had not suggested legislation to reduce particular tariff rates in the Hawley-Smoot bill, Mr. RAINEY replied that they had not brought anything out along this line because he knew the Republicans would not pass it, and the Democrats did not dare pass it. He said also that they did not want, under present conditions, to have our markets further flooded with cheaply made foreign goods. The Republicans of the House are seeking now to legislate to make that statement actually effective.

As I look at the situation, if we continue to allow these countries with their depreciated currencies to bring these goods into this country without any action on our part, we are going against the statement made by the distinguished majority leader and against the prevailing opinion that has existed in this country for a long time that we did want, especially under present conditions in the United States, some reasonable protection which we are not getting under present conditions.

I appreciate that there are certain men in this House that do not care to go as far along this line as I do; but the policy of protection, I believe, is firmly fixed in this country, and I do not believe we ought to have it wiped out entirely by the action of foreign countries in continually depreciating their currency, and I maintain they are doing it deliberately for this purpose. As definite proof of this I refer to a statement reputed to have been made at the time by the Chancellor of England, when he said, "Now that we have depreciated our currency we can successfully compete in the foreign markets of the world."

The facts are clear: This Congress, by the tariff act of 1930, regulated commerce in imports and determined the conditions of their admission to the American market in an endeavor to secure necessary revenue and protect the employment opportunities and living standards of American wage earners. Since then 60 nations have depreciated their currency. These represent countries conducting 45 per cent by value of the international trade of the world. They are substantially the source of 60 per cent by value of the imports of the United States during 1932. It is authoritatively reported that at least 232 commodities came into this country in increased quantities in 1932 over 1931, and of these at least 157 were substantially competitive. Now, ad valorem duties are predicated upon the currency of the country of export. If a customs duty of 10 per cent were assessed against a commodity valued at a pound, it was in contemplation of a value of $4.86 for that article. If predicated on a yen, it had in mind a yen worth $0.4985. But the pound is quoted to-day at $3.42⅝ and the yen at $0.2125. One has depreciated 30 per cent and the latter nearly 60 per cent.

We, therefore, suffer a loss of revenue equal to the difference between the standard and depreciated value of all currencies, of which the two to which I have referred are merely an illustration. This result is not our act, but that of the countries of depreciation. The effect is that by accident or design such countries determine for us the amount of customs duties we shall collect and the price of admission to this market. They substitute their regulation of commerce for ours.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. SNELL. Yes.

Mr. VINSON of Kentucky. From what date?

Mr. SNELL. During the year 1932. These are figures of the Department of Commerce.

Mr. VINSON of Kentucky. A number of countries had depreciated their currency prior to 1932.

Mr. SNELL. That is true, but these figures just referred to include all countries with depreciated currencies for the year 1932.

Mr. VINSON of Kentucky. The gentleman does not attempt to set out what countries depreciated their currencies in 1930, 1931, and so on?

Mr. SNELL. No; these are the actual imports coming to this country in 1932.

Mr. KNUTSON. Will the gentleman yield?

Mr. SNELL. Yes.

Mr. KNUTSON. Will the gentleman in some part of his remarks refer to the fact that imports of cream have increased 200 per cent?

Mr. SNELL. I shall come to that later, because that affects my own district and I am very much interested in it.

If a customs duty of 10 per cent were assessed against a commodity valued against the pound, it was contemplated at that time that the pound was $4.86; and if the pound has been reduced to $3.345, which is the last quotation, and the same thing with regard to the yen, which was practically 50 cents and has been reduced to its present value of about 20 cents, real, definite protection from these countries is practically wiped out.

To show to what extent some countries are going, I have here facsimile copies of the Trans-Pacific. The one I have before me is dated Tokyo, Thursday, December 1, 1932. In large type on the first page it is stated:

> Japanese export trade entering biggest boom since hysterical days of the World War activity. Decline of yen, coupled with failure of domestic purchasing power to increase prices and wages at home responsible for expanding markets in overseas countries. In almost any line now we are able to compete.

In the first paragraph it is said:

> Japan's export trade is booming as never since the World War. The full force of the decline of the yen is commencing to be felt. Importers in foreign lands are becoming convinced of the advantage of carrying Japanese lines and are rushing to get Japanese connections. This is the golden age of the Japanese exporter and the golden age of importers who deal with them.

In an open letter to the world's importers carried in this paper of the same date, the first paragraph reads as follows:

> GENTLEMEN: Since December of 1931, when circumstances forced the Japanese Empire to suspend operations of the gold standard, the yen has fallen from its par of $0.4987 to its present level. At the same time prices at home have risen comparatively little. Between November 15, 1931, and November 15, 1932, the retail-price index number rose but 8.76 per cent, because the purchasing power of the yen at home has been kept high by the failure of domestic competition to raise Japanese prices in the export market remain low.

As I said before, this is the oldest foreign-language weekly, and the only English-language export journal published in Japan.

This goes to show that our competitors there are taking extreme advantage of the fact that their currency at the present time has depreciated about 60 per cent, and the whole question seems to me to be whether we are going to allow them to continue to take this advantage and export their commodities to this country and undersell our own people, and take away a market that rightfully belongs to our home people.

We want to correct that situation, and it can be done by meeting the situation that has arisen by reason of the great depreciation of their currency.

Mr. DOUGHTON. Will the gentleman yield?

Mr. SNELL. Certainly.

Mr. DOUGHTON. Is it not a fact that at the present time or during the last year our exports to Japan have exceeded our imports from Japan?

Mr. SNELL. Not according to the statement I had from the Department of Commerce, and regardless of that fact it does not affect the situation I am aiming to correct.

Mr. DOUGHTON. The latest statistics I have, which I think are reliable, show there is a balance of trade in our favor.

Mr. SNELL. I would be pleased to have the gentleman put those figures in the RECORD.

Mr. DOUGHTON. I will be delighted to do so.

Mr. SNELL. As far as I can learn in regard to exports to any of the foreign countries, they buy of us such goods as they can buy more advantageously than they can from any other country, and no one will pay us one cent more than what they can buy for at other markets, regardless of what our domestic policy is.

The imports to the United States declined 16 per cent in 1932, but the volume of domestic production declined 21 per cent over the preceding year. Imports from the countries with depreciated currencies like Japan were less in value, but have increased in quantity. For example, the yen having declined nearly 60 per cent and the value of imports only 15 per cent, this would show there was an increasing number of articles coming in from Japan.

I am specially interested in this proposition from a local standpoint. The two real industries in northern New York are the dairy and the paper industry. These are really our meal ticket, and on account of depreciated currency the increased imports of these products has had a very disastrous effect.

When we passed the tariff act of 1930, increasing the tariff on all dairy products, we practically eliminated any competition from across the border in Canada, and the entire market was to remain for local producers, but on account of the 13 to 15 per cent depreciation this competition has again started up in very large quantities. And in discussing this subject, I wish to specially confine my remarks to the effect of this depreciation upon these industries of northern New York with which I am familiar. I will not dwell upon what you have already been told of the loss to the national revenue of $100,000,000 in a year from lowered customs receipts, due to the reduced values of merchandise imported from those nations which have abandoned the gold standard. Neither shall I dwell upon the statements that the number of American unemployed workmen totals over 1,000,000 persons, resulting from this foreign competition alone, or the amount of money that would be available to our people should this number of unemployed be permitted to earn an income, instead of being dependent on the charity of the more fortunate.

Northern New York is one of America's greatest dairy regions. Northern New York is one of America's most important paper and pulp producing sections. Both of these industries have been hard hit—brought face to face with utter ruin—by competition from nations whose depreciation of currency has made it possible for them to ship their dairy, pulp, and paper products into our markets at prices which we can not meet without violent reductions in wages of employees or bankruptcy of once prosperous companies.

Let us consider the dairy industry. New York is famous for its cheese, yet while our prices have dropped heavily the importation of one kind only of cheese from Finland has increased 136.3 per cent since so many European nations abandoned the gold standard for their currency. Despite the protective duty provided by the tariff act of 1930 on agricultural products, imports of cream from Canada have increased 200 per cent since Canada depreciated its currency. Imports of dried milk have increased 125 per cent. All of these increased importations have been at the expense of the northern New York dairy farmer, to say nothing of the same effect that has resulted upon the dairymen of the great western dairying States.

The protection given the dairy farmer by the tariff act of 1930 has been seriously reduced by the competition possible from countries whose depreciated currencies make it possible for them to pay the required duties, and yet undersell the American farmer.

I have referred to the importance of the paper industry to the part of New York State which I have the honor to represent. New York has been one of the most important of the pulp and paper producing States. Yet to-day in northern New York, where the pulp and paper mills are located within easy reach of the pulpwood forests, where many companies have been reforesting their own lands in order to provide wood as a raw material for their mills, we find pulp and paper mills buying imported pulp at lower prices than it costs to produce the pulp in their own mills, using pulpwood that they have spent years in protecting and growing. It is conservatively estimated that the value of New York State's forests has been reduced by over 60 per cent since the depreciation of foreign currency. This is reflected in tax delinquencies and in unemployment of forest workers.

Here is another phase of the farm problem: Our northern New York farmers, who in the past have augmented their farm-crop incomes by selling pulpwood or by woods work, are to-day crushed by the low pulpwood prices caused by depreciated currency competition. Pulpwood which sold for from $18 to $20 per cord in 1930 to-day brings but $8. This decrease must be in the returns to labor, for pulpwood cutting is practically all a labor proposition. Similar conditions have been reported to me from people in the South, the Lake States, and the West.

The depression of business has caused a reduction in the consumption of paper, yet while domestic production of unbleached sulphite pulp has decreased 19 per cent the imports of Scandinavian pulp has decreased only 12½ per cent. In other words, in these times of depression, when American mills wish to use American raw material, the foreign mills have taken over a part of the market which the domestic mills have lost. In bleached sulphite the situation is even more serious, for here the domestic mills produced for their own use 18.6 per cent less in 1932 than in 1931 and produced 39 per cent less for sale the imports of Scandinavian pulp of this grade have increased 32.7 per cent, and this, be it remembered, at a time when domestic paper mills, with reduced markets, have been using less pulp than in normal times.

The situation as to sulphate pulp, usually known as kraft, is essentially the same. While domestic production has declined over 10 per cent, the imports of kraft pulp in 1932 were actually greater than ever before in the past.

If this tendency continues, as it will unless measures are taken to stop this seizure of the American market, all of the American industry will be at the mercy of the foreigners. With our plants abandoned, the foreigners can fix their own prices for what is to the paper industry its essential raw material.

That this is not an idle theory is shown by the fact that European cartels are already formed and operating, and they have curtailed European production of some grades of pulps 30 per cent in order to keep prices up, but at the same time below the cost of American production. Our own anti-trust laws prevent business operations of this kind, but our paper mills are at the mercy of trusts which no American laws can control.

The effect of the depreciation of foreign currency upon the paper industry demands the studious attention of all who wish to prevent disaster to an industry which has produced paper to a value of a billion dollars a year.

Book paper from Finland of a grade which formerly sold, under the gold standard at $3.75 per hundred pounds, is now quoted at about $2, this being due to the heavy depreciation of the Finnish currency. This paper is the equivalent in quality of American paper sold at $3.75. With the present

duty this Finnish paper can be delivered duty paid at Atlantic coast ports at less than $2.75. In other words, this grade of paper, instead of having protection against the foreign product, is actually being sold only in the face of a premium, instead of a duty, on the imported paper.

Wrapping paper offers a similar picture. Here we have Finnish paper sold delivered, duty paid, in the United States at $53 per ton, and this, remember, includes freights and the importer's profit. Domestic paper of this grade can not be produced for less than $74, and to meet the foreign prices means the operation of the American mills at a heavy loss with the sole alternative the radical reduction of wages to American workmen. When we consider this difference in prices—due entirely to the depreciation of the foreign currency—and remember that a reduction of $5 per ton in such paper would be considered spectacular, you can appreciate what a $21 cut in price by foreign mills means to a branch of the American industry whose product has been valued at $1,000,000 per year for this single grade alone.

A condensed picture of the situation is shown by the following table, which shows how prices of paper from the various countries have fallen since they abandoned the gold standard:

	Price per pound		Percentage of decrease
	1931	1932	
Finland:	*Cents*	*Cents*	
Book paper	2.5	2.3	8.0
Tissue, lightweight	67.8	44.3	34.7
Tissue, heavy	37.4	30.6	18.2
Pulpboard	2.2	1.3	40.9
Newsprint	2.2	1.8	18.2
Sweden:			
Sulphite wrapping	4.0	2.5	37.5
Newsprint	2.3	2.0	13.1
Norway: Newsprint	3.0	1.9	36.7
Japan: Tissue, light	92.5	56.4	39.0
United Kingdom:			
Tissue, light	52.5	39.6	24.6
Tissue, heavy	49.9	37.1	25.7
Canada:			
Pulpboard	2.2	1.7	22.7
Newsprint (average January to August)	2.8	2.5	10.7

I could go through the entire paper industry, with its scores of grades of paper giving similar instances of the effect of foreign competition upon each from each of the foreign paper-making countries which have abandoned the gold standard. These, however, are merely typical examples.

To-day, when certain paper is supposed to be protected by duties, supposed to be adequate to give the American manufacturer an equal chance with the foreigner in his own American market, the foreigners are shipping paper under conditions where they receive a premium over their home prices, instead of being hampered by adverse duties. Finnish wrapping paper is dutiable at 30 per cent, its currency is off, roughly, 40 per cent, so the Finnish mill has a premium of approximately 10 per cent, even after paying duty, over the American mill. In book paper his premium is about 20 per cent. In fact, to-day we have no tariff protection on paper.

Some months ago it was the theory that with the depreciation of currency foreign prices would rise, and thus automatically balance the situation. This has not proved a fact, but the reverse has actually occurred in some industries.

With such conditions, the American paper mills must be given relief against the competition of the depreciated currency countries, whether they produce pulp or paper, if you want to continue the industry in this country.

I do not overlook the fact that other industries, especially the iron industry, are suffering from the same conditions, and many of them in even a greater degree, but in discussing the necessity of action to save American industry from this daily mounting injury I have to a large degree confined my remarks to the two industries with which I am familiar, whose preservation is vital to the prosperity of the northern counties of my own State.

Mr. KNUTSON. Will the gentleman yield?

Mr. SNELL. Certainly.

Mr. KNUTSON. During the first eight months of 1932, imports of fish in airtight containers from Canada increased 4,700 per cent, according to the figures of the department.

Mr. DOUGHTON. How large were the total imports? Perhaps, the gentleman is like the man who talked about the population of his town having increased 500 per cent, stating that 12 months ago they had a population of 5, but at the end of the year they had a population of 25, or an increase of 500 per cent.

Mr. KNUTSON. Let me call the gentleman's attention to the old problem of the man putting one penny on the first checker square and two on the second checker square and so on, and when you get to the sixty-fourth square there would not be enough money to cover it.

Mr. HART. Will the gentleman yield?

Mr. SNELL. Certainly.

Mr. HART. If the depreciation of the yen in Japan has not disturbed their domestic situation and has enabled them to seize the export trade of the world, does not the gentleman conclude that we had better depreciate our currency, if this will permit us to do the same thing?

Mr. SNELL. I can not agree with the gentleman on that proposition; that is too complicated to consider in this discussion. I am not in favor of trying to beat Japan by depreciating our currency to the same extent that they have done. We have always been a sound-money country and propose to keep it so.

Mr. RAGON. The statement of the gentleman from Minnesota touched a vital point. I suggest to my friend that that was one of the very points suggested by the chairman of the Tariff Commission, Mr. O'Brien, and he is one of the greatest protectionists in this country.

Mr. SNELL. I should doubt that; at the present time I can not agree to it.

Mr. RAGON. There is one thing I can say, that he has that reputation and he belongs to the gentleman's party.

Mr. SNELL. In the light of his present statements I would put a question mark after that. [Laughter.]

Mr. RAGON. If he had not had the respect of your President he would not have appointed him chairman.

Mr. SNELL. I agree to that.

Mr. RAGON. His statement was that if it is a good thing for Japan to go off the gold standard and for England, it is a good thing for us.

Mr. SNELL. I am not in accord with any statement that the chairman of the Tariff Commission made along that line and I do not believe the Treasury or the people connected with the executive departments of the Government agree with him or are in accord with that statement.

Let me say in regard to that statement that the only thing I want him to have the power to do is exactly what he has been doing so far in connection with the imports from Japan. He has gone the limit allowed under the law. In addition to that, the President has gone a little farther than was allowed until the last tariff act.

I want him to have the same power to do what he has done with reference to a few imports from Japan, to all the imports from Japan, and to imports from all countries with depreciated currencies.

Mr. RAGON. The gentleman refers to the rubber footwear?

Mr. SNELL. That is one thing.

Mr. RAGON. I suggest to the gentleman that that applied just as much to the volume of imports that came from Czechoslovakia, and Czechoslovakia is not a country with depreciated currency.

Mr. SNELL. The larger part came from Japan, and it is so stated by the Commerce Department.

Mr. RAGON. I can not agree that the Commerce Department knows more about the tariff——

Mr. SNELL. They know something about the statistics.

Mr. WHITE. Will the gentleman yield?

Mr. SNELL. Yes.

Mr. WHITE. There is an international advantage through imports and exports. What happens between the United

States and Japan is not a demonstration of the internal conditions in Japan.

Mr. SNELL. Not necessarily.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. SNELL. Yes.

Mr. VINSON of Kentucky. The Crowther bill, H. R. 8557, fixes the date at which the standard value of currency in depreciated countries shall be proclaimed as of October 1, 1931.

Mr. SNELL. I said that I was not specially interested in that individual bill, but I wanted to get the general subject before the House for discussion.

Mr. VINSON of Kentucky. I understand, but of course this is the bill that will be under discussion.

Mr. SNELL. I would like to change a lot of things in the bill myself and I am not going to get into an argument about the details of the bill.

Mr. VINSON of Kentucky. The standard value of the currency, according to the Secretary of the Treasury——

Mr. SNELL. I do not want to yield on that at this time.

Mr. VINSON of Kentucky. Does not the gentleman realize that the nations who depreciated their currency prior to the date fixed, whether it be October 1, 1931, or some date in 1932, will have an advantage over those countries that have depreciated their currency subsequent to the date fixed in the bill.

Mr. SNELL. I want to use them all alike, I want to use them exactly the same. I want to see to it, in other words, that imports coming from those countries at the present time shall come in under what is practically American valuation.

Mr. VINSON of Kentucky. What date would the gentleman fix?

Mr. SNELL. I am not going to fix any date at the present time.

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

Mr. SNELL. Yes.

Mr. WATSON. If the Democratic Party votes solidly against the bill on Monday, will it not be a notice to the American people that after the 4th of March the Democratic Party is not going to support a high-tariff policy in the interest of the American people?

Mr. SNELL. In the statement that I have made heretofore, I tried to make it appear that there was not anything partisan about it, and I do not care to go into the question asked by the gentleman from Pennsylvania as to Democratic policy, although I may think the same as he does.

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

Mr. SNELL. Yes.

Mr. GARBER. The gentleman says that the motion to discharge the committee will be the first thing on Monday's calendar.

Mr. SNELL. Yes.

Mr. GARBER. Will that motion be subject to debate by the Members?

Mr. SNELL. It is subject to only 10 minutes' debate on a side.

Mr. GARBER. And if the motion is defeated, there will be no opportunity to debate the merits of the bill?

Mr. SNELL. There will be no opportunity to bring that matter before Congress during this session, unless the majority has a change of heart and decides it wants to do it. In closing, I want to say that I am very much interested because I believe it is vital to this country at this time that we do something along this line. I think this present situation is helping to prolong the depression. I firmly believe there is no one thing that can be done that will go further toward relieving unemployment—and that is the great question before us—than to do something along the line of legislation that will meet depreciated-currency conditions and stop the inflow of imports from those countries under present conditions. [Applause.]

Mr. CANNON. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. DOUGHTON].

Mr. DOUGHTON. Mr. Chairman, I had not expected to speak on this subject at this time. I did, however, have it in mind to submit some observations on this very important subject at some future date, but after listening to the distinguished minority leader, the gentleman from New York [Mr. SNELL], I feel that perhaps it would be appropriate that I make some remarks at this time. I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. DOUGHTON. I agree with one statement of the distinguished gentleman from New York, and that is, that a matter that so vitally affects the welfare of all the people of America should be considered separate and apart from partisan politics, especially at a time when there is so much distress, so much suffering, so much bankruptcy, and as many people in trouble as there are to-day, I feel that every patriotic American citizen should, so far as he can, divest himself of partisanship and look at this matter in an unselfish and patriotic manner.

I had the honor of being named the chairman of a subcommittee of the Committee on Ways and Means to conduct hearings upon the subject of depreciated currencies. There was referred to our committee the Hill bill, the Crowther bill, I believe, and the Hawley bill. We held hearings for about 10 days, and every person who desired to be heard was given a hearing, and every phase of this matter was gone into. When the hearings began I approached the subject with an open mind. There had been so much propaganda, I had seen so much in the newspapers, I had received so many communications from different sections of the country, especially in the far West and on the Pacific slope, that I had the impression that probably some emergency legislation on this subject was necessary.

After the hearings were concluded, after listening to all the witnesses, and especially three members of the Tariff Commission and representatives from the Treasury Department, all of whom should be specialists on this subject, I was fully convinced that this legislation was not only unnecessary but unwise, unworkable, and impracticable.

Of course, everyone knows we could not enact legislation of this kind at this session. Legislation as far-reaching as this, although it may be advocated in good conscience and in good faith, with conditions as they are in the other body this late in the session, would be impossible of consummation during the remaining days of this Congress. But, aside from that, I became convinced that on its merits the bill was unsound. I became convinced there was a hysteria in this country as the result of propaganda and misrepresentation, but that there was no justification for it.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. COOPER of Ohio. Does the gentleman go so far as to say there is no need of additional protection for American industry and American labor at this time?

Mr. DOUGHTON. No; I would not say that. But, in my judgment, this legislation is more likely to injure than benefit American industry and American labor. I am not a free trader. I never have been, and I am not now a fanatic on the tariff question in either direction, if I understand myself. I have always believed in reasonable or adequate protection to American industry. I believe in that policy now; but, Mr. Chairman, this is a question which, with all of its relations, can not be properly considered at this time. I am of the opinion that some consideration of this question is necessary, but that it should be taken up in the early part of the next Congress and be considered in connection with the entire tariff subject.

The chairman of the Tariff Commission, Mr. O'Brien, testified before our subcommittee at length and said this legislation was not only unnecessary but it was dangerous; that instead of correcting existing difficulties it would, in all probability, accentuate them. It was testified that world conditions now, as far as we are concerned, are very unsatisfactory; that in the last two or three years, and especially

since the enactment of the Hawley-Smoot tariff bill, there had been a race between our Nation and other nations in erecting embargoes and tariff breastworks and imposing countervailing duties, by which our export trade has seriously suffered. We seem to have lost sight of two phases of this question. One is that class of American industry and American labor that produces goods for export, and the other is the great mass of American consumers. They all must be taken into consideration, not only those who manufacture the goods in competition with imports, but those who manufacture goods for export, and the great American consumers are all entitled to consideration. As long as our exports exceed our imports, thereby giving employment to American labor and capital, we had better have a care; we had better be cautious before we further irritate and further aggravate and further offend the nations of the earth with which we must do business and with which we must have business intercourse. That seems to have been entirely lost sight of. As Mr. O'Brien said, this proposed legislation means an embargo, especially against those nations which have depreciated currencies.

The gentleman from Arkansas [Mr. RAGON] truly said the other day, in discussing this matter, that, while there has been a falling off of imports from all the nations with which we have business relations, the drop has been greater from those countries with depreciated currencies than with those nations which are on the gold standard.

Mr. SNELL. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. SNELL. Now, that matter has been disputed, and I have a definite statement from the Department of Commerce that the statement of the gentleman from Arkansas is not a fact.

Mr. DOUGHTON. Well, if I make any statement that the records do not corroborate or support, I shall be glad to modify it. I shall put those statistics in my revised remarks.

Mr. SNELL. What I had in mind was not what the gentleman was stating but the statement made by the chairman of the Tariff Commission. I understand from a statement put out by the Department of Commerce day before yesterday that he was entirely wrong in that statement.

Mr. DOUGHTON. I find that a great many of us can find statistics to support our position, but if we can not rely upon the statistics of the Government, the Treasury Department, the Tariff Commission, and the Department of Commerce, upon whom can we rely?

Mr. SNELL. I agree with the gentleman on that.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. DOUGHTON] has expired.

Mr. CANNON. Mr. Chairman, I yield the gentleman 10 additional minutes.

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

Mr. DOUGHTON. I yield.

Mr. RAGON. In the testimony of Doctor Durand, chief economist of the Tariff Commission, he will find the statement that he made a while ago is verified.

I would like to suggest to the gentleman that at these hearings we had men from the Department of Commerce. I do not recall that any who were there testified except one. We had men from the Treasury Department. We had three tariff commissioners. We had the chief economist of the Tariff Commission. Certainly, if the Department of Commerce had those figures, with those men there, whose chief business it is to know these things—if those men had made an error, why would not the Department of Commerce get up there and correct it? If I may intrude a little further on the gentleman's statement, when the testimony of Mr. O'Brien seemed for a moment to put our Secretary of the Treasury on the spot as to his attitude, this subcommittee gave an opportunity to Mr. Mills, Secretary of the Treasury, to come in there and make a statement concerning his attitude on this legislation. We went into all of those things, and if we had thought the Secretary of Commerce had known anything about this that was worth while to the Members of Congress, he would have been a man that would have been called before the committee, as far as I am concerned.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. VINSON of Kentucky. When the Secretary of the Treasury was invited to appear before the committee, word came to the committee that he declined?

Mr. RAGON. He did not decline to send a man up there.

Mr. VINSON of Kentucky. At first; but at the end of the hearing, the last day of the hearing, invitation was extended to the Secretary of the Treasury, and the printed record shows that the Secretary of the Treasury declined to appear. I ask the gentleman from North Carolina if that is not correct?

Mr. DOUGHTON. It is.

Mr. RAGON. If the gentleman will permit one further intrusion, I want to know whom we would go to for information regarding a tariff matter if not to the very witnesses who came up here.

Mr. DOUGHTON. That is just what I remarked.

Mr. RAGON. And I will ask the gentleman in all his experience does he know of the committee's calling on the Department of Commerce for information on a tariff matter? And I will ask him furthermore if we have a statement from any of the State departments indorsing these bills?

Mr. DOUGHTON. The gentleman, Mr. Hopkins, representing the Treasury Department, said that everything sought to be accomplished in these bills, indorsing none of them, could be accomplished now by the Tariff Commission, but that possibly it might be helpful to make some minor amendment of paragraph 336 of the present tariff laws. All who testified said that this legislation was unworkable, that it was unnecessary, and that the Tariff Commission is now doing the very thing sought to be accomplished by this legislation.

Mr. HILL of Washington. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. HILL of Washington. The tariff commissioners all said it would be unworkable, because section 3 based it upon the commodity price indexes of the countries having depreciated currency. The witnesses from the Department of Commerce stated at the hearing that about 35 of the principal foreign countries have these general commodity price indexes upon which this calculation might be based. This is a typical comparison of the testimony of those who are interested in killing the bill with the testimony of those who are supplying information from the Department of Commerce.

Mr. DOUGHTON. I will ask my good friend the gentleman from Washington [Mr. HILL] what interest these men could have in killing the bill? They were not lobbyists, they were not employed attorneys, they were here as representatives of the American people, and the positions they hold should qualify them to speak with authority upon this subject.

Mr. HILL of Washington. Will the gentleman permit me to answer his question?

Mr. DOUGHTON. I am pleased to.

Mr. HILL of Washington. I can give the gentleman my opinion.

Mr. DOUGHTON. I do not yield for a speech.

Mr. HILL of Washington. I think the gentleman will agree with me. The Secretary of the Treasury, as the gentleman from North Carolina knows, represents the big banking interests of the country, and they are not for protection.

Mr. DOUGHTON. I will let the gentleman debate that matter with my good friend from New York [Mr. SNELL].

Mr. HILL of Washington. The Tariff Commission are after more power. That commission, of course, wanted the bill that would give them more power than even the Hawley bill proposed.

Mr. DOUGHTON. Every man who is intelligent knows that the Secretary of the Treasury must be right sometimes. This is one of the times when he was right. [Laughter.]

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

Mr. DOUGHTON. I yield.

Mr. SNELL. I would like the gentleman from North Carolina to know that this gentleman from New York is speaking from a protective standpoint because he is a protectionist.

I do not presume to speak for Mr. Mills, or anyone else, but I do understand that the last Hawley bill that was introduced, while giving that power to the Tariff Commission, was drawn down to the Treasury Department, or at least had the approval of that department.

Mr. DOUGHTON. I understood they cooperated upon request. It was not originated there. They went to the Treasury Department for help in drafting the bill, but the proponents of this legislation are not agreed among themselves—some want the Hill bill, some the Crowther bill, and some the Hawley bill. But the Treasury department and the Tariff Commission want none of them, and the American people will desire none of them when they understand the disastrous effect of such legislation.

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

Mr. DOUGHTON. I yield.

Mr. RAGON. Will the gentleman from New York indicate that Mr. Mills indorsed either of these bills or the new Hawley bill?

Mr. SNELL. I do not know, but I take it this last Hawley bill has been approved by the Treasury Department and I suppose it represents their views.

Mr. RAGON. I will ask the gentleman from New York if we asked Ogden Mills to come before the committee and state whether he indorsed the bill?

Mr. SNELL. I can not state whether he indorsed the bill Mr. Hawley brought up, but I took it that it met his approval.

Mr. RAGON. Which one of the Hawley bills?

Mr. SNELL. The last one.

Mr. RAGON. We asked him to come, but he did not come; he sent up this young man by the name of Hopkins. Is it not a fact we asked him to come to that meeting and still he did not come?

Mr. SNELL. That I can not answer.

Mr. RAGON. I can; that is what I am now saying.

Mr. SNELL. I am stating my own views in regard to this tariff proposition, and I think my statement presents the almost unanimous sentiment of this side of the House.

Mr. RAGON. The point I am making is that no official from the present administration came in there and indorsed any one of these bills.

Mr. SNELL. Did not the gentleman, Mr. Hopkins, indorse it; and was not he the representative of Mr. Mills?

Mr. DOUGHTON. He did not.

Mr. RAGON. Why, of course not. I do not believe the gentleman from New York ever heard of the Crowther bill until this caucus of the Republicans was held to put the Democrats on the spot.

Mr. SNELL. Unfortunately, I have heard of it; I have read it. Personally, I do not agree with everything in it.

Mr. RAGON. Now, the gentleman is not fair. He led the Republican caucus to indorse it, yet he now states he is not for that bill.

Mr. SNELL. I led a Republican conference to indorse the principle which that bill represents. The only thing we want to do is to bring the subject matter before the House for discussion, and Members on your side do not dare to let it come up here in an open meeting and meet us in a fair discussion on the merits of the legislation.

Mr. RAGON. But you did petition out a bill that your men had never heard of.

Mr. SNELL. Oh, we had heard of it, and we had to petition out some bill in order to get the matter before the House. The last Hawley bill had not been there long enough to petition out.

Mr. HILL of Washington. Will the gentleman yield for just a short statement?

Mr. DOUGHTON. I will always yield to my friend from Washington.

Mr. HILL of Washington. There is not any question about the attitude of the Secretary of the Treasury and the three tariff commissioners as to this proposed legislation. The Secretary of the Treasury sent a personal representative to the subcommittee conducting hearings on this matter and presented a plan to correct the evils of this situation with respect to depreciated currency, and that plan was embodied in a bill introduced by the gentleman from Oregon and known as the Hawley bill, H. R. 14428. The three tariff commissioners indorsed this bill and they are all against my bill and they are all against the Crowther bill.

Mr. DOUGHTON. I beg the gentleman's pardon.

Mr. RAGON. I beg the gentleman's pardon, too.

Mr. DOUGHTON. Mr. Page, of the Tariff Commission, said they were all bad, and it was only a question of which was worse.

Mr. RAGON. That is it exactly.

Mr. McCORMACK. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. McCORMACK. Will my friend state when he first heard there was a Crowther bill before the committee?

Mr. DOUGHTON. After we had been conducting hearings for some days, it was laid before the subcommittee.

Mr. McCORMACK. Has the gentleman any recollection of the gentleman from New York [Mr. CROWTHER] ever advising the other members of the committee that he had introduced his bill or was seeking a hearing before the committee?

Mr. DOUGHTON. I did not know anything about it. I did not know the bill was before the committee until we began our hearing, but I understood there was a conference about it.

[Here the gavel fell.]

Mr. CANNON. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. DOUGHTON. The gentleman from New York [Mr. SNELL] expressed the hope, or stated the view, that this subject should be considered separate and apart from politics, and there has been some criticism of the action of the Democrats in making it a party matter. I do not know whether I am correct or not, but it did go out in the press, and the report was circulated around the Capitol that the Republicans had held a caucus or a conference on this subject; and if that is true, and if such action is an offense, evidently you Republicans were the first offenders. I do not know whether that is true or not.

Mr. SNELL. Will the gentleman yield?

Mr. DOUGHTON. Yes.

Mr. SNELL. The Republicans had a conference on this matter, but the Republicans have never tried to bind the individual Members and lead them by a halter up to the trough the way the Democrats always do.

Mr. DOUGHTON. Oh, perhaps the men on the gentleman's side are more susceptible to the party lash than ours. It may be that just a hint or a nod or a gesture from the gentleman from New York is sufficient.

Mr. SNELL. Previous history does not show that.

Mr. DOUGHTON. I would rather defend the Members on the gentleman's side of the House, but I think he rather intimates that.

Mr. KNUTSON. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. KNUTSON. Will the gentleman explain to the House just how a Democratic caucus operates? Is it binding on everybody?

Mr. DOUGHTON. No; a Member can excuse himself if he states that he has made pledges to his constituents in opposition to the action proposed by the caucus. But the House is not interested in that; but if the gentleman will come over to my office to-night at 12.30 o'clock, I shall be delighted to tell him all about it.

Mr. KNUTSON. I think it should be explained at the midnight hour, because it would not stand the scrutiny of daylight.

Mr. DOUGHTON. Then that should just suit the gentleman, as the deeds of his party are always evil.

Reference has been made to the Secretary of the Treasury, and I have profound respect for the ability and the integrity of the Secretary of the Treasury, although I do not always agree with his views on public matters. How-

ever, in Mr. O'Brien's statement before the committee he referred to a speech the Secretary of the Treasury had made in New York in which he had almost come out for free trade, as reported by the papers. He referred to the secretary in support of his statement that this legislation was undesirable, unnecessary, unwise, and fraught with danger.

When we were ready to conclude the hearings, Mr. CROWTHER suggested to the committee that inasmuch as the name of the Secretary of the Treasury had been brought into the hearings, the Secretary should be given an opportunity to come before the committee and state his position in order to clear up the matter. We sent him word through Doctor CROWTHER, one of the Republican members, and through the clerk of the committee, that in view of the fact that his name had been used in connection with the hearings, if he cared to be heard, we would be pleased to hear him. He was as silent as the tomb and sent word he did not care to come and testify at all.

We took it from this fact that we were justified in coming to the conclusion that he agreed with members of the Tariff Commission and that he was not in harmony with this bill or with the class of legislation.

In the past the Tariff Commission has been considered good authority on tariff subjects; in fact, with the Republicans the Tariff Commission has almost been an obsession. They have always wanted tariff questions settled upon facts and information procured by the Tariff Commission; but when the Tariff Commission condemns their position, or when they come out and flatly, not only refuse to indorse this kind of legislation but say it is fraught with great danger, then they back away and seek to discredit the Tariff Commission.

Mr. O'Brien, in talking about this bill and other similar legislation, said, "Experience such as that, it seems to me, should warn us against blanket legislation like this against all the countries that are off the gold standard. I can not think of anything that would be worse." This is his statement. In the wildest stretch of his imagination he can not think of anything that would be worse than this proposed legislation.

But, my friends, when we must export more than half of our cotton, when we must export a large percentage of our tobacco, large quantities of meat products, both processed and otherwise, large quantities of wheat, and hundreds of millions of dollars worth of goods manufactured by the industries of America, when we must have an export market for our surplus products and commodities, it is a dangerous time to raise the tariff so high that it will amount to an embargo. Mr. O'Brien said this proposed legislation would amount to an embargo.

[Here the gavel fell.]

Mr. KERR. I ask unanimous consent that the gentleman have one minute more that I may ask him a question.

Mr. HOLADAY. I yield the gentleman one minute.

Mr. KERR. In the gentleman's long experience as a Member of Congress, and an active Member, has he ever known the Republican Party of this Nation to offer a panacea for any economic trouble except to raise the tariff?

Mr. DOUGHTON. I do not recollect of any. It would seem that after the experience we have had with an ultra-protective tariff policy for the past three years, and after the verdict of the American people in the last election, our Republican friends would learn something. But it is a regrettable fact that they have not.

The plain, unvarnished truth about this whole matter, as shown by the hearings of our subcommittee, and by those high officials of the Government in position to have all the facts, is that this excitement about our country's being overrun or flooded with imports from countries with depreciated currencies is a huge distortion of facts.

Imports from those countries with depreciated currencies were $500,000,000 less in 1932 than they were in 1931. In 1931 they were $1,301,581,000 and in 1932 they were only $801,278,000, or a decrease for 1932 over 1931 of 38 per cent. Imports from countries still on the gold standard for 1931 were $616,544,000 and for 1932 $414,096,000, or a decrease of 32 per cent.

So it is shown by the cold statistics that the decrease in imports from countries with depreciated currencies was 6 per cent greater than from those countries on the gold standard.

I insert as a part of my remarks the following figures furnished by the Tariff Commission, giving exports and imports from countries both on and off the gold standard:

In 1932 our exports to all countries exceeded our imports $289,561,000, and for countries with depreciated currencies in 1932 our exports exceeded our imports $195,428,000.

So this shows how ridiculous and preposterous it is to claim that we are being run over or flooded with goods from countries with depreciated currencies.

Mr. Chairman, these figures demonstrate beyond the shadow of any doubt that it is not depreciated currencies of other countries that is causing so much distress to American labor, American industry, and American agriculture, but this catastrophe has been caused by the disastrous effects of the ruinous policies of the depreciated Republican Party. [Applause.]

Exports to and imports from principal countries

	1931				1932			
	Total trade	Imports	Exports	Excess exports over imports	Total trade	Imports	Exports	Excess exports over imports
Total, all countries	$4,514,924,000	$2,090,635,000	$2,424,289,000	$333,654,000	$2,935,051,000	$1,322,745,000	$1,612,306,000	$289,561,000
Principal depreciated-currency countries	2,834,187,000	1,301,581,000	1,532,606,000	231,025,000	1,797,984,000	801,278,000	996,706,000	195,428,000
Europe—								
Denmark	31,630,000	1,881,000	29,749,000	27,868,000	13,309,000	1,328,000	11,981,000	10,653,000
Finland	14,797,000	9,932,000	4,865,000	−5,067,000	10,954,000	8,179,000	2,775,000	−5,404,000
Greece	18,560,000	10,982,000	7,578,000	−3,404,000	15,492,000	7,550,000	7,942,000	392,000
Norway	29,016,000	16,820,000	12,196,000	−4,624,000	17,355,000	10,439,000	6,916,000	−3,523,000
Spain	50,592,000	16,621,000	33,971,000	17,350,000	38,094,000	11,406,000	26,688,000	15,282,000
Sweden	66,427,000	34,271,000	32,156,000	−2,115,000	41,937,000	24,480,000	17,457,000	−7,023,000
United Kingdom	591,426,000	135,452,000	455,974,000	320,522,000	363,152,000	74,689,000	288,463,000	213,774,000
North America—								
Canada	662,623,000	266,268,000	396,355,000	130,087,000	415,526,000	174,101,000	241,425,000	67,324,000
Mexico	99,978,000	47,612,000	52,366,000	4,754,000	69,998,000	37,423,000	32,575,000	−4,848,000
Jamaica	11,824,000	6,262,000	5,562,000	−700,000	6,049,000	3,234,000	2,815,000	−419,000
Trinidad and Tobago	8,505,000	5,620,000	2,885,000	−2,735,000	5,041,000	3,390,000	1,651,000	−1,739,000
South America—								
Argentina	88,632,000	35,980,000	52,652,000	16,672,000	47,324,000	15,654,000	31,670,000	16,016,000
Brazil	138,791,000	110,212,000	28,579,000	−81,633,000	110,861,000	82,263,000	28,600,000	−53,663,000
Chile	61,439,000	39,977,000	21,462,000	−18,515,000	15,846,000	12,278,000	3,568,000	−8,710,000
Colombia	91,534,000	75,482,000	16,052,000	−59,430,000	71,516,000	60,846,000	10,670,000	−50,176,000
Peru	16,908,000	8,973,000	7,935,000	−1,038,000	7,650,000	3,685,000	3,965,000	280,000
Venezuela	42,490,000	26,845,000	15,645,000	−11,200,000	30,529,000	20,294,000	10,235,000	−10,059,000
Asia—								
British India	95,219,000	58,521,000	36,698,000	−21,823,000	58,119,000	33,204,000	24,915,000	−8,289,000
British Malaya	87,808,000	83,073,000	4,735,000	−78,338,000	37,303,000	34,806,000	2,497,000	−32,309,000
Ceylon	12,164,000	10,906,000	1,258,000	−9,648,000	6,652,000	5,915,000	737,000	−5,178,000
China	164,682,000	66,759,000	97,923,000	31,164,000	82,347,000	26,176,000	56,171,000	29,995,000

Exports to and imports from principal countries—Continued

	1931				1932			
	Total trade	Imports	Exports	Excess exports over imports	Total trade	Imports	Exports	Excess exports over imports
Principal depreciated-currency countries—Continued.								
Asia—Continued.								
Hong Kong	$20,209,000	$5,829,000	$14,380,000	$8,551,000	$13,972,000	$4,277,000	$9,695,000	$5,418,000
Japan	362,064,000	206,349,000	155,715,000	−50,634,000	268,548,000	134,011,000	134,537,000	526,000
Oceania—								
Australia	39,671,000	12,504,000	27,167,000	14,663,000	31,461,000	4,643,000	26,818,000	22,175,000
New Zealand	17,912,000	4,433,000	13,479,000	9,046,000	11,391,000	2,158,000	9,233,000	7,075,000
Africa—								
Egypt	9,286,000	4,017,000	5,269,000	1,252,000	7,556,000	4,849,000	2,707,000	−2,142,000
Principal gold-standard countries	1,313,999,000	616,454,000	697,545,000	81,091,000	898,777,000	414,096,000	484,681,000	70,585,000
Europe—								
Belgium	93,682,000	34,241,000	59,441,000	25,200,000	62,277,000	21,927,000	40,350,000	18,423,000
Czechoslovakia	26,950,000	23,162,000	3,788,000	−19,374,000	14,892,000	13,020,000	1,872,000	−11,148,000
France	200,994,000	79,174,000	121,820,000	42,646,000	156,298,000	44,736,000	111,562,000	66,826,000
Germany	293,089,000	127,039,000	166,050,000	39,011,000	206,993,000	73,521,000	133,472,000	59,951,000
Italy	117,474,000	62,659,000	54,815,000	−7,844,000	91,568,000	42,433,000	49,135,000	6,702,000
Netherlands	100,542,000	34,952,000	65,590,000	30,638,000	67,855,000	22,448,000	45,407,000	22,959,000
Switzerland	32,771,000	23,099,000	9,672,000	−13,427,000	19,792,000	12,492,000	7,300,000	−5,192,000
West Indies—								
Cuba	137,023,000	90,059,000	46,964,000	−43,095,000	87,105,000	58,330,000	28,775,000	−29,555,000
East Indies—								
Philippine Islands	136,016,000	87,133,000	48,883,000	−38,250,000	125,864,000	80,877,000	44,987,000	−35,890,000
Netherland East Indies	49,563,000	34,240,000	15,323,000	−18,917,000	37,641,000	29,825,000	7,816,000	−22,009,000
No adequate information as to exchange—								
Turkey (Asia and Europe)	9,798,000	8,085,000	1,713,000	−6,372,000	6,929,000	5,390,000	1,539,000	−3,851,000
Soviet Russia in Europe	116,097,000	12,611,000	103,486,000	90,875,000	21,563,000	9,097,000	12,466,000	3,369,000
All other countries	366,738,000	172,600,000	194,138,000	21,538,000	238,290,000	107,371,000	130,919,000	23,548,000

Mr. HOLADAY. Mr. Chairman, I yield 15 minutes to the gentleman from South Dakota [Mr. WILLIAMSON].

Mr. WILLIAMSON. Mr. Chairman, I will go as far as any man in this House in an effort to reorganize the Government on a basis to secure the highest possible efficiency at the lowest possible cost.

I am also willing to give to the President of the United States all the power and all the authority that we can constitutionally give to an Executive, but I am not willing to delegate to the President powers that are clearly legislative in character, that can not be constitutionally delegated.

Title 4 of the Treasury and Post Office Departments appropriation bill, H. R. 13520, which was sent to conference yesterday, grants to the President the most sweeping powers in the matter of reorganization of the executive departments of any measure that has up to this time been given consideration by the Congress. It is a bald attempt to confer legislative authority upon the executive branch of the Government. It seeks to authorize the President to carry out functions by Executive order which are clearly legislative in character and which are conferred upon Congress alone by the Constitution. It has been repeatedly held by the Supreme Court of the United States that Congress may not lawfully abdicate or shirk responsibility by transferring its legislative duties to some other branch of the Government. Can anyone doubt that Congress alone has authority to determine what activities the Government shall engage in, their character, and the extent of their functions? It alone having the authority, how can it be delegated? Having created numerous bureaus and independent establishments by law, how can the Congress, in general terms, without giving any hint as to what bureaus and establishments are intended to be affected, constitutionally delegate to the Executive the power to destroy the laws by which they were created by abolishing them? The principle that legislative power can not be delegated by the Congress is well settled.

Cooley, in his sixth edition of Constitutional Limitations, at page 137, lays down the following as settled constitutional law:

> One of the settled maxims in constitutional law is that the power conferred upon the legislature to make laws can not be delegated by that department to any other body or authority. Where the sovereign power of the State has located the authority there it must remain; and by the constitutional agency alone the laws must be made until the Constitution itself is changed. The power to whose judgment, wisdom, and patriotism this high prerogative has been intrusted can not relieve itself of the responsibility by choosing other agencies upon which the power shall be devolved, nor can it substitute the judgment, wisdom, and patriotism of any other body for those to which alone the people have seen fit to confide this sovereign trust.

In the case of the St. Louis Merchants Bridge Terminal Railway Co. *v.* United States (188 Fed. 195), which involved the constitutionality of certain quarantine regulations of the Department of Agriculture, the court said:

> But it (Congress) can not delegate its legislative power, its power to exercise the indispensable discretion to make, to add to, to take from, or to modify the law.

A leading case dealing with the subject is Field *v.* Clark (143 U. S. 649, 692–694), in which Justice Harlan states the law to be:

> That Congress can not delegate legislative power to the President is a principle universally recognized as vital to the integrity and maintenance of the system of government ordained by the Constitution. * * * "The true distinction," as Judge Hanney, speaking for the Supreme Court of Ohio, has well said, "is between the delegation of power to make the law, which necessarily involves a discretion as to what it shall be, and conferring authority or discretion as to its execution, to be exercised under and in pursuance of the law. The first can not be done; to the latter no valid objection can be made." * * *
>
> The legislature can not delegate the power to make a law, but it can make a law to delegate a power to determine some fact or state of things upon which the law makes, or intends to make, its own action to depend.

To abolish a department established by an act of Congress is in effect a repeal of the law creating it. Such a power can not be delegated to the President.

Directly in point is the case of Boston *v.* Chelsea (212 Mass. 127; 98 N. E. 620), in which the court says:

> Power the exercise of which would affect the repeal of existing provisions of the general law may not be delegated. * * * Manifestly the determination of the functions of counties and the distribution of governmental authority among them is purely legislative in its nature. * * * Moreover, the effect of the report (of the commissioners) when confirmed by the court would be to repeal statutes now in force, which would of itself be a legislative rather than a judicial act.

Some years ago the Legislature of South Dakota authorized the State bank examiner to require State banks to keep their reserves on deposit within the State and to establish within the State "reserve cities." This law was attacked as being unconstitutional and in disposing of the case the supreme court of the State, in a well-considered decision, said, among other things:

> The legislature has no power to delegate to an executive or ministerial officer authority to require reserves of any bank to be kept

within the State, since such delegation would be in contravention of the State constitution which vests all legislative power in the legislature or retains it in the people through the initiative. * * *

The banking act does not provide that when the public examiner shall find and declare certain facts and conditions to exist, the whole or some portion of the reserves of State banks shall be kept within the State. Neither does it attempt to confer upon the public examiner authority to ascertain and declare facts or conditions as to cities within the State, whereupon certain cities shall become "reserve cities," and banks within such cities shall become "reserve banks." (St. Charles State Bank *v.* Wingfield (S. Dak.), 155 N. W. 776.)

But it is said that authorizing the President to abolish statutory bureaus and establishments is not equivalent to a repeal of the law creating them. If this position be correct, which I deny, does it follow that Congress can constitutionally authorize the Executive to nullify the laws by abolishing their creatures? It seems to me that the answer must be in the negative. The Constitution requires that the President "take care that the laws be faithfully executed." Congress can not excuse him from doing so and he can not evade their execution without violating the Constitution and his oath of office. Either horn of the dilemma is untenable. [Applause.]

Congress can not evade its constitutional duty or escape responsibility by subterfuge in the use of general language that does not disclose the legislative will. Even a casual examination of the language carried in section 403 of title 4 will disclose an utter lack of anything that would give any hint as to what Congress has in mind with respect to what it intends to accomplish by the sweeping powers given to the Executive. The section provides:

SEC. 403. Whenever the President, after investigation, shall find and so declare that any regrouping, consolidation, transfer, or abolition of any executive agency or agencies and/or the functions thereof is necessary to accomplish the purpose provided in section 401 of this title, he may by Executive order—

(a) Transfer the whole or any part of any executive agency and/or the functions thereof to the jurisdiction and control of any other executive agency;

(b) Consolidate the functions vested in any executive agency; or

(c) Abolish the whole or any part of any executive agency and/or the functions thereof; and

(d) Designate and fix the name and functions of any consolidated activity or executive agency and the title, powers, and duties of its executive head; except that the President shall not have authority under this title to abolish or transfer an executive department and/or all the functions thereof.

It will be observed that the President may do certain things if upon investigation he finds that they will "accomplish the purpose provided in section 401." The only purpose disclosed in section 401 is "to reduce drastically all governmental expenditures." But certainly it can not be deduced from that language that Congress intends, for illustration, that the President should abolish the Interstate Commerce Commission, the Bureau of the Budget, the Federal Farm Board, the Bureau of Public Roads, or the Veterans' Administration. Yet it is clear that all of these things could be done under the language carried in section 403. Section 401 of the present law, approved June 30, 1932, provides:

SEC. 401. In order to further reduce expenditures and increase efficiency in government, it is declared to be the policy of Congress—

(a) To group, coordinate, and consolidate executive and administrative agencies of the Government, as nearly as may be, according to major purpose;

(b) To reduce the number of such agencies by consolidating those having similar functions under a single head;

(c) To eliminate overlapping and duplications of effort; and

(d) To segregate regulatory agencies and functions from those of an administrative and executive character.

Here the purposes of Congress are clearly set out as a guide which the President is directed to follow in reorganizing the Government.

In the proposed amendment carried in the bill now in conference no policy whatever is declared by the Congress as a guide for the President. Instead of doing that it provides in section 401:

Accordingly, in order to reduce expenditures and increase efficiency in government, the President shall investigate the present organization of all executive and administrative agencies of the Government and shall determine what changes therein are necessary—

(a) To group, coordinate, and consolidate executive and administrative agencies of the Government, as nearly as may be, according to major purposes;

(b) To reduce the number of such agencies by consolidating those having similar functions under a single head, and by abolishing such agencies and/or such functions thereof as may not be necessary for the efficient conduct of the Government;

(c) To eliminate overlapping and duplication of effort; and

(d) To segregate regulatory agencies and functions from those of an administrative and executive character.

There is nothing in title 4 to indicate what the legislative will is with respect to what departments, bureaus, divisions, or activities shall be transferred, abolished, or consolidated. It lays down no principle or guide for the President to follow. It prescribes no facts, circumstances, or conditions to be ascertained by him upon the finding of which the statute shall become operative. On the contrary, it delegates to him unlimited authority to disregard all laws with respect to the establishment of existing executive agencies, all of which he is authorized to transfer, consolidate, or abolish. In other words, it gives him absolute and arbitrary power with respect to the set-up of the Government and the right to determine of what activities it shall consist except only that he can not abolish or transfer all of the activities of the executive departments. One is led to wonder why even this exception was inserted. Under the authority granted he could abolish and transfer all the activities of the Post Office Department except the sale of stamps, if he so elected.

But even if by any stretch of judicial reasoning and interpretation what is attempted here can be said to be constitutional, it is setting a precedent so damaging, so inimical to popular government, so dangerous to our liberties, so contrary to the genius of our institutions, and so subversive of our concept of a republican form of government that it is intolerable to anyone who has some knowledge and reverence for our fundamental law and the principle underlying our form of government. [Applause.] The issue is too important for blind partisanship. If such a law may be passed in a time of peace—and I do not admit that it might constitutionally be done in times of war—what is there to prevent Congress from subverting our form of government by delegating dictatorial and arbitrary powers to the Executive? I am not unmindful of the fact that it is sought to pass the law on a basis of a declared emergency, but our courts have repeatedly held that the declaration of an emergency by a legislative body does not create one and where, pray, is the emergency to justify the abdication of Congress? It was said here yesterday by a distinguished member [Mr. WOODRUM] of the Appropriations Committee that even if we abolished all the independent establishments we could only save $56,000,000. Is it coming to this that the saving of a few million dollars shall be held to be such an emergency as to cause Congress to jeopardize the liberty of a whole people by authorizing the President to say what their Government shall consist of? I can not believe it. The economies desired can all be accomplished without delegating unconstitutional power to the President. Liberty has been bought at too great a price; it has been won by the sacrifice of much treasure and the shedding of rivers of blood. Shall we at this late date evade our responsibilities as Representatives of the people? Are the people to be denied a voice as to what their Government shall be? Are their rights to be sacrificed and their future liberty to be put in jeopardy by cowardly evasion? Is there not sufficient intelligence in Congress and sufficient courage to reform the Government upon a sound and economical basis? If not, we have, indeed, sunk to a level which no longer justifies our existence. Let it be remembered also that an emergency, even if it did exist as declared in the preamble of title 4, would not create a power that does not exist. An emergency may be the reason for exercising a power but can not become the instrument for the exercise of an unauthorized power by the Congress or the President. The functions of the Congress can not be frittered away upon any pretext or plea of national or political necessity. (Ex parte Milligan, 4 Wal. 2; Wilson *v.* New, 243 U. S. 348.)

Congress holds the purse. It alone serves the people in a representative capacity. Only through it can the people speak. If it fails them, their voice is not heard. The voters have not demanded a dictatorship and do not want it. They have a right to expect us to carry out their wishes and not to pawn off our responsibility to an Executive that they can not reach.

The existing law is permanent legislation and gives all the authority that Congress can constitutionally delegate to the President. He can not, of course, abolish activities and establishments that are created by law, but he can consolidate and merge their functions so as to greatly reduce personnel and expenditures. Under it President Hoover sent to Congress the most complete plan of reorganization that has ever been worked out by the Executive of the Nation. Had it been permitted to stand it would have put our Government structure upon a much sounder basis and would have saved tens of millions annually, but unfortunately for the country the President's Executive orders were vacated and set aside by a resolution of this Chamber. To permit one branch of Congress to set aside what has been sanctioned by law is wrong in principle. The law should be so modified as to require the concurrence of both Chambers to abrogate transfers and consolidations effected by the President under the act. [Applause.]

Mr. CANNON. Mr. Chairman, I yield to the gentleman from Ohio [Mr. LAMNECK] 10 minutes.

Mr. LAMNECK. Mr. Chairman, public approval of Democratic Party principles and policies at the late November election imposed a tremendous responsibility upon the party. The promises made impressed the people. They were accepted in good faith. They should be kept in good faith. If this is not done it will be disastrous to the country and a discredit to the party.

That verdict of the people was definite and certain. It was emphatic and enthusiastic—almost unanimous. What an inspiration to heroic endeavor on the part of the successful party to meet and solve the grave problems so essential to the brighter and better day. The pathway back to prosperity will not be a rosy one. Many dangers will be encountered, and yet the party must move on to the fulfillment of the promises made to the people.

The people are not in the frame of mind to tolerate further delay. They are insistent on action which will produce a situation the opposite of what we now have. The Democratic Party promised much. Therefore the people have a right to expect much. The full significance of the verdict of the people last November does not dawn upon one until he recalls that 42 of the 48 States participated in that verdict. It was an expression of public opinion that should impress itself upon the victorious party and challenge the best thought and action of party leaders to serve the needs of the people.

There can be no excuse or justification for failure. The party, after March 4, will be in control of both the executive and legislative branches of Government. Then will come the acid test as to its capabilities to measure up to its responsibilities. Let us hope it may do so, not alone for the good of the party but chiefly the welfare of the whole people.

I have full faith that the party will meet its responsibilities in the end, and yet I know and you know that there are always besetting dangers which threaten and would destroy if given the opportunity. These are the things that we must guard against. The most dangerous are inefficient leadership and party disloyalty. One is just about as bad as the other, with this difference: That inefficient leadership soon becomes apparent, while the traitor is not discovered until after he has done his work. Another danger is the possibility of a lack of harmony between the Executive and the Congress, which is always a serious handicap, and particularly in times like these, when cooperation is so important in the general plan to promote the welfare of the country.

Let us hope that President-elect Roosevelt will appoint men to Cabinet positions who will command the respect and have the confidence of the people, and let us hope, too, that in the organization of the House men of the highest order of intelligence and known capabilities may be chosen to positions of leadership. They should be men of character, ripe in legislative experience, tactful, courageous, and able to meet and master any situation that may arise. Those are the qualities of leadership, and any shortage in the possession of these qualities will be embarrassing to the major party as the session progresses. The selection of men to these important positions of leadership, including the speakership, floor leadership, and chairmen of major committees is a duty which requires care, caution, and courage to guard against a possible mistake.

But more important than all the rest is the character of legislation that may be presented to solve the grave problems now claiming attention. The Republican Party failed absolutely to meet this situation, and, to my mind, that makes the task all the more difficult for the party now charged with that responsibility. This is a time that calls for the highest order of patriotism and the sacrifice of selfish, personal interests for the good of the whole people. Our duty to them is the one thing that is resting upon my mind, and the fulfillment of the promises made to relieve the present distressing conditions should be the one thing nearest your heart and mine.

We know in a general way what President-elect Roosevelt's legislative program is to be, but know nothing specific. The provisions written into measures constituting the program are the essential things. It is the provisions of measures that provoke discussion, cause discord, and defeat the plans and purposes to serve the needs of the people. This has been done many times before, and it may happen again. I do not want to be considered an alarmist, but reverting again to inefficient leadership, party disloyalty, and now adding the possibility of an inadequate program to meet the present situation, I feel impelled to sound the alarm and run up the danger signal, that these things may be averted.

A grave responsibility rests upon the President. It is the duty of Congress to lighten his burden by aiding him. My sympathy goes out to Mr. Roosevelt even before he has started. Elected as I was upon the Democratic Party platform, and with no protest against any of its declarations, I feel it my duty to give his plans and purposes my earnest, active support. However, I think it permissible to make a few suggestions which should be incorporated into any legislative program to cure present ills. I have given the subject of this depression and its cure much thought. I am persuaded that the remedies suggested in the program herewith submitted will not only relieve conditions, but balance the Budget without any increase in taxation. If the President elect should see anything in this program, he is at perfect liberty to appropriate it without explanation or apology. Here it is:

First. Monetary legislation that will give silver its proper place in our monetary system and yet preserve the integrity of the gold standard, avoiding thereby unsound inflationary proposals.

Second. Reduce public expenditures by restoring the Federal Government to the functions contemplated in the Constitution and abolishing all others.

Third. Increase revenues by putting the Post Office Department and Panama Canal on a self-sustaining basis.

Fourth. Place all forms of transportation—rail, highway, water, and air—under an equality of opportunity and regulation and repeal such impossible laws as the recapture clause of the interstate commerce act.

Fifth. Balance the Budget without levying additional taxes by compelling busses and trucks to pay for their use of the highways, and inland waterway traffic to pay for maintenance, return on investment, overhead, and other proper charges against such waterways.

Sixth. Limit any increase in the public debt to relief purposes only.

Seventh. Declare a policy of no cancellation of war debts, unless the United States gets something in value in return in the way of trade concessions, or by restoring the normal

purchasing power of gold, so as to reflect a commodity price level that will be fair to our consumers, producers, debtors, and creditors.

Eighth. Adoption of a plan for refunding of farm and home mortgages.

Ninth. Repeal of the eighteenth amendment.

Tenth. Modify the Volstead law so as to legalize the manufacture and sale of wine and beer.

Legislation along the lines indicated would, in my opinion, restore confidence and insure the return of prosperity. Nothing would more speedily aid economic recovery than legislation to broaden the monetary base and the adding of silver as a monetary reserve. The immediate effect of such legislation would be to increase commodity prices and open up 80 per cent of the markets of the world to American products from factory and farm. It would enable the countries on a silver basis to buy our goods. One of the things we need is more business and plenty of it, to give employment to millions of stalwart Americans now idle. [Applause.]

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

Mr. LAMNECK. Yes.

Mr. FIESINGER. The gentleman mentions silver among other things. I am wondering if he has in mind the policy of a fixed ratio of silver to gold on the basis of, say, 16 to 1?

Mr. LAMNECK. I have not.

Mr. FIESINGER. I take it that the gentleman has given a great deal of thought to this subject. Is it his idea to put silver in our reserves at the gold price of silver, in order to expand the metallic base, and in expanding the metallic base give more leeway for fiduciary money; that is, credit money?

Mr. LAMNECK. That is exactly what I intend.

Mr. FIESINGER. Does the gentleman think that with putting that money in our reserves it would raise the price of silver?

Mr. LAMNECK. There is no question about that.

Mr. FIESINGER. And if it did, would not it greatly appreciate the buying power of the people of the Orient?

Mr. LAMNECK. It certainly would, because that is the only thing they have with which to buy. I yield back the remainder of my time.

Mr. CANNON. Mr. Chairman, I yield two minutes to the gentleman from Alabama [Mr. HILL].

Mr. HILL of Alabama. Mr. Chairman, several weeks ago the people of the country were greatly pleased when the President elect, Mr. Roosevelt, went down to Muscle Shoals and made a personal inspection of that great project, thereby receiving first-hand information looking to the development of the Tennessee River and the Tennessee Valley. A few days after Mr. Roosevelt's visit to Muscle Shoals he announced plans for the project which stirred the imagination of the people. In connection with those plans I would like to call to the attention of the House a story in this morning's Washington Post, placed in a rather inconspicuous portion of the paper, but which as I read it seemed to me to be very significant. It comes by Associated Press from Providence, Ky., and is dated February 10. It reads:

PROVIDENCE, KY., DROPS TAX PAYMENT FOR YEAR

PROVIDENCE, KY., February 10.—No city taxes will be paid this year by the more than 5,000 residents of this community.

City council last night voted to suspend the taxes this year and operate the city government with earnings from the municipal light and water plants. Last year the city operated on a tax rate of 75 cents.

The bill which we have before us contains a provision carrying an appropriation of some $55,000 for the printing of a report on the power needs of the District of Columbia. This report is based on a careful survey made by competent engineers, and it is interesting to note that the report recommends that there be built in the District of Columbia a municipal power plant. When we read stories like the one from Providence, Ky., we realize that President-elect Roosevelt's plans for Muscle Shoals and the Tennessee River, as well as the plans for the Columbia River, the St. Lawrence, the Colorado, and the other great streams of the country are more than mere dreams.

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

Mr. HILL of Alabama. Yes.

Mr. MAY. Will the gentleman give us a general idea of what the plans of the President elect are upon that subject?

Mr. HILL of Alabama. I have only a moment left of my time, but briefly let me say that the plans call for agricultural relief, reforestation, reduction of the cost of electric power to the consumer, flood control, navigation, unemployment relief, and industrial development.

Mr. CANNON. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. LANKFORD].

Mr. LANKFORD of Georgia. Mr. Chairman, I was very much interested a few moments ago in the splendid address of the gentleman from Ohio [Mr. LAMNECK], in which he said that the Democratic Party coming into power on the 4th of March next should keep the various campaign pledges of that party. In this connection I call the attention of the House to two campaign pledges which were made by the Democratic and the Republican Parties in 1928, neither of which was ever kept. In fact, both the great parties in the conventions last year failed to repeat these campaign pledges. I refer to the campaign pledges of the Democratic Party and the Republican Party in 1928, which in effect promised to put agriculture on a parity with other businesses and enterprises in the country. It is a very easy thing for us to say that we intend to keep a party pledge, but it is more difficult to work out some real worth-while legislation which will carry into effect a pledge such as was made by both parties in 1928. I wish some law could be enacted which would put agriculture on a parity with the banking institutions of the country. I wish some law could be enacted and put into effect which would enable the farmers of the country to pay the obligations which they owe, but I can not see how this can be done unless we work out some plan to reduce the amount of the mortgages which those farmers gave 5, 10, or more years ago, or in some way increase the price of the farmer's products which are offered for sale from time to time.

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

Mr. LANKFORD of Georgia. Yes.

Mr. SCHAFER. Does the gentleman believe that the Roosevelt allotment plan to decrease farm acreage in production and the Roosevelt Tennessee Valley plan to increase farm acreage in production will solve the problem of farmers?

Mr. LANKFORD of Georgia. In that connection let me say that I was not in favor of the allotment plan that was proposed in the House, and I voted against it. On previous occasions I have set forth in detail my objections to the allotment plan of farm relief and shall not now further discuss this plan. Let me further say I always have been, and now am, very much in favor of the development and use of Muscle Shoals along the lines now contemplated by President-elect Roosevelt.

Furthermore, I do not subscribe to the proposition that the allotment plan as it was brought up in the House is the Roosevelt plan any more than the Farm Board plan which was passed some four years ago was the Herbert Hoover plan. It is a very easy matter for people on both sides of the aisle to attempt to put onto the President a measure such as the Farm Board act and such as the allotment plan. Four years ago many of those who believed that the Farm Board act would prove a success were glad to call it the Herbert Hoover plan, because they wanted him to get credit for the enactment of that bill. Many of those who believed it would be a failure were also anxious for it to be termed the Hoover plan so that when it went down in ignominy and defeat President Hoover would get the blame for its failure. To-day there are those in Congress who are glad to call the allotment plan the Roosevelt plan, because they hope the allotment plan will work out well and he will get the credit for it, and there are those, like the gentleman from Wisconsin [Mr. SCHAFER], who are glad to call the allotment plan the Roosevelt plan because in their hearts they expect it to prove a failure, and then they want to tie it onto

President-elect Roosevelt so that he will get the blame because of its failure.

So I repeat, the allotment plan is no more the Roosevelt plan than the Farm Board plan, Mr. SCHAFER, was the Herbert Hoover plan. President Herbert Hoover came into the White House with that Farm Board plan already in the mind of the country, and he happened to be President when that plan was enacted into law. It was not his plan any more than the allotment plan is the plan of President-elect Roosevelt. Let us be fair about these matters.

Mr. SCHAFER. Will the gentleman yield?

Mr. LANKFORD of Georgia. I yield.

Mr. SCHAFER. Is it not a fact that President-elect Roosevelt in his platform promises indicated he would support any farm legislation that the farm leaders could unite on which was constitutional, and if the farm leaders agreed on it, he must have been in favor of it?

Mr. LANKFORD of Georgia. The gentleman and I are farm leaders and we have not agreed on it. I do not think the other farm leaders have agreed on it either. I understand many farm leaders in the House and Senate differ very much as to whether that is a good plan or not. Even if he made that kind of a promise he is not bound to agree to that plan, because the farm leaders have not at all yet agreed on it.

Mr. MAY. Will the gentleman yield?

Mr. LANKFORD of Georgia. I yield.

Mr. MAY. Is the gentleman from Wisconsin [Mr. SCHAFER] opposed to granting farm relief by the allotment plan or any other plan?

Mr. SCHAFER. I am opposed to granting relief to the farmer by establishing a Frankenstein bureaucracy and levying a billion-dollar sales tax on the people who already do not have sufficient funds to buy the surplus of the farms.

Mr. LANKFORD of Georgia. All of which goes to show that what I said in the beginning is absolutely true. It is easy enough to promise the farmers farm relief, but let me say to those on both sides of the aisle who will sit here and make laws after the 4th of March that when they come to work out a plan to help the farmers of the country they have a difficult task. For instance, my good friend, the gentleman from Wisconsin [Mr. SCHAFER] believes the entire farm relief problem revolves around the repeal of the eighteenth amendment and the legalizing of beer. [Laughter.] My friend, the gentleman from New York [Mr. CROWTHER] believes the entire farm relief program revolves around the high tariff. The words "farm relief" have come to mean everything and to mean absolutely nothing. Probably every man in this House who ran for Congress last time, regardless of whether he was defeated or elected, promised the farmers farm relief. It is my honest conviction that you can never bring back real relief to the farmers unless you put them on a parity with the bankers of the country. Let the farmers have the same rights as to the issuance of currency as are now enjoyed by the big banks.

Mr. GIFFORD. Will the gentleman yield?

Mr. LANKFORD of Georgia. I yield.

Mr. GIFFORD. When industry manufactures too many shoes or too many textiles they stop production and throw hundreds of thousands of people entirely out of work. Will the gentleman spend some time suggesting some relief for those people who have already paid their share of the taxes, $500,000,000, when he is trying to get out a program for farm relief? Does not the gentleman have a little sympathy and does he not give a little action of his mind toward relieving that class of people who are thrown out of employment entirely?

Mr. LANKFORD of Georgia. I do, and the real trouble with the gentleman's proposition is this, that ever since this Government was created, the Government has given protection to manufacturing industries in the New England States by a high tariff, while the farmers have never enjoyed that and we have never yet been able to work out legislation which would give the farmers that kind of protection. I do not believe the allotment plan will do it. I believe the export debenture plan will come more nearly giving the farmers the same kind of relief that we have been giving to big manufacturing interests than any other bill proposed. Was the gentleman in favor of the export debenture plan?

Mr. GIFFORD. No. [Applause.]

The CHAIRMAN. The time of the gentleman from Georgia [Mr. LANKFORD] has expired.

Mr. LANKFORD of Georgia. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

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

There was no objection.

Mr. LANKFORD of Georgia. Mr. Chairman, conflicting interest and conflicting views of those who favor some form of aid to our farmers complicate the situation and make it almost impossible to pass any real farm-relief legislation. It never has been passed and I fear it will not be passed in time to save the present generation of farmers. Much now done in the name of the farmers is not real farm-relief legislation and does the farmers little or no good. Many of the present farm-relief proposals are even most harmful.

Mr. Chairman, no plan can be evolved whereby the American people can be taxed out of the depression or the farmers can borrow themselves out of debt. A new loan may be temporarily helpful to the farmer, since it helps him carry his burden of debt a little longer. His debts get larger, though, with each new loan or extension. As I have repeatedly said, the farmers can never get out of their present financial difficulties without a readjustment of the present economic situation. Either by inflation of our currency, both in volume and amount, or by increase of the prices of farm products, or by a general readjustment of the entire debt situation of the country, or by some other means or device the farmer must be put on a parity with the banker and industry, and the price of his products put on a parity with the value of gold and the money in general use, before the farmer will ever be able to again breathe the air of economic freedom.

Something fundamental and far-reaching in its nature must be done. Nothing of a temporary nature will bring permanent prosperity. It is certainly true that additional taxes will not do the job. And yet there is a more determined effort than ever before to put taxes on the poor, in the form of sales taxes under one name or another and for one purpose or another. Almost invariably the hideousness of the sales tax is sought to be concealed by the laudable purposes for which the money thus sought to be raised is to be used. If there ever was a legislative proposal which should never be considered along with another, it is a tax provision or a provision for the appropriation of money. There certainly should be a division of the question every time it is sought to have these two considered at the same time as a part and parcel of the same measure or legislative act. Otherwise, in considering the apparently beneficent purpose of the expenditure of the money, Members of Congress, and the public, for that matter, are too prone to overlook entirely the hideous and awful features of the tax proposal.

A splendid illustration of this is to be found in the various kinds of proposed stamp money which I have seen fit to discuss rather fully during the past month or two. Of course, these plans are like the leaves of the forest—they are all alike in some respects and yet no two are exactly alike. Some are much more vicious than others as to their taxing features. Some do not impose a sales tax at all, but only put a tax on the medium of exchange each month or each week. As I have repeatedly pointed out, if this kind of money is to be used during this emergency, then the tax on the length of time the money is in use is decidedly better than the tax on the number of times the money is expended. One is a sales tax of the most vicious type and the other may be considered only a reasonable interest. For instance, 1 cent a month, indorsed by me as the best of these taxes, amounts to only 12 per cent per year. Most banks charge

more than this for interest or for interest and curtailments of the principal, which this really amounts to, in the long run.

These plans are suggested for all kinds of purposes; some to pay the veterans of the World War, some to help the farmer, some to pay all Government expenses, and even one I heard of some time ago was to raise $10 for every man, woman, and child in the United States, rich and poor alike. This last one sounded good to the poor man with a large family, who figured that he and his wife and 10 children would get $120 in cash—all at one time. Quite naturally, the poor fellow is likely to overlook the very vicious tax provisions of this plan, which happened to contain the most vicious form of sales tax suggested in any of these plans. Only last night I saw in one of the Washington papers mention of another plan, which is much better than the sales-tax plan, to pay everybody only $10 each. For the purpose of identification I will call the plan mentioned in the paper the weekly plan, since it proposes a tax of 5 cents in the form of a stamp each week on each dollar of this new currency.

The tax under the weekly plan would be entirely too heavy, and in many instances, in so far as the tax burden is concerned, would be almost as bad as the proposal to require a sales tax of 2 per cent every time the money is used in a business transaction.

In making a brief comparison of these two plans, for purpose of identification of the plan to put a sales tax on the poor to raise money to donate to the rich, I will refer to it as the poor-man's tax, rich-man's money plan. In fact, this title may be very appropriately applied to all forms of sales tax.

But now let me tell you what the weekly plan provides. It is proposed that the United States Government issue a monthly allowance to every poor person to the amount of one paper dollar for each year of his age, and that a 5 per cent stamp be required on each dollar each week until the end of 20 weeks, at which time the money would be redeemed by nontaxable currency. This bounty would be paid each month forever, but the tax would only be required "until the Budget is balanced." It is pointed out by the proponent of this plan that this would be helpful to the poor, would put an abundance of money in circulation, and would help end the depression and keep all the people prosperous after the elimination of the present financial difficulties. This plan is not as burdensome as the poor-man's tax, rich-man's money plan and has the advantages of not taxing the money out of the poor for the rich, and on an average would furnish much more money to each family, not for only one time as mentioned and proposed in the poor-man's tax, rich-man's money plan, but each month as long as our Government stands, unless sooner repealed. Let us see just how much money each month this weekly plan would furnish to a family of father and mother and 10 children, with the father 55, the mother 50, and the children 18, 16, 14, 12, 11, 9, 7, 5, 3, and 1, respectively. Their ages total 201, so under this plan this family would get $201 each month forever, while under the poor-man's tax, rich-man's money plan, this same family would get only $120 once in a lifetime, and have return it at once by a most vicious sales-tax device.

Of course the former plan would put much more money in circulation, but would it be a good plan? And, is either it or the other plan a good plan? None of these plans that provide a sales tax are good. They are all vicious in the extreme. The best of these plans are only temporary expedients and if used at all should be used for just as short a period as possible with only a tax of 1 cent per month per dollar to be paid by stamps attached to the currency. Unless Congress votes at once to relieve the present financial depression and the big bankers are willing to cooperate and help save my country, rather than see the present suffering of the people continue I would vote and support to the limit, a measure to provide stamp money bearing 1 cent tax each month for the purpose of delivering to each poor person each month $1 for each year of his age, until the prices of farm products are on a parity with our currency, so as to enable our farmers and others to pay their debts as easily as they anticipated when they made them. I will support this kind of a measure in desperation and for the purpose of bringing back prosperity and saving my people. This kind of a course should not be necessary but if we must adopt it we should provide for enough relief to get results and be sure that the additional tax burden is made as light as possible.

Congress, if it will, can give our people sufficient currency, both in volume and velocity, to overcome, at once the present depression without resorting to the tactics I have just been discussing. Congress should do something that is reasonable and just to solve our present problems and failing in this, it may and will be eventually stampeded into doing things that are extreme in every sense of the word.

To my mind, there can be no permanent economic relief without Congress taking from the big bankers all control of the inflation and deflation of our currency and exercising these functions, with a broader and more elastic currency base.

There are numerous ways for the broadening of the base of our currency. I certainly do not want fiat money but our money can be inflated in volume and velocity so as to overcome our present economic ills without issuing a dollar with less base or security than is now behind our currency and our Government bonds.

I am throughly convinced that our Government bonds can be quickly retired, our farm loans refinanced on a most satisfactory basis at a tremendous saving to all our people and the Nation, our farmers placed on a parity with the bankers, and the depression permanently cured by the monetization of farm lands, farm products, and other equally safe property of our people. If proper currency laws are enacted, there will be no reason, whatever for emergency currency measures.

Mr. Chairman, I said a little while ago, it was most difficult to secure the passage of real, honest-to-goodness, farm-relief legislation because of the diversity of interest and conflicting views of Members of Congress. This is equally true of legislation to consolidate and eliminate unnecessary bureaus and Federal positions, or to bring about real economies in governmental expenditures. Everybody loudly and repeatedly proclaims that they are in favor of these things and yet each one favors his own kind of farm relief, his own idea of the elimination of bureaus, or the consolidation of governmental activities and each Member has his own friends that he would rather see retained in office. I do not say Members of Congress are dishonest about these matters. They are only human and honestly differ about these various proposals.

For these reasons and because of my illimitable faith in President-elect Roosevelt, I am very happy to help give him all the power he wishes in these matters and to provide that Congress can not tear down and destroy his work, except by a two-thirds majority veto. He will have a Herculean task, which can only be handled properly by some one with almost unlimited power. No individual Member of Congress, nor any groups of Members of Congress, nor the Congress as a whole have ever been able to even approach a proper solution of the problem of a real efficient economic, consolidation, elimination and readjustment of the bureaus and activities of the Federal Government. I am therefore most happy to help give President-elect Roosevelt the necessary authority and power to inaugurate this great and very essential economic program which can not be put into effect otherwise.

Mr. HOLADAY. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. McGUGIN].

Mr. McGUGIN. Mr. Chairman, I wish to discuss for a while this afternoon the proposal to give the incoming President great powers in connection with the financial affairs of this Government.

In the begginning I wish to say that I fuly realize my views on this matter would be wholly untenable except it is my fear that this country is to-day in a greater crisis than it has ever been during its history, war not excepted. The one difficult thing in meeting this crisis is that there is no cooperation such as we would have if we were in war with a foreign enemy. There has never been a government that has gone down to failure except that at the moment of its failure its financial affairs were in bad shape.

The people will hesitate long before giving up any kind of government they may have except the tax burden become so excessive that government is no longer a benefit to them but a burden; and we have practically reached this situation in the United States to-day. The Government of the United States to-day is $21,000,000,000 in debt. The Federal debt was $27,000,000,000 at the end of the war, but this $21,000,000,000 which we now owe is a much greater burden upon the American people than the $27,000,000,000 was at the end of the war. At the end of the war everyone had work, agriculture was prosperous, industry was prosperous, mining was prosperous, the country was wealthy. To-day there are 12,000,000 unemployed in this country, and those who are employed are working part time; agriculture is bankrupt; yet, these are the people who must bear this burden of the Government debt.

In addition to that, the truth is the public debt of the United States is actually many billions of dollars more than it was at the end of the war. It is true that the Federal debt is some $5,000,000,000 or $6,000,000,000 less than it was at the end of the war, but in the meantime the States, counties, cities, and school districts have all bonded themselves for billions and billions of dollars—the amount I know not, but we all know that the public debt, Federal, State, and local, to-day is many billions of dollars more than it was at the end of the war in 1918; and it makes no difference whether that bonded debt is Federal or local, it is the same people who must pay it.

Now, let us come to the Federal Government. For three years we have gone into debt. The last fiscal year we went in debt 57 cents every time we spent a dollar, and for the fourth year we are going in debt. This Congress has a poorer record than any previous Congress. The last session of this Congress at least made an effort to bring in a revenue bill which would meet the expenditures, but this session of this Congress is making no effort. Now, we can not go on like this indefinitely, spending more than is taken in.

It is my fear that the democracy of the United States can not carry on this policy for five consecutive years without going down to defeat the same as preceding governments have gone down to defeat when they have followed a similar policy. This is the crisis I think is confronting our country.

The gentleman from Georgia just spoke about the private mortgage indebtedness. If this Government can not get its financial house in order, I can see no possible hope for the farmer, for industry, or for the individual in debt.

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

Mr. McGUGIN. I yield.

Mr. MAY. The gentleman inferred this Government should levy another drastic tax in order to balance the Budget. Does not the gentleman think that reducing the cost of government is another way of balancing the Budget?

Mr. McGUGIN. That is what I am coming to. Now, it appears that Congress will not reduce expenses and will not provide new revenues, but Congress has at least this defense to offer: In this country we have built up a system of minority blocs and factions whose interest in Government is what they can get out of the Treasury. I doubt if it is possible for any Congress to break down the power of these minority factions. If 435 Members come here and have the courage to hurl defiance into the teeth of these minority factions, probably they will be replaced by others who will give in to the minority factions.

I do not believe you can ever reach public expense except we have a President who has the courage to hurl defiance into the teeth of the minority blocs and say, "This country shall not perish; this country shall stand, minority blocs, or no minority blocs." We have the assurance that Mr. Roosevelt is willing to do this. We should give him the power to do it. If Congress can not or will not, then let us not sit here in Congress while the Government goes head on into greater debt and refuse to give the next President power to do this. Let us give him the chance. Then, there is another reason: The people of this country look to the President. They hold him responsible. The public generally fails to recognize the constitutional dividing line between the powers of the Congress and those of the President. They hold the President responsible. That is the frame of mind of the American people. We should give this power to Mr. Roosevelt and give him his opportunity.

Some say the veterans are opposed to this legislation proposing to give such power to the incoming President. I do not know. The veterans were opposed to Mr. Hoover. They voted against him very largely. Can it be said that the veterans have lost confidence in Mr. Roosevelt since last November when they contributed greatly to his election?

The time has come when the people of this country, Republicans and Democrats alike, veterans and nonveterans, the entire 122,000,000 people of this country, must place their trust and confidence in the man who is going to occupy the White House after March 4, not because he is a Democrat, but because he is the President of the United States in a great crisis. The hope of this country lies in his ability to meet a crisis which the people apparently are unable to meet and which the Congress apparently is unable to meet.

I know the Democrats denied similar power to Mr. Hoover. I know that when Mr. Hoover was given power to consolidate and did consolidate that the Democratic membership in this House a few weeks ago rejected his program. I think it made a mistake, but this is no time for a tug of war between Republicans and Democrats. It is no time for us Republicans to make the same mistake the Democrats did simply because they made it.

I think the time has come when we should give to the next President the power to do for the country that which must be done, if I view the matter correctly. When we come to giving him that power, I want to give him greater power than was requested for or given to Mr. Hoover. One reason is because I think the emergency is greater to-day than it was a year ago.

I think the emergency is greater to-day than it was a month ago.

[Here the gavel fell.]

Mr. HOLADAY. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. McGUGIN. With that in mind, I think it is imperative that he should have greater power, and I am in favor of giving the next President of the United States power to reorganize the Government of the United States; to abolish bureaus, if he wants to; even abolish Cabinet offices, which are not created by the Constitution, if he wants to; and to reduce, in whole or in part, any compensation on the public pay roll, if he wants to. I am not afraid to intrust to him this power. Why? Because I do not believe that any man who is President of the United States would abuse such power when that power be given to him to save our country from a crisis which we have been trying to climb out for three years, but have made no headway.

Mr. Chairman, I yield back the remainder of my time.

Mr. CANNON. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to extend my remarks and insert therein a copy of a bill that I am introducing, and also to include certain excerpts closely related to the same.

Mr. MICHENER. Mr. Chairman, reserving the right to object, newspaper editorials or things of that character?

Mr. PATMAN. No, sir; I never put newspaper editorials in the RECORD.

Mr. MICHENER. You said excerpts from what?

Mr. PATMAN. Excerpts from my own remarks heretofore made, and other information; nothing in the way of a newspaper article, I assure the gentleman.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Chairman, in regard to giving the President of the United States the power to consolidate bureaus and commissions, I have no objection to abolishing a large number of commissions that we have in Washington. I could name some that I should like to see abolished. We can reduce expenditures even in the Agriculture Department; I believe we could safely reduce its expenditures 50 per cent and not interfere with the good work that the department is doing for the farmers of this Nation.

NO DICTATOR

But I am not willing to make a dictator out of the President of the United States. I have the utmost confidence in President-elect Roosevelt. I know if this duty is given him he will perform it to the very best of his knowledge and ability. I have no doubt about that. But I also realize that he can not personally do this work. He must intrust it to other people. The question is, Who will do this work for him, and whom should we trust to do it? Shall we permit a few publicly unknown men, who hold no official position, responsible to the people in no way, to get together and advise the President? And would he do what they would recommend? He must take the advice of some one. Or should he take the advice of the Congress of the United States?

I believe that the Congress of the United States can do everything that we would ask a President to do under this proposal. I am going along and vote for the proposal just as far as I can, as long as I do not believe it is in violation of the Constitution of the United States; but I have in mind Article I, section 1, of the Constitution of the United States, which says that—

> All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

Further, I have in mind a number of decisions by the Supreme Court of the United States in which it is held:

> It is within the power of Congress to vest in executive officers the power to make necessary rules and regulations to enforce the provisions of a law, but this is not deemed to extend to the making of rules to subvert the statute.

A number of cases can be cited.

CONGRESS CAN NOT DELEGATE ITS POWER

Another case that is well known, decided by the Supreme Court of the United States, is the case which holds that Congress can not delegate its power to make laws to an executive department or to an administrative officer, nor does a power delegated to such department or officer carry with it the authority to repeal, extend, or modify an act of Congress.

So here is the Supreme Court of the United States as authority for the statement that we can not delegate the power to the President of the United States to repeal, extend, or modify an act of Congress. In other words, if appropriations are made by the Congress for a certain specific purpose, under the Constitution of the United States, could the President turn around and say, "I am going to nullify that act of Congress by refusing to permit it to go into operation"? If this decision of the Supreme Court of the United States holds good, and it is supported by many subsequent decisions, I doubt that such authority would be constitutional.

Mr. McGUGIN. Will the gentleman yield?

Mr. PATMAN. I shall be pleased to yield.

Mr. McGUGIN. Does that decision go far enough to say that when the President makes such an order it becomes effective provided the Congress does not pass a joint resolution against it?

Mr. PATMAN. Well, that is changing the Constitution. The Constitution provides that whenever a bill is passed the President has the right to veto it, and if he vetoes the bill then Congress has the right to override his veto. The proposal under discussion is changing it around entirely by giving the Executive law-making power and permitting Congress to veto it, if two-thirds of the Representatives vote in favor of vetoing it. It is changing the constitutional set-up entirely.

Mr. McGUGIN. If that be true, then the bill we passed last spring, which let President Hoover consolidate activities, leaving it to either House to reject such consolidation, was unconstitutional.

Mr. PATMAN. I have not looked into that, but any delegation of power that permits the Executive to repeal, extend, or modify an act of Congress the Supreme Court says is unconstitutional.

Mr. LANKFORD of Georgia. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. LANKFORD of Georgia. Do not the present provisions of the tariff law permit the President to increase or lower tariff rates?

Mr. PATMAN. Yes. He can under the Constitution make rules and regulations if the power is given to him by Congress.

Mr. WILLIAMSON. Will the gentleman yield for a question on the constitutional matter?

Mr. PATMAN. Yes.

Mr. WILLIAMSON. I want to suggest that the mere fact that a law carries a provision authorizing either House to set aside an Executive order does not in any way make such a law constitutional. It can not operate to make such a power constitutional. It must be constitutional in the first instance.

Mr. PATMAN. Yes; I agree with the gentleman.

BUYING POWER IN HAND OF PEOPLE

I now want to talk to you about the matter of getting buying power into the hands of the people.

It is true that in this session of Congress the bill to pay the adjusted-service certificates will not be insisted upon. There was no reason why we should do a perfectly futile thing. It would be futile to pass the bill in the House of Representatives and send it to a Senate that is composed of the same Members that defeated the bill at the last session of Congress. So we decided we would not insist upon the bill at this session of the Congress, but we are working on a bill now for the special session, and have it just about completed. We expect to have it in the hands of the Members of the House and Senate before the end of next week and we will insist upon the passage of the bill at the coming special session of the Congress.

COUNTRY WILL BE BENEFITED

In asking for the passage of this legislation we are not seeking to benefit a particular group or class. If we can not show that the country will be benefited, and that it is necessary to make this payment to help the country, we are not entitled to win and we are not entitled to see the legislation enacted into law. But if we can show that this legislation can be used as a vehicle to start our country back on the road to prosperity and that it will be helpful along this line, it is certainly worthy of consideration by Congress. To-day the question of buying power is a question that we must deal with. It is not a matter of overproduction. We have underconsumption, and no informed person will claim we have overproduction. If the people of America and the world had the buying power to purchase what they actually need for the comforts and necessities of life, we would not have any overproduction of any commodity. The serious question that confronts us is lack of buying power, and anything that will get buying power into the hands of people who will use it to purchase is something that we should consider.

ACTUAL MONEY IN PROPORTION TO BANK DEPOSITS

To-day we have in the banks of the Nation about $45,000,000,000 in deposits. We have in actual money in all the vaults of the banks of the Nation about $700,000,000, or less than 2 per cent with which to pay these deposits. This does not mean that all the banks are insolvent. They are not insolvent. This means, however, that they have a very small amount of cash with which to pay the liabilities of their depositors.

MONEY AND CREDITS

On the other hand, one-tenth of our business is done with actual money and about nine-tenths of our business is done with credit or checks; but let it be remembered that a large number of our people do not have access to the banks. They have no connection with any banking institutions, have no checking account, and they are not receiving checks for their labor or for the products that they sell from their farms.

They have no standing with the banking institutions. The only way you can reach these people is by increasing the amount of currency now in circulation. It is true, if the credit is increased you will reach a certain class. We have plenty of credit available, but who can get it? The people do not have the security to get it. The banks will not loan the money. I do not criticize the banks for that. They owe a debt and obligation to their depositors to keep the banking institution in a safe condition.

There is no incentive to loan money on any security, because the one borrowing can not make a profit and can not pay the money back. Our credit facilities are broken down. The Congress can not force credit out. We can force money out. If we force money out into consumers' hands, we are going to increase the purchase of goods, and if goods are purchased, prices will go up. There will then be an incentive to purchase goods before they are too high.

HOW MUCH MONEY NECESSARY

I do not believe that $2,200,000,000 will bring the country back. Two years ago it might. But before this thing is over, it is likely that it will take $5,000,000,000 to start it back. We do not know how much it is going to take, but we should do everything in our power to relieve conditions.

NOT FIAT MONEY

A couple of years ago, when we were contending for the payment of the certificates by issuing currency, they called us radicals. Now, we are conservatives and reactionaries compared with the ones advocating propositions that are now being advocated by these conservatives. Then the present Secretary of the Treasury, Mr. Mills, condemned our proposition as a fiat-money scheme. We are not advocating the issuance of fiat money.

He came before the Banking and Currency Committee of the House a few days ago and advocated the enactment of the Glass-Steagall bill, and if there ever was a fiat money, or rubber-money scheme, the Glass-Steagall bill is that kind of a scheme.

It is all right, according to Mr. Mills, to issue currency and let the National City Bank and the Chase National Bank have it. That is fine; it is a good system; but if you issue it to let the people have it, there is something wrong, and it is unsound and rubber money.

WHERE IS MONEY?

In 1912 we had nearly $2,000,000,000 in the vaults of the banks of this Nation. That was way back in 1912. To-day we have just about one-third as much money—$700,000,000. Where has that money gone? It has been drained from the small banks, and that is why those small institutions have closed their doors. The money has gone into the large banks and the vaults of the Federal reserve banks.

If something is not done to put money back among the people and in these small banking institutions, you are going to see more of these small banks breaking than you have seen in the past. It is impossible for them to survive unless they have money to do business on. Ten thousand of them have failed during the last 12 years. We have only 18,800 banks in our country to-day and only one-third of them are in the Federal reserve system. Therefore, only one-third of them can get the benefit of the Federal reserve act and the other two-thirds are dependent upon money that the people place in the vaults of their institutions. Money has been drawn from them. There is only one way to correct it and that is to put money out in some way that will cause it to be placed in those small banking institutions all over this country.

SPEND MONEY AT HOME

In connection with the payment of the adjusted-service certificates a campaign should be carried on at the same time to encourage the people to spend their money at home. If you have a dollar to spend and you send it off to Chicago or New York, if you live in Texas, you not only deprive your neighbors and friends of the possibility of getting that dollar to use for themselves, but you deprive your local bank of an opportunity of using that dollar as a reserve on which it may loan your neighbors and friends 10 additional credit dollars to do business in that town. Our proposal will place money into every nook and corner of this Nation and into every small banking institution and with the small storekeepers. We should carry on a campaign in connection with the advocacy of our proposal to keep our money at home in order that everybody may get the benefit of it.

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

Mr. PATMAN. For a short question.

Mr. SCHAFER. Then I expect that on Monday the gentleman will support the Crowther bill to keep our money at home to purchase home products.

Mr. PATMAN. If I thought that would help, I should be glad to do it. I am very sorry, but I can not agree with the gentleman. Thirty-three countries have depreciated currrency. We can not raise the currency of those countries. There is no power on earth given to us to change the currency system of either of those countries. We will not be helping ourselves by levying an additional tariff. I do not think that is going to help, although people who have studied the question believe that it will, but I do not believe it will. There is one way to do the same thing, however, and that is to depreciate our own currency.

Mr. STRONG of Kansas. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

EVILS OF DEFLATION

Mr. STRONG of Kansas. Would not the gentleman rather say that instead of depreciating our own currency we should reduce it to its normal purchasing power?

Mr. PATMAN. I expect that the depreciation would last only to its normal purchasing power. I would not want to destroy the currency. You can talk about the evils of inflation. Think about the evils of deflation for a moment. When we have deflation, people lose their homes; they lose everything that they have on earth. Our country is being destroyed by deflation. Why do not you say something about it? Why talk about the evils of inflation all of the time? In Germany and in Russia, where they had inflation to the extent that their currency systems were destroyed, did anybody lose his home? No. Not one person in those countries lost his home. People saved their homes and paid their debts, although they did it with an almost worthless currency. So, as between the two, which are you going to take—extreme deflation or extreme inflation? I say take neither, but return the dollar to its normal purchasing power in order that the people may be permitted to pay their debts.

(At this point Mr. PATMAN's time expired, and he was yielded 10 minutes additional by Mr. CANNON.)

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

Mr. PATMAN. Yes.

Mr. GARBER. Did not the inflation policy in the countries mentioned liberate millions of debtors; the masses of the people?

THREE PER CENT INTEREST

Mr. PATMAN. It did. Inflation destroyed many of the creditors, but in our country what do we have? We have people losing their homes all over this Nation. There is no way to stop it unless we expand our currency. People can not pay the interest they are forced to pay with the cheap wages and cheap commodities they have. The only way that you can increase wages and price of commodities is by expanding the currency. People should not be required to pay the high rate of interest they are required to pay. I believe the time will come in this country when no one will be required to pay more than 3 per cent interest on any loan. Why should they? Take the banking interests. They have a monopoly; this monopoly should be exercised in the interest of the whole people. They can take one dollar that

is placed there in a savings account, and can not only loan that one dollar, on which they are paying you 3 per cent interest, but they can loan thirty-three and a third dollars on that one dollar, and on the thirty-three and a third dollars get interest upon every one of them. If our banking system were operated in cooperation with the Government in the interest of the general welfare, the time would come when no one would have to pay more than 3 per cent interest.

SMALL BANKS OF NATION

The small bankers of the Nation have been criticized and censured. Many of them have been criticized in a way they are not entitled to be criticized. Banks have become insolvent and the directors were not responsible for it. They were doing everything in their power to serve their depositors and stockholders, but the cause has been the concentration of this money into the hands of a few large banking systems, and into the hands of the Federal reserve system.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. COCHRAN of Missouri. I just wanted to state that Senator WHEELER of Montana, in a statement before the Committee on Coinage, Weights and Measures the other day, showed, to his own satisfaction at least, and to the satisfaction of some of the Members, although I am not expressing my opinion, that the value of the dollar could be raised in foreign countries by this country. I should like to hear that statement answered.

Mr. PATMAN. Well, perhaps it can. After all, it is just deflating the purchasing power of our own dollar.

Now, in connection with this bill to pay adjusted-service certificates, I think it will include a provision that the law which now permits national banks to put up Government bonds with the Secretary of the Treasury and receive in return for those bonds new currency that is printed over at the Bureau of Engraving and Printing will be repealed if there is danger of inflation after the money we propose to have issued is placed into circulation.

Under the present law the national banks of the Nation may put up $1,500,000,000 worth of Government bonds, drawing as much as 3⅜ per cent interest, and receive in return therefor the same amount in money. Of course, they keep as a reserve, in lawful money, not gold, 5 per cent to pay the money issued. At the same time the banks are getting the use of the money; they are getting the interest on the bonds they have on deposit with the Secretary of the Treasury. There is no reason why the Government of the United States should pay to a few large bankers a bonus, a subsidy, a premium to take the money of the people and loan it out to them at high interest.

Mr. LANKFORD of Georgia. Will the gentleman yield?

Mr. PATMAN. I yield briefly to the gentleman.

Mr. LANKFORD of Georgia. If the Government should issue the money directly, how much worse a condition will the country be in?

NO BETTER PLAN CAN BE OFFERED

Mr. PATMAN. Well, it will be in a better condition. Thomas Jefferson penned the words in the Constitution that Congress shall coin money and regulate its value. That privilege has been farmed out to a few banks. They are doing it, and they are not doing it in the interest of the general welfare, because they owe a duty to their stockholders and not to the general welfare. Therefore it is the duty of Congress to take that power away from a few and bring it back to this body, where the Constitution said it originally belonged. If the Congress will do that, that money can be issued in the interest of the general welfare.

Do you not think it is a ridiculous, idiotic system for our own Government to issue $100,000,000 worth of Government bonds, drawing 3⅜ per cent interest, and let the Chase National Bank buy those bonds and give the Government credit for the bonds, not be out one penny on earth, but just give the Government credit, and then the Chase National Bank take those identical bonds and deliver them back to Mr. Mills, the Secretary of the Treasury, and have Mr. Mills call up the Bureau of Engraving and Printing and tell the man in charge there to print $100,000,000 in new money for the Chase National Bank, and that money is printed and delivered to the Chase National Bank? At the same time the Chase National Bank has the use of that new money; it also clips the coupons on those bonds and gets the interest from the Government on the Government bonds. Can you conceive of a more idiotic system in any country on the earth than that very system which we have to-day? It can not be defended. There is only one way, to my mind, to correct it. If there is a better way, let us use it. This is no time to pass legislation just for veterans or just for anybody else unless it will promote the general welfare. If there is a way by which you can put this money into circulation, into every nook and corner of this Nation, that is a better way than the plan we have offered, let us have your plan and we will be in favor of it. But if you can not offer a better plan, let us provide for the payment of the certificates. Such payment will cause a bureau to be abolished and the country saved a million dollars a year. Further, we can repeal the law requiring an appropriation of $112,000,000 a year for the next 12 years to provide a sinking fund to retire the certificates in 1945.

POSTAL SAVINGS

Now, in order to show you that conditions in regard to banking need some attention, I invite your attention to the last Federal Reserve Bulletin. I hold a copy in my hand. On page 43 will be found a statement of the United States postal savings. I invite your attention to the fact that in July, 1930, there were in all the postal savings departments of the United States, $180,000,000. That amount has increased each month until last month it was $881,000,000. To-day it is more than $900,000,000. It has increased more than $700,000,000 in less than two years' time. What does that indicate to you? Does it not indicate that our banking system is falling down in some way, and that something must be done by the Congress to relieve that situation? Did you know that all the banks in the Nation to-day did not have enough money in their vaults to pay the postal-savings deposits? They do not. In all the vaults in all the banks of this Nation you will only find $700,000,000, whereas they owe the depositors in postal-savings banks more than $900,000,000 in addition to owing their other depositors $45,000,000,000. That should certainly be some indication to this Congress that something must be done to relieve the paralyzed banking and credit situation in our country. It must be done.

I hope that when this bill is printed in the RECORD you will give it close consideration with a view to helping the country. If we can not show it will start our country back on the road to prosperity, we are not entitled to favorable consideration.

YOU CAN NOT FATTEN THE HERD BY FEEDING THE BULL

You can not fatten the herd by feeding the bull; money must reach the people in some way. Helping Mellons and Morgans will not help the people.

Provide the American people with enough cash money for their daily hand to hand transactions.

Are we savages that we should sink to barter?

Expand the currency under safeguards to prevent inflation and an unreasonable rise in prices.

Charles E. Mitchell, chairman of the board of the National City Bank of New York, which uses the Government's credit free of charge, pays himself a salary of millions of dollars a year. His institution is permitted under existing law to deposit Government bonds due in 1945 or 1951 with the Secretary of the Treasury and receive new money in return therefor; and at the same time he uses the money, he will continue to clip the coupons on the bonds and collect the interest on them from the Government. Why should not the veterans who hold Government bonds payable in 1945 have the privilege of exchanging them for new money, a Government circulating obligation?

Abolish the useless commission that is costing the taxpayers a million dollars a year.

Save $112,000,000 every year for 12 years.

Wake up. Show the world we still have "the keys to the powder house."

STOP THE CURRENCY FAMINE

No more wooden money or paper scrip. The Constitution says that Congress shall issue money and regulate its value.

Michigan will get $85,407,400 and Maryland will get $31,145,831, which will save the banks. Small banks in other States also need help. Read what each State will get.

The plan is to pay the adjusted-service certificates to 3,555,058 veterans of the World War. The remainder due about $2,200,000,000.

The Government to issue United States notes—currency—in payment.

The currency to remain outstanding as a permanent addition to our circulating medium; no one will be paying interest on it.

CURRENCY PLANKS OF POLITICAL PLATFORMS

The plan will not violate the currency planks of either the Democratic or Republican platforms. The plan will not involve unsound or fiat money and will not jeopardize the gold standard.

Liquidate the sinking fund and repeal the adjusted compensation act, which will result in abolishing a section of the Veterans' Administration, which is costing almost a million dollars annually.

A GREAT SAVING

Eliminate from the appropriations made by Congress for the sinking fund the $112,000,000 annually for 12 years, or a saving of almost one and one-half billion dollars.

The adjusted-service certificates can be paid without a bond issue, without an increase in taxes, without increasing interest, without further unbalancing the Budget, and without increasing the national debt.

IDLE DOLLARS

More idle box cars placed on the railroad tracks will not increase car loadings, neither will more idle dollars placed in the large banks that are not functioning in the interest of producers or borrowers help the people. It is highly essential that money reach the pockets of the masses of the people in every city and community. They can not borrow money; they do not have the security to offer, and besides the banks are continuing to hoard and declining to make loans.

REDUCING GOLD CONTENT OF DOLLAR

Conditions are too serious to consider reducing the number of grains of gold in a dollar; there is a doubt about the constitutionality of such a plan; it would take years to settle the question in the courts. The same effect can be obtained by expanding on a gold base of present weight and fineness without delay and without doubt of constitutionality.

EVERY ARGUMENT ANSWERED IN NEW BILL

During the year 1932 I crossed the boundary lines of 45 States in the United States while making speeches for a "new deal." I spoke to mass meetings, civic clubs, real-estate organizations, bankers, chambers of commerce, veterans' organizations, and to audiences representing many other organizations and groups. I engaged in joint debate in different sections of the Nation on the question of paying the adjusted-service certificates in cash with United States notes. I believe that I am familiar with every argument that is made against the proposal, and I believe that I can answer all such arguments to the satisfaction of any unbiased and unprejudiced person.

The bill that is now being presented is air tight. No logical argument can be made against it. It merely allows the veterans to use the Government credit without cost to the Government in the same way and manner that the bankers are now using the Government credit and getting paid for using it. The general welfare will be promoted because buying power will be placed in the hands of the people.

H. R. 1, FOR SEVENTY-THIRD CONGRESS

I have prepared, with the assistance of other Members of the House of Representatives and citizens throughout the United States, a bill, which has already been filed with the Clerk of the House for introduction at the special session of Congress, providing for the payment of the adjusted-service certificates in cash in United States notes. It is the first bill filed with the Clerk for the next session and will doubtless be H. R. 1 in the Seventy-third Congress.

The object of the bill is stated as follows:

To provide for controlled expansion of the currency and the immediate payment to veterans of the face value of their adjusted-service certificates.

The first section of the bill is identical with H. R. 1 and H. R. 7726, introduced and passed by the House of Representatives in the Seventy-second Congress. It merely provides for the payment and the details necessary to administer the act.

The remainder of the bill is as follows:

SEC. 2. (a) Payment of the face value of adjusted-service certificates under section 509 or 510 of the World War adjusted compensation act, as amended, shall be made in United States notes not bearing interest. The Secretary of the Treasury is hereby authorized and directed to issue such notes in such amount as may be required to make such payment, and of the same wording, form, size, and denominations as United States notes issued under existing law, except that the wording thereon shall conform to the provisions of this act. The Administrator of Veterans' Affairs and the Secretary of the Treasury are hereby authorized and directed jointly to prescribe rules and regulations for the delivery of such notes in payment under section 509 or 510 of the World War adjusted compensation act, as amended.

(b) United States notes issued pursuant to the provisions of this act shall be lawful money of the United States and shall be maintained at a parity of value with the standard unit of value fixed by law. Such notes shall be legal tender in payment of all debts and dues, public and private, and shall be receivable for customs, taxes, and all public dues, and when so received shall be reissued. Such notes, when held by any national banking association or Federal reserve bank, may be counted as a part of its lawful reserve. The provisions of sections 1 and 2 of the act of March 14, 1900, as amended (U. S. C., title 31, secs. 314 and 408), and section 26 of the Federal reserve act, as amended (U. S. C., title 31, sec. 409), are hereby made applicable to such notes in the same manner and to the same extent as such provisions apply to United States notes.

SEC. 3. (a) Whenever the index number of the wholesale or commodity prices rises above the index number of such prices for the years 1921 to 1929, as computed by the Bureau of Labor Statistics of the Department of Labor, notwithstanding any provisions of law to the contrary, the following methods for contracting the issues of currency in the United States shall be in force and effect in the manner and to the extent prescribed in subsection (b) of this section:

(1) Abolishment of the circulation privilege extended to certain bonds of the United States under the provisions of section 29 of the Federal home loan bank act and retirement of such bonds as security for circulating notes as rapidly as practicable.

(2) Termination of the issuance and reissuance of national bank circulating notes and the retirement of such notes from circulation as rapidly as practicable.

(3) Termination of the issuance and reissuance of Federal reserve notes secured by direct obligations of the United States.

(4) Termination of the issuance and reissuance of Federal reserve notes secured only by gold or gold certificates.

(5) Termination of the issuance and reissuance of Federal reserve notes secured by notes, drafts, bills of exchange, acceptances, or bankers' acceptances which are not issued in direct benefit of commerce, industry, or agriculture.

(b) Any such method of contracting currency issues shall be applicable when the Secretary of the Treasury finds that its application is necessary in order to maintain the index number of wholesale all commodity prices at the approximate level of the index number of such prices for the years 1921 to 1929 and issues an order setting forth such finding. Each such order shall prescribe such rules and regulations as are necessary and appropriate to carry out the provisions of this section with respect to the method of contraction made applicable in the order. The secretary shall make such methods applicable only in the order in which they are set forth in subsection (a) of this section, but he shall make such methods applicable as rapidly as may be necessary to carry out the purposes of this section. When any such order is issued with respect to Federal reserve notes, the Federal Reserve Board shall take such action as may be necessary to facilitate the enforcement of the order.

SEC. 4. Section 505 (authorizing annual appropriations ending with the year 1946 for the payment of adjusted-service certificates) of the World War adjusted compensation act, as amended, except the first sentence thereof, is hereby repealed. Amounts in the "adjusted-service certificate fund" are hereby authorized to be made available for the expenses of printing and

engraving United States notes issued under this act, for paying fractional parts of a dollar which can not be paid in United States notes issued under the provisions of this act, and for paying the principal and interest on or in respect of loans pursuant to the provisions of subsection (c) of section 509 of the World War adjusted compensation act, as amended.

SEC. 5. This act may be cited as the "controlled expansion act, 1933."

CONTROLLED EXPANSION

Remember, while the country is being helped by the addition of this new money into the channels of trade, the veterans will only be receiving the same privileges that are granted to national banks.

It is a controlled-expansion measure.

The bill provides that if a need for contraction of the currency should subsequently arise, the following steps are to be taken to provide for such contraction in an orderly manner:

(1) Individual national banks are permitted by the Glass-Borah rider on the home loan bank bill to deposit United States Government bonds with the Secretary of the Treasury, and the Treasury is required to issue national bank notes—new money—to them in return. This privilege is permitted to the extent of about $1,000,000,000. The Government bonds which are deposited to secure this currency continue to pay interest to national banks. The national banks in question thus derive a double income from the bonds. They receive interest on the bonds and they have the use of the money issued to them on the security of the bonds. This gives a bonus to these bankers. If the Glass-Borah rider is used to its full extent, they will receive about $33,000,000 a year in interest on the bonds, and the billion dollars in new money issued to them will be worth another $60,000,000 to them each year. Our bill provides that contraction of the currency, if contraction should subsequently be found necessary, shall be effected in the first instance by progressive limitations on the operation of the Glass-Borah law to the point of doing away with the privilege altogether.

(2) National banks, under the old law, have deposited with the Secretary of the Treasury about $700,000,000 in United States Government bonds and have received on these bonds $700,000,000 in currency. They are deriving a double income from these 2 per cent bonds. After our bill is passed, if it should be found that the currency is overexpanded and that the progressive limitations on the privilege extended to national banks under the Glass-Borah rider do not sufficiently contract it, then the Secretary of the Treasury is to call upon the national banks to redeem the 2 per cent bonds, and he must then retire the currency issued on them.

(3) The 12 Federal reserve banks, under the Glass-Steagall Act, are permitted to offer United States Government securities to the 12 Federal reserve agents as collateral security for new issues of Federal reserve currency—new money. After the passage of our bill, if it is considered necessary to contract the currency, this privilege in the Glass-Steagall Act is to be abolished.

(4) Any Federal reserve bank may now obtain Federal reserve currency by offering gold to its Federal reserve agent. After the passage of our bill, if contraction of the currency is considered necessary, and if the remedies provided in the preceding paragraphs have been applied and have not sufficiently contracted it, then the provision in the Federal reserve act as amended providing for the issuance of Federal reserve currency on the collateral security of gold shall be abolished and Federal reserve currency so issued shall be immediately retired.

(5) The Federal reserve banks were not expected to furnish United States currency to foreign commercial banks and corporations on the security of the debt paper of the customers of those foreign commercial banks and corporations. Irrespective of all other considerations, they should be prohibited from continuing the advancement of Federal reserve currency to foreigners. After the passage of our bill, if contraction of the currency is considered necessary, the Federal reserve banks shall be prohibited from obtaining new Federal reserve currency on the collateral security of the debts of foreigners and all other paper purchased in the open discount market. It is better to honor the debt of our Government on the unimpeachable collateral security of the certificates the Government issued to the veterans than to create, issue, and advance new currency to foreigners for the benefit of foreigners to be used by them in competition with American citizens in every productive industry of our national life.

The normal increase in our population, in national wealth and national income, and our accumulation of monetary gold covering the period of the past 50 years justify the conviction that the increase in our circulation medium provided by this bill would be required permanently without invoking any of the means provided for contracting the currency.

WHAT EACH STATE WILL RECEIVE

If the bill providing for the payment in full of the adjusted-service certificates is enacted into law, the holders of these certificates will receive the following amounts, after deducting prior loans and interest to October 1, 1931. Counties receiving more than $1,000,000 are listed. The amount received by any other county may be determined by taking the 1930 census and multiplying the per capita figure for the State by the population. My speech made in the House of Representatives February 18, 1932, discloses amount each county in the United States will receive.

Alabama: Total, $29,876,139.92; Jefferson County, $4,871,555.97; Mobile County, $1,336,318.27; Montgomery County, $1,113,995.59; per capita, $12.

Arizona: Total, $7,409,096.73; Maricopa County, $2,567,999.70; per capita, $17.

Arkansas: Total, $25,369,313.76; Pulaski County, $1,884,105.36; per capita, $13.68.

California: Total, $136,481,114.04; Alameda County, $11,416,187.32; Contra Costa County, $1,889,736.32; Fresno County, $3,470,871.16; Humboldt County, $1,039,321.32; Imperial County, $1,464,108.12; Kern County, $1,984,982.80; Los Angeles County, $53,092,147.68; Marin County, $1,001,217.92; Monterey County, $1,291,068.20; Orange County, $2,852,922.96; Riverside County, $1,947,816.96; Sacramento County, $3,413,655.96; San Bernardino County, $3,218,956; San Diego County, $5,040,202.36; San Francisco County, $15,250,831.76; San Joaquin County, $2,474,677.60; San Mateo County, $1,860,816.20; Santa Barbara County, $1,566,614.68; Santa Clara County, $3,488,636.72; Sonoma County, $1,495,816.88; Stanislaus County, $1,361,649.64; Tulare County, $1,861,705.68; Ventura County, $1,321,623.04; per capita, $17.50.

Colorado: Total, $21,513,379.07; Denver County, $5,978,872.97; El Paso County, $1,029,568.90; Pueblo County, $1,371,609.26; Weld County, $1,352,064.69; per capita, $20.77.

Connecticut: Total, $29,904,464.83; Fairfield County, $7,196,524.22; Hartford County, $7,836,615.17; Litchfield County, $1,536,367.16; New Haven County, $8,624,785.89; New London County, $2,213,957.26; Windham County, $1,006,540.46; per capita, $18.61.

Delaware: Total, $3,918.967.20; New Castle County, $2,647,366.08; per capita, $16.44.

District of Columbia: Total, $18,198,685; per capita, $37.28.

Florida: Total, $24,357,620.49; Dade County, $2,371,623,45; Duval County, $2,579,794.77; Hillsborough County, $2,546,880.21; Pinellas County, $1,031,051.91; Polk County, $1,199,307.69; per capita, $16.59.

Georgia: Total, $35,192,922.60; Chatham County, $1,275,715.10; Fulton County, $3,854,902.70; per capita, $12.10.

Idaho: Total, $8,246,442.96; per capita, $18.53.

Illinois: Total, $157,191,472.40; Adams County, $1,293,350.40; Champaign County, $1,324,023.80; Cook County, $82,031,733.80; Du Page County, $1,895,158.80; Franklin County, $1,224,505.20; Kane County, $2,581,736.20; Kankakee County, $1,031,957; Knox County, $1,057,521.60; Lake County, $2,150,372.20; La Salle County, $2,012,517; McLean County, $1,506,210.20; Macon County, $1,683,658.60; Macoupin County, $1,003,281.80; Madison County, $2,962,898; Peoria County, $2,911,686.40; Rock Island County, $2,022,734.60; St. Clair County, $3,250,165; Sangamon County, $2,301,699.80; Vermilion County, $1,840,383.40; Will County, $2,281,079.20;

Williamson County, $1,109,928; Winnebago County, $2,417,-883.80; per capita, $20.60.

Indiana: Total, $59,232,219.87; Allen County, $2,683,929.47; Delaware County, $1,230,368.30; Elkhart County, $1,259,-723.75; Lake County, $4,779,359.90; Laporte County, $1,106,-362.10; Madison County, $1,516,021.52; Marion County, $7,-730,561.14; St. Joseph County, $2,927,003.57; Vanderburg County, $2,072,622.80; Vigo County, $1,808,167.69; Wayne County, $1,002,456.61; per capita, $18.29.

Iowa: Total, $46,577,200.15; Black Hawk County, $1,303,-402.10; Linn County, $1,552,033.60; Polk County, $3,257,977.45; Pottawattamie County, $1,317,388.80; Scott County, $1,457,-708.20; Woodbury County, $1,916,460.65; per capita, $18.85.

Kansas: Total, $34,930,151.43; Sedgwick County, $2,531,-648.10; Shawnee County, $1,582,164; Wyandotte County, $2,622,288.27; per capita, $18.57.

Kentucky: Total, $38,068,415.84; Campbell County, $1,068,572.96; Jefferson County, $5,173,896; Kenton County, $1,361,855.04; per capita, $14.56.

Louisiana: Total, $31,166,624.19; (parishes) Caddo, $1,848,-856.10; East Baton Rouge, $1,011,524.64; Orleans, $6,803,-440.46; per capita, $14.83.

Maine: Total, $13,468,474.47; Androscoggin County, $1,202-804.46; Aroostook County, $1,483,668.27; Cumberland County, $2,274,154.05; Kennebec County, $1,193,970.99; Penobscot County, $1,560,281.31; York County, $1,231,855.26; per capita, $16.89.

Maryland: Total, $31,145,831.34; Allegany County, $1,509,-980.82; Anne Arundel County, $1,053,138.03; Baltimore County, $2,377,945.85; Baltimore City, $15,365,044.66; Frederick County, $1,039,259.60; Prince Georges County, $1,147,-213.55; Washington County, $1,257,687.38; per capita, $19.09.

Massachusetts: Total, $92,386,608.36; Berkshire County, $2,624,018; Bristol County, $7,926,186.60; Essex County, $10,-827,389.60; Franklin County, $1,078,564.88; Hampden County, $7,293,683.04; Hampshire County, $1,582,693.74; Middlesex County, $20,325,247.76; Norfolk County, $6,509,521.24; Plymouth County, $3,528,641.14; Suffolk County, $19,121,112.64; Worcester County, $10,679,601.08; per capita, $19.38.

Michigan: Total, $85,418,613; Bay County, $1,225,521.36; Berrien County, $1,430,004.24; Calhoun County, $1,535,438.52; Genesee County, $3,733,347.24; Ingham County, $2,056,594.68; Jackson County, $1,628,242.56; Kalamazoo County, $1,611,-731.52; Kent County, $4,242,614.04; Macomb County, $1,-360,855.44; Muskegon County, $1,492,873.20; Oakland County, $3,726,467.64; Saginaw County, $2,129,447.88; St. Clair County, $1,191,811.32; Washtenaw County, $1,155,949.20; Wayne County, $33,321,007.44; per capita, $17.64.

Minnesota: Total, $53,099,466.63; Hennepin County, $10,-723,327.35; Otter Tail County, $1,056,334.26; Ramsey County, $5,937,991.91; St. Louis County, $4,237,183.16; Stearns County, $1,286,525.91; per capita, $20.67.

Mississippi: Total, $21,464,888.28; per capita, $10.68.

Missouri: Total, $67,578,813.54; Buchanan County, $1,-836,546.46; Greene County, $1,544,137.98; Jackson County, $8,759,853.48; Jasper County, $1,374,342.20; St. Louis County, $3,939,861.66; St. Louis city, $15,304,895.20; per capita, $18.62.

Montana: Total, $11,424,127.50; Silver Bow, $1,210,591.25; per capita, $21.25.

Nebraska: Total, $24,224,589.54; Douglas County, $4,095,-823.56; Lancaster County, $1,763,695.92; per capita, $17.58.

Nevada: Total, $1,988,706.72; per capita, $21.84.

New Hampshire: Total, $8,086,792.34; Hillsborough County, $2,436,067.70; per capita, $17.38.

New Jersey: Total, $77,310,719.42; Atlantic County, $2,387,-863.99; Bergen County, $6,982,010.01; Burlington County, $1,789,439.33; Camden County, $4,826,728.56; Cumberland County, $1,337,091.35; Essex County, $15,945,103.69; Gloucester County, $1,354,442.26; Hudson County, $13,213,664.90; Mercer County, $3,580,045.59; Middlesex County, $4,059,-539.04; Monmouth County, $2,816,108.17; Morris County, $2,112,812.85; Passaic County, $5,779,727.77; Somerset County, $1,245,975.16; Union County, $5,838,648.17; per capita, $19.13.

New Mexico: Total, $6,256,625.26; per capita, $14.78.

New York: Total, $245,970,809.64; Albany County, $4,141,-561.62; Bronx County, $24,723,141.32; Broome County, $2,872,809.88; Cattaraugus County, $1,414,656.92; Cayuga County, $1,265,234.54; Chautaqua County, $2,470,969.78; Chemung County $1,459,247.20; Dutchess County, $2,060,-727.48; Erie County, $14,897,452.32; Herkimer County, $1,250,677.24; Jefferson County, $1,633,035.96; Kings County, $50,030,235.54; Monroe County, $8,282,634.74; Montgomery County, $1,173,885.04; Nassau County, $5,921,655.62; New York County, $36,487,276.48; Niagara County, $2,917,-888.66; Oneida County, $3,883,829.02; Onondaga County, $5,697,981.24; Ontario County, $1,060,553.04; Orange County, $2,547,683.82; Oswego County, $1,360,863.30; Queens County, $21,086,180.66; Rensselaer County, $2,340,520.74; Richmond County, $3,094,080.84; Rockland County, $1,164,564.46; St. Lawrence County, $1,777,358.40; Saratoga County, $1,237,-155.56; Schenectady County, $2,442,910.34; Steuben County, $1,615,391.34; Suffolk County, $3,147,014.70; Ulster County, $1,566,228.70; Westchester County, $10,179,304.38; per capita, $19.10.

North Carolina: Total, $38,804,178.24; Buncombe County, $1,198,748.88; Forsyth County, $1,366,975.44; Guilford County, $1,628,042.40; Mecklenburg County, $1,566,365.04; Wake County, $1,159,825.68; per capita, $12.24.

North Dakota: Total, $9,736,083.50; per capita, $14.30.

Ohio: Total, $117,845,937.81; Allen County, $1,230,798.87; Ashtabula County, $1,212,040.53; Belmont County, $1,679,-367.87; Butler County, $2,022,709.32; Clark County, $1,612,-295.28; Columbiana County, $1,533,361.32; Cuyahoga County, $21,301,797.15; Franklin County, $6,401,505.15; Hamilton County, $10,449,281.88; Jefferson County, $1,565,683.11; Licking County, $1,063,126.26; Lorain County, $1,936,222.38; Lucas County, $6,164,880.57; Mahoning County, $4,186,-797.66; Montgomery County, $4,848,818.13; Muskingum County, $1,194,966.54; Richland County, $1,168,442.46; Sioto County, $1,440,048.33; Stark County, $3,932,230.32; Summit County, $6,101,442.63; Trumbull County, $2,181,906.99; Tuscarawas County, $1,209,061.89; per capita, $17.73.

Oklahoma: Total, $39,822,184.80; Creek County, $1,065,-591.30; Muskogee County, $1,103,966.88; Oklahoma County, $3,685,285.56; Pottawatomie County, $1,106,426.64; Seminole County, $1,323,301.02; Tulsa County, $3,117,479.88; per capita, $16.62.

Oregon: Total, $22,976,704.74; Clackamas County, $1,113,-078.45; Lane County, $1,312,736.37; Marion County, $1,458,-432.69; Multnomah County, $8,148,225.69; per capita, $24.09.

Pennsylvania: Total, $172,882,732.50; Allegheny County, $24,670,659.50; Armstrong County, $1,423,399.10; Beaver County, $2,675,662.90; Berks County, $4,159,320.15; Blair County, $2,510,128; Bucks County, $1,736,249.65; Butler County, $1,444,616; Cambria County, $3,646,470.70; Carbon County, $1,137,671; Chester County, $2,272,990.55; Clearfield County, $1,556,749.65; Crawford County, $1,130,491; Cumberland County, $1,224,836.20; Dauphin County, $2,-965,896.45; Delaware County, $5,030,738.80; Erie County, $3,146,222.15; Fayette County, $3,563,828.90; Franklin County, $1,166,929.50; Indiana County, $1,353,340.25; Lackawanna County, $5,571,626.15; Lancaster County, $3,534,-031.90; Lawrence County, $1,745,781.10; Lebanon County, $1,204,498.85; Lehigh County, $3,103,429.35; Luzerne County, $7,989,706.55; Lycoming County, $1,676,906.95; Mercer County, $1,781,465.70; Montgomery County, $4,771,181.80; Northampton County, $3,039,006.80; Northumberland County, $2,306,646.80; Philadelphia County, $35,019,749.95; Schuylkill County, $4,227,314.75; Somerset County, $1,449,-713.80; Venango County, $1,134,906.70; Washington County, $3,676,195.90; Westmoreland County, $5,295,160.25; York County, $3,000,073.25; per capita, $17.95.

Rhode Island: Total, $13,729,315.09; Kent County, $1,026,-258.30; Providence County, $10,784,119.52; per capita, $19.97.

South Carolina: Total, $21,352,034.20; Charleston County, $1,240,894; Greenville County, $1,436,870.52; Richland County, $1,076,550.76; Spartanburg County, $1,428,446.44; per capita, $12.28.

South Dakota: Total, $13,074,060.63; per capita, $18.87.

Tennessee: Total, $36,108,472.80; Davidson County, $3,075,385.20; Hamilton County, $2,201,058.60; Knox County, $2,151,447.60; Shelby County, $4,229,451.60; per capita, $13.80.

Texas: Total, $95,641,820.30; Bexar County, $4,803,391.86; Cameron County, $1,273,206.80; Dallas County, $5,347,-846.22; El Paso County, $2,160,822.74; Galveston County, $1,057,464.42; Grayson County, $1,081,142.06; Harris County, $5,900,165.76; Hidalgo County, $1,264,405.68; Jefferson County, $2,190,280.22; McLennan County, $1,620,358.44; Tarrant County, $3,243,820.26; Travis County, $1,277,098.34; Wichita County, $1,221,910,72; per capita, $16.42.

Utah: Total, $8,927,950.26; Salt Lake County, $3,412,-313.16; per capita, $17.58.

Vermont: Total, $5,602,739.38; per capita, $15.58.

Virginia: Total, $41,001,937.43; Richmond City, $3,096,-987.97; Norfolk City, $2,195,990.30; Pittsylvania County, $1,039,908.32; Roanoke City, $1,171,657.58; per capita, $16.93.

Washington: Total, $37,865,451.12; Grays Harbor County, $1,452,764.04; King County, $11,226,381.74; Pierce County, $3,968,253.24; Snohomish County, $1,910,013.42; Spokane County, $3,644,552.94; Whatcom County, $1,432,080.16; Yakima County, $1,874,676.44; per capita, $24.22.

West Virginia: Total, $25,972,659.10; Cabel County, $1,363,-605.72; Fayette County, $1,082,191; Harrison County, $1,180,076.34; Kanawah County, $2,368,158.34; McDowell County, $1,358,994.58; Marion County, $1,001,158.10; Ohio County, $1,082,596.54; Raleigh County, $1,022,441.44; per capita, $15.02.

Wisconsin: Total, $52,431,867.04; Brown County, $1,253,-242.16; Dane County, $2,011,228.08; Fond du Lac County, $1,068,312.72; Kenosha County, $1,128,861.68; Manitowoc County, $1,046,744.16; Marathon County, $1,260,021.36; Milwaukee County, $12,938,691.92; Outagamie County, $1,120,-173.60; Racine County, $1,609,471.28; Rock County, $1,323,-835.04; Sheboygan County, $1,270,832.40; Winnebago County, $1,366,936.48; per capita, $17.50.

Wyoming: Total, $7,044,394.95; per capita, $31.23.

INFLATION

Inflation means an unjustified expansion. We are not proposing inflation; we are proposing expanding the currency because of a great national exigency. The expansion is controlled by automatic contraction so that it can not go too far.

There is not the least danger of this bill causing inflation. The contraction feature is added to answer the arguments of our opponents. It is a complete answer.

SOUND MONEY

The Democratic platform stands for sound money. We are in complete accord with that principle. We all believe in an honest, sound dollar, but the present dollar is not a sound dollar. It will purchase from two to ten times as much in cotton, wheat, and certain securities as it would have purchased when most of our debts were created. As ex-Senator Robert L. Owen suggested:

> It is a thief stealing the property of the debtor under the color and protection of law; it is stealing the savings of a lifetime from innocent people who are the victims of a national financial mismanagement or worse.

INCREASED PRICES

With rising value of commodities, of stocks, bonds, lands, and property, the courage and optimism of the people will be stimulated and the spirit of the depression will pass away. With the rise of commodity values merchants will more readily buy and factories produce, and those who have been waiting for a reaction of the stock market will soon begin buying stocks, and you will find that stocks which are now far below their book value will steadily rise.

As the value of commodities rises and as the value of property rises, the people will be stimulated to consume more and to gratify their needs and desires by buying, because they will realize and anticipate the increasing value of their property. With increased consumption will come increased production and employment.

WHERE DID THE OTHER BILLION DOLLARS GO?

In 1931 a law was enacted permitting veterans to borrow 50 per cent of the face value of their adjusted-service certificates. About $1,000,000,000 were loaned to the veterans in this way. Conditions would have been much worse in this country had that payment not been made on account of the collapse in Europe occurring at that time. This payment was made in credit and not in money. Credit is soon extinguished, but new money becomes a basis for additional credit. In fact, for every $1 of actual money about $10 in credit can be loaned to the people by the banks.

General Hines, Administrator of Veterans' Affairs, made a report on how the billion dollars were spent. He said that less than 7 per cent of it was spent in a way that the veterans received no practical benefits therefrom; that 65 per cent went for comforts and conveniences of life; 20 per cent for investment purposes, including payments on homes; 8 per cent for automobiles, and the other 7 per cent as indicated.

BANKS NEED THE MONEY

When the banks have accumulated unemployed cash, they will have a strong motive to lend it for productive purposes. When the banks have an oversupply of cash, they will no longer be afraid of their depositors withdrawing cash; and, what is more important, the depositors will not be afraid of the banks as they have been in the past.

EXPANSION OF CURRENCY NECESSARY

No country has ever got out of a depression without some kind of expansion.

The important thing to keep in mind now is that if the expansion is applied to spending rather than investment, it will not necessarily kill the patient.

MYSTERIOUS MONEY PROBLEM

Even the money problem, which frightened off so many potential inquirers, is in fact largely a matter of plain common sense, and most of it can be understood by anyone who is prepared to take a little trouble, if only it is presented without jargon and with as few technical terms as possible. It may be difficult enough to decide what ought to be done about money; but there is no real reason why this vital problem can not be intelligently discussed by ordinary people.

In hard times, recovery can begin only by somebody spending money on a large scale.

Mr. Keynes, a distinguished British economist, says:

> At any rate, I predict with an assured confidence that the only way out is for us to discover some object which is admitted even by deadheads to be a legitimate excuse for largely increasing the expenditure of some one for something.

EXPENDITURES FOR OTHER PURPOSES

Government can issue, safely, and spend $5,000,000,000 for something. If the Government pays it on the national debt it will place more idle dollars in the hands of a few people who are holders of United States Government bonds and who will hoard it. If the running expenses of the Government are paid, it will only go to a few sections and to a few people.

Money is like blood—the faster it runs the better it is for the body.

VELOCITY OF MONEY

In 1929 there was a velocity of currency and credit of 25 to 1; that is, currency and credit turned over about every two weeks, or twenty-five times during the year. We were doing about $1,600,000,000,000 worth of business annually during the years 1929 and 1928, but now money and credits are turning over about one time a month. It has slowed up more than 50 per cent, and instead of doing $1,600,000,-000,000 worth of business a year we are doing only about one-third that amount of business. Velocity enters into this question as much as the volume; so the velocity has slowed up, and there is only one sure way to increase the velocity of money, and that is to add to the volume.

CHART SHOWS NEED OF MORE MONEY

I have before me a chart which was prepared by the National Industrial Conference Board. The best economists

tell us—that is, the ones who have the reputation of being the best economists—that money should increase along with the population of the country and along with the national wealth, national income, and the monetary gold stock of the country. If it increases along with the population, wealth, income, and monetary gold stock, then the people are presumed to have sufficient money to do business with.

I want to show you here the report of the National Industrial Conference on this question. This chart has been furnished me through the courtesy of Mr. J. S. Cullinan, of Houston, Tex., one of the best informed men in the Nation on the money question. Over a period of 50 years, from 1880 to 1930, the population has increased. For every 1 person in this country in 1880 we have 2.4 people now. For every $1 of national wealth then we have $8.40 now. For every $1 of national income then we have $11.20 now. For every dollar of gold stock then we have $12.90 now.

Now, then, listen to the amount of money in circulation. How has it increased over this 50-year period of time when the ratio for population is 2.4, for national wealth 8.40, for national income 11.20, and for national gold stock 12.90?

Money in circulation now is but $4.70 for every $1 then, and per capita money in circulation for every $1 then is only $1.80 now. So if the best economists in the world are right, our circulating money has not increased along with national wealth, income, population, and monetary gold stock.

SPEED UP MONEY AND CREDITS

It has been contended heretofore that we did not need so much money in circulation, since credit was available through 30,000 banking institutions. Recently, however, 10,000 of these banking institutions have closed their doors, causing the people to lose billions of dollars in deposits. The bankers have decreased their loans until credit facilities are practically frozen. Deposits have been reduced $13,000,000,000. Money and credits are now turning over ten times a year, whereas in 1929 they were turning over twenty-five times a year. There is only one way, to my mind, that we can make up for the lack of credit and lack of velocity of money, and that is by adding more money—volume.

Theoretically, we have five and one-half billion dollars, or a billion dollars more money in circulation to-day than was in circulation in 1929. Let it not be forgotten, however, that this money is not in actual circulation. Much of it is in foreign countries; a large part of it is in hoarding by banks and individuals; in fact, it is estimated that less than $2,000,000,000 of this money is in actual circulation, whereas, in 1929, practically all of the money, more than four and one-half billion dollars, that was outstanding was in actual circulation, and in addition we had $13,000,000,000 more in deposits in actual circulation in 1929 than we have now.

WHY MORE CASH MONEY NEEDED

The assertion that 90 per cent of the business of the country is carried on by checks is often heard nowadays as an argument against increasing the supply of currency. The truth is—and it was long ago pointed out—that there are two categories into which all business transactions fall. Those in the first may be settled without currency. Those in the second require currency.

The first category embraces the transactions of—

First. Large retail business.

Second. Professional services.

Third. Wholesale trade and manufacturing.

Fourth. Export and import.

Fifth. Railway and other public works.

Sixth. Engineering and financial business.

These are usually settled by various methods without currency, as, for instance, by checks, accounts, clearing systems, etc.

The second category embraces the transactions of—

(1) Retail trade.

(2) Consumption (especially where there is no margin or only a slight margin of subsistence).

(3) Payments of money from the pocket (which even a banker must sometimes make).

(4) Wages to industrial classes, especially to unskilled or occasional laborers.

(5) Dealings between poorly paid workers.

(6) Small purchases as, for instance, stamps, telephone calls, slot-machine merchandise, taxicab, bus, street-car, and railroad fares, theater tickets, small benefactions, and many other transactions.

These have to be settled with actual physical currency.

The small amount of currency now available for the daily turnover in transactions in the second category is not sufficient even as small change for a population of 120,000,000 people. We have an appreciated currency and a currency famine. Because the dollar has a high purchasing power it has been withdrawn from the masses. We need more currency, but the currency can not be augmented by halving the value and doubling the number of pieces that now exist in the hands of the people. If such a scheme were put into effect, the purchasing power of what exists would remain unchanged in the aggregate for all transactions in the second category. The man who now pays a dollar for a railroad ticket would have to pay $2, and his two pieces of currency would achieve no more for him than one piece achieves for him now. There would not be any more currency to cover the daily turnover of transactions in the second category than there is now.

MONEY MASTERS OF WALL STREET

Since our currency is owned and managed by a private monopoly and can be issued only on a surrender of gold value or on a tender of debt paper, bankers can not give much currency to people on any debt paper other than that which the monopolistic credit masters of Wall Street are willing to receive. The people can not create the kind of debt paper the credit masters demand. They can not go into debt any deeper because they have no assets left upon which to base 2-name debt paper and they can not create new assets without hand-to-hand currency to facilitate the basic and primary exchanges set down in the second category above. It may be noted that the promissory note is not liked by the monopolistic credit masters of Wall Street. They will not buy any American farmer's note whatsoever in their privately controlled discount market; and when they take a farmer's note in by rediscount, they give it a rate less favorable than that which they give to a manufacturer's acceptance and to foreign paper from Japan and Germany and Soviet Russia and other foreign places. This is a travesty on freedom and government by the consent of the governed.

Fifty years ago England had £162,000,000 in circulation on a daily turnover for a population of less than 40,000,000 people. To-day, the United States has less than that amount in circulation on a daily turnover for 120,000,000 people.

DEBTS

The American people owed approximately $205,000,000,000 in debts in 1929, as follows:

Corporations	$76,000,000,000
City mortgages	37,000,000,000
Bank loans	35,000,000,000
State, county, and local	21,000,000,000
National	20,000,000,000
Farm mortgages	9,000,000,000
Life-insurance policy loans and premium notes	3,000,000,000
Retail installment paper	3,000,000,000
Pawnbrokers' loans and unlawful loans of all kinds	1,000,000,000

This enormous debt can not be liquidated with such a small amount of money.

BANKRUPTCY, INFLATION, OR REVOLUTION

We may as well face the facts. This country faces either bankruptcy, expansion of the currency, or some sort of a revolution. The cotton and wheat farmers voted bonds against their property for building schoolhouses, highways, and making other improvements when wheat was worth $1 a bushel and cotton 20 cents a pound. Deflation has caused the price of wheat to decrease to 25 cents a bushel and cotton to 5 cents a pound, thereby forcing these farmers to pay the

equivalent of $4 for every dollar borrowed; instead of paying 6 per cent interest on the bonds, they are now paying the equivalent of 24 per cent interest, based on the present price of farm products. The farmers' debts, interest, taxes, and other fixed charges are four times harder to pay than when the debts were contracted. The wage earner who has had his wages reduced 50 per cent is now paying the equivalent of $2 for every dollar he borrowed. Also by reason of the reduction in wages he has suffered, cost of his taxes, rent, electricity, gas, water, and other fixed charges have doubled. Based upon and by reason of the increased value of money, debts owed by the American people, aggregating $200,000,000,000 in 1929, have mounted to the equivalent of more than $400,000,000,000 in 1932. Do not be deceived, these debts can never be paid under present conditions. It will be better for a creditor to accept a dollar that will not purchase so much in a few commodities than not to be able to collect any dollar at all.

Our people must be permitted to pay their debts with approximately the same amount of labor, securities, or produce as were necessary when the debts were contracted.

DISHONEST DOLLARS

The dollar that is now collected on a 1929 debt is a dishonest dollar. It is worth from 50 per cent to 400 per cent more than it was worth then. It is an economic fact that deflation cheats the man in debt just as much as undue inflation cheats the creditor. We are not asking to cheat the creditors, but we are asking to give the debtor a square deal by restoring the value of the dollar to its 1928–29 purchasing power.

INCREASE WHEAT AND COTTON PRICES

The argument is made that an unbearable burden will be placed on the consumer if the price of cotton and wheat is increased. Let us see how much there is to this argument.

In a 5-cent package of crackers there is wheat worth ⅛ cent and the retail price of 5 cents for this article is the same now as when wheat sold for over $1.65 a bushel. In a loaf of bread, at the present starvation price of wheat, there is wheat worth ⅜ cent. How about cotton? For the cotton in a $1 shirt the farmer only receives three-fourths of a cent at the present price. We simply ask that the planter get 2 cents to 2½ cents for the cotton that is in a $1 shirt and the wheat grower from 1¼ cents to 1½ cents for the wheat that is in a loaf of bread.

DEPLORABLE CONDITIONS

The conditions disclosed by many letters I receive would pull at the heartstrings of any decent man or woman. One of the letters I received this week stated:

> Heart-rending things happen right here in our community. Old people who owe a little mortgage on their homes are being pushed out for the reason they can not meet interest and taxes, and the poor old things have produced twice enough farm products to meet their obligations, if they could get a decent price.

POOR PEOPLE ARE THE MARKET

The farmers, wage earners, and people who work for salaries are purchasers of 80 per cent of all goods and services. They still have the consuming power, but do not have the purchasing power on account of low prices of certain commodities, which has resulted in unemployment and reduced wages. As the price of gold increases, the price of commodities and everything else decreases, except taxes, debts, and certain fixed charges. Gold is not scarce; we have a reserve of $4,535,000,000, which is sufficient to authorize the issuance of more than $5,000,000,000 of additional money; it is high because of the scarcity of paper money. The price level may be raised by putting more money in circulation. Government bonds do not circulate and do not affect the price level. Currency, another form of Government obligation, circulates and affects the price level.

WOODEN MONEY

It is a crime for people to be suffering as they are because of the lack of a sufficient circulating medium; they do not have sufficient money to do business on. A large part of the money presumed to be in circulation is hoarded by banks and individuals. A nation-wide barter system has already been projected. Scrip-money plans are being used in many cities. In Tenino, Wash., money made of wood has been used as a medium of exchange. Money is the blood of business. Scrip and wooden money is being used in 30 State by over one-half million people. Is not this sufficient evidence that there is a currency famine?

FAIR-WEATHER FRIEND

The Federal reserve system has proven itself to be only a fair-weather friend of the people. When times are good, a rising market, steady employment, ample credit facilities are at the command of the people through this system. But when there is a declining market—unemployment, reduced valuations, and reduced earnings—this system will not furnish the credit necessary to restore the country. More money must be placed in circulation so as to start a rising market in order that people may have the security to get Federal reserve notes.

RECENT CONVERTS

A large number of people are now enthusiastically advocating the passage of this bill who were opposing its passage a few months ago. We believe that it is the only plan yet proposed that will bring immediate relief to every section of the country. It is the only way that the currency can be expanded without causing people to get further in debt, pay more interest, or by giving a dole.

NEW MONEY

In substance, the bill provides that a veteran can deliver his certificate to the Administrator of Veterans' Affairs and receive in return therefor new money for the amount that is due on it after prior loans are deducted. The new money will be United States notes—the same kind of money that is in circulation to-day.

IDLE GOLD

The gold standard act, passed by Congress March 14, 1900, and Federal reserve act, passed in 1913, adopted the policy for our Government of backing our paper money with 40 per cent gold. It is known that paper money can be safely issued on the Nation's credit as long as we have 40 per cent in gold as a reserve to back each dollar. We have sufficient idle gold to authorize the issuance of the money to pay the adjusted-service certificates without reducing our gold reserve to as low as 60 per cent. No money is fiat money that is redeemable in gold as this money will be.

BLOOD OF BUSINESS

The effect of this distribution of new money will be to give the people $2,200,000,000 more circulating medium upon which no one will be paying interest. The debt must be paid some time, because it has already been confessed by Congress. It can be paid in advance of the time it is made payable without cost to the Government, and its payment will be of immense benefit to all the people. I do not believe this money will ever have to be retired, as the increase in our population, national wealth, national income, and monetary gold stock causes a necessity for this much-permanent addition to our circulating medium. Congress can eliminate from its annual Budget the $112,000,000 payment each year, which now goes into a sinking fund to retire the certificates in 1945.

EVERYBODY BENEFITED

The money will go into every nook and corner of the Nation. It will increase the per capita circulation of money about $18. Every community will get a share. It will go to every class, race, and creed; every occupation, avocation, and trade will be benefited; it will be deposited in the banks, which will increase the reserves of the banks, make the depositors' money safer and credit easier to obtain. This money will be spent, thereby causing an expansion of consumption; it will not be hoarded, but will immediately go into the channels of trade and production. It will benefit the general welfare as well as the veterans. It will provide buying power for the people.

NOTHING IN 1945

If the veterans are not paid now, by 1945 practically all the remainder of their certificates will be consumed by compound interest, which they are forced to pay the banks and the Government on prior loans.

NOT A BONUS—A DEBT

This proposal is often referred to as the bonus bill. An adjusted-service certificate does not represent a bonus; it represents a debt that has been acknowledged by Congress to a veteran of the World War for services rendered—3,555,058 veterans hold these certificates; the average value is $1,000. About 75 per cent of the certificates have been pledged for loans; there is a remainder due at this time, after deducting prior loans, of about $2,200,000,000.

The term "soldier bonus" is a misnomer; it is a soldier debt.

IMMATERIAL ARGUMENTS

A discussion of other veteran legislation is not material in connection with a discussion of the merits of this proposal, since we have assumed the burden of showing that each holder of a certificate is entitled at this time to receive an amount equal to the face value of his certificate, and, further, that the payment of the debt at this time will benefit and not in any way be injurious to the general welfare of all the people. There is no reason for a discussion of the act of 1924. It has already been enacted into law. I will state, however, that many misstatements are being made about the relief extended to World War veterans. Exceptions are pictured as the general rule.

ALL DUE OCTOBER 1, 1931

In the present form of the certificate each veteran is deprived of seven years' interest. Mr. Andrew Mellon forgot to figure it in. If the Government will change the obligation so as to give him the amount Congress confessed was due as of the time he rendered the service, with a reasonable rate of interest from that time, he was entitled to an amount equal to the maturity value of his certificate October 1, 1931. It is past due, although payable in 1945. If he has borrowed 50 per cent of the face value, he has borrowed the accumulated interest; the principal remains intact.

THE BANKS' BONUS

The home loan bank bill which was enacted by Congress in July, 1932, contains a provision that authorizes the National City Bank of New York and the Chase National Bank of New York to deposit $272,000,000 in Government bonds bearing 3⅜ per cent interest with the Secretary of the Treasury and receive $272,000,000 in new money—greenbacks. These banks do not need and will not use this money, and the country will not be helped because this privilege has been extended to them. If the 366,236 holders of adjusted-service certificates in New York State had been given this same privilege, business would have been helped because of the $245,948,177 increase in buying power which the veterans would have received, and the Government would have saved money. The banks collect interest on the bonds deposited, while they are using the new money. The veterans, if the same privilege is extended to them, will not collect interest on the Government obligations deposited.

CONCLUSION

Do not forget that this debt must be paid anyway; it has already been acknowledged by Congress, and the general welfare of the Nation will be promoted if it is paid now, as suggested, without additional cost to the Government.

Remember, too, the chief cause of this depression is lack of buying power. Consequently any additional buying power put in the hands of the public would tend to ameliorate the depression.

Let us make a long step in the direction of restoring this country by paying the adjusted-service certificates.

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

Mr. HOLADAY. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Chairman, lest we forget, I desire to call attention to what is fast approaching to become ancient history, and during the consideration of the District appropriation bill is perhaps as opportune a time as any in which to do it.

The membership of the House will recall that during the summer of 1930 Speaker Longworth appointed a special committee of the House on the fiscal relations between the United States and the District of Columbia. That committee was directed to report back to the House its findings and any bills for the revision of the tax laws of the District which it thought should be reported and to recommend the amount which the Federal Government should in its judgment contribute toward the expenses of the District government. Upon the reconvening of Congress in the fall of that year the special committee organized, held hearings, and with the assistance of a tax expert made a careful study and investigation of the tax situation in the District and a comparative study of the tax burden of the District with the tax burden in comparable cities, and, in fact, with the tax burden of other localities throughout the United States whether they were comparable with the District or not.

At the end of that investigation the committee made a report to Congress in which it found that the tax burden in the District of Columbia was much lighter than it was in comparable cities throughout the United States, and it recommended what has proved to be, under existing economic conditions throughout the country, a very liberal contribution to be made by the Federal Government to the expenses of the District government, namely, the sum of $6,500,000 per year.

The committee also reported several tax bills to adjust the inequalities which exist between the people in the District and those outside the District. It will be recalled, for example, that the District of Columbia has no income tax law, levies no income tax against the residents of the District as distinguished from the regular Federal income tax. The District of Columbia levies no inheritance tax against estates in the District of Columbia as distinguished from the Federal inheritance tax and such as is levied in practically every State in the Union.

The report of the committee also called attention to the fact that the gasoline tax in the District of Columbia was only 2 cents per gallon while in every other locality in the United States, in every State of the Union except four the gasoline tax is considerably more than 2 cents a gallon. In some States it is as high as 7 cents per gallon.

Mr. HASTINGS. With an average of 4 cents per gallon.

Mr. MAPES. With an average of a trifle over 4 cents per gallon, as I now recall it.

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

Mr. MAPES. I yield.

Mr. GARBER. What is the tax rate in the District of Columbia?

Mr. MAPES. The tax rate on real estate is $17 per $1,000 at the present time.

Mr. GARBER. It is much lower than it is in many other cities of similar size throughout the country.

Mr. MAPES. It is much lower than in almost any other place in the United States whether of similar size or not.

Mr. HASTINGS. Mr. Chairman, if the gentleman will permit me to make another statement, in addition to the State tax on gasoline there is in some instances also imposed a municipal tax.

Mr. MAPES. Yes.

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

Mr. MAPES. I yield.

Mr. BLANTON. As stated, the present local tax on gasoline here in Washington is only 2 cents a gallon. Following the investigations of his committee, the gentleman sought to put an additional cent upon it, so that with the 1-cent Federal tax it would have made the total tax on gasoline only 4 cents here in Washington.

Mr. MAPES. We sought to raise the tax to 4 cents per gallon or about the average throughout the country.

Mr. BLANTON. That would have made 4 cents. Over in Maryland the gasoline tax is 5 cents a gallon, is it not?

Mr. MAPES. I think it is 5 cents.

Mr. BLANTON. And in Virginia it is 4 cents.

Mr. MAPES. It is 4 cents in one and 5 in the other. I do not now recall which State collects 4 cents and which 5.

Mr. BLANTON. And 7 cents in Tennessee.

Mr. MAPES. And in Florida and some other States, I believe.

Mr. BLANTON. Yes. And is there any reason on earth, except to try to get things as cheaply as possible in Washington for the people who live here, why this extra cent should not have been put on?

Mr. MAPES. I do not know of any.

Mr. BLANTON. The Mapes bill for this additional 1 cent on gasoline passed unanimously here in this House. There was not a vote against it, and now it is held up in another body, and it has been held up there since December, 1931. If there is any responsibility anywhere for allowing this situation to exist, it does not lie with the House of Representatives, does it? The responsibility is in the other end of the Capitol.

Mr. MAPES. I took the floor for the purpose of calling attention to that fact.

Mr. BLANTON. The responsibility does not rest on our shoulders.

Mr. MAPES. The responsibility does not lie with the House of Representatives.

Mr. BLANTON. And the House of Representatives is in no way to blame for many of the things that continually go on here in Washington which the people of the 48 States do not like. The House of Representatives has tried to rectify them, has it not?

Mr. MAPES. The gentleman from Texas is quite correct. I may say further that I have been told petitions have been filed, signed by 200 filling-station operators around the District of Columbia, outside the District of Columbia, saying that the low tax rate on gasoline in the District was the ruination of their business, and petitioning one body of Congress to pass the bill the House of Representatives passed increasing the gasoline tax from 2 cents a gallon to 4 cents a gallon, which would still, as I recollect it, be a little under the average tax throughout the United States.

Let me call attention to the time when these bills reported by this special committee were considered and passed by the House of Representatives. I have here in my hand the daily calendar of the House. The index shows that the income tax bill, H. R. 5821, passed the House of Representatives December 16, 1931. The estate tax bill, H. R. 5822, passed the House December 17, 1931. The motor vehicle gasoline tax bill, H. R. 5823, passed the House December 17, 1931, and the motor vehicle weight tax bill, H. R. 5824, passed the House December 17, 1931.

The rules of the House do not permit me to say what has been done with, or what has become of, these bills since they passed the House of Representatives, but it is well enough for the membership of the House to understand, and for the conferees on this District appropriation bill to bear in mind, as I know they will, that those bills passed the House of Representatives 14 months ago.

Mr. BLANTON. But the rules do not prevent me from asking the gentleman some questions. If he will allow me, I would like to ask him a few questions.

Mr. MAPES. The rules do not require the gentleman from Michigan to censor the remarks of the gentleman from Texas, and I shall be glad to yield to the gentleman.

Mr. BLANTON. I ask the gentleman if there is not in Michigan, as well as in every other State of importance in the Union, an inheritance tax on estates?

Mr. MAPES. Certainly there is. I called attention to that.

Mr. BLANTON. We passed the Mapes bill to levy such a tax on estates in December, 1931. It is still held up in the Senate. There is not in the District of Columbia a law to tax estates; and there is not because some legislative body other than the House of Representatives will not allow that bill to pass. Is not this the fact?

Mr. MAPES. The gentleman is correct, as I have indicated.

Mr. BLANTON. Is it not a fact that in the great State of Michigan, one of the greatest States in the Union, and in other good States there is a license tax on automobiles many times larger than the tax in Washington, and that the automobile weight tax in every State is substantially greater than that proposed by the Mapes bill passed here in December, 1931?

Mr. MAPES. Nearly every one.

Mr. BLANTON. In every State, and everywhere else but Washington, you pay for registering an automobile according to its value. For instance, a Ford, I think, in most of the States costs about $10, and a Pierce Arrow, a Cadillac, or a Packard, and the other higher priced cars run as high as from $20 to $40, do they not? But in the District of Columbia you pay only $1 for a license on all cars alike? Is not that true?

Mr. MAPES. Yes.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOLADAY. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. MAPES. If the gentleman will permit, I suppose there is no objection to calling attention to page 3758 of the CONGRESSIONAL RECORD of February 10, 1933, that is only yesterday. I find there are Members in the other body who apparently are not in sympathy with the inaction in that body. I quote:

> Mr. WALSH of Massachusetts. Mr. President, I hope the Senator from Connecticut will not object. This is a reasonable tax. I believe every State in the Union has a higher rate than that existing in the District of Columbia.

And I quote again from the RECORD of yesterday:

> Mr. KEAN. Mr. President, I would like to say in regard to this matter that the tax on automobiles in the city of Washington is perfectly absurd.

Now, as I said at the beginning, this special committee recommended a lump sum appropriation of $6,500,000 as the Federal contribution to the District Government. Under present economic conditions that has proved to be a very liberal recommendation. Everybody knows that the economic conditions within the District of Columbia at the present time are far better than in any other place in the United States; and everybody in this Chamber knows that the tax burden in the District of Columbia is much lighter than in any other place in the United States. And can anybody give any reasonable reason why under these conditions the people outside the District of Columbia should contribute any more than an equitable amount to the expenses of the District of Columbia?

Mr. BLANTON. No; they can not give a good reason for it.

Mr. CULKIN. And is it not a fact, I will ask the gentleman, that throughout the country in all municipalities the tax rate runs from $3.50 to $5 per hundred at this time?

Mr. MAPES. In some cities it runs as high as that or higher. In some cities it is a little lower, but the average is much higher than it is here in the District of Columbia.

Mr. CULKIN. So in Washington they are paying only about a third of the tax we are paying throughout the country?

Mr. MAPES. Perhaps a little more than that on the average, but the people in the District do not pay nearly as much as people are obliged to pay on the outside.

Mr. HASTINGS. The statement was made this morning that out of 300 cities, the city of Washington was at the bottom with reference to the tax rate.

Mr. CULKIN. And it enjoys the finest municipal environment in America.

Mr. MAPES. Before I take my seat I want to commend the work of the subcommittee of the Committee on Appropriations, headed by the gentleman from Missouri [Mr. CANNON], that is in charge of this District appropriation bill. The members of the committee are doing unusually good work in the handling of the District appropriation bills and are entitled to the thanks of the House. I think they are in entire sympathy with the action of the House of Representatives in adopting the report of this fiscal relations committee and in the passage of the four bills which were reported by the committee.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CANNON. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, supplementing what my friend from Michigan has said, I wish every man in Congress knew of the hard work and the tedious hours that our colleague from Missouri [Mr. CANNON] puts in on this bill and bills like it. The work he is doing here is some of the most important work that could be done for the Nation. He daily renders here service that is most valuable. His people down in Missouri know nothing about it. You do not see him loafing around, because he is off in an office holding important hearings. He has these bureau chiefs across the table hammering them with pointed questions, trying to stop waste, and fighting to get a fair and just deal for everybody.

He has not any animosity toward the people of Washington. He is their friend. Some of the best people in the world live here in Washington. They are hospitable, courteous, kind, and good neighbors. They are my friends and his friends. He would cut off his right arm before he would do them an injustice. He has not any unkindly feeling toward them. He is simply trying to see that justice is done them and at the same time that justice is done the rest of the people of the United States.

If the constituents of the gentleman from Missouri [Mr. CANNON] knew of the splendid work he has been doing here for years, they would never let a man run against him in his district. They would see to it that no one ever gives him a bit of trouble about coming back to Congress. CLARENCE CANNON is one of the most valuable men in the Congress.

In this connection I want to commend the good work of my friend from Michigan [Mr. MAPES]. He did splendid work in holding hearings, investigating conditions, and passing through the House the four Mapes bills. This was the first time that any careful, expert, scientific, and reasonable consideration had been given to these questions. The gentleman spent months in hearings and in consideration of these measures and his committee brought in a unanimous report on all four of his bills and found that, according to the fiscal relations existing between the Government and the District of Columbia, $6,500,000 as an annual contribution from the United States Government would be as much as could be expected under any circumstances. All four passed the House unanimously. There was not a vote against them, but they have been held up somewhere else in a pigeonhole for a year and a half. Why, I ask. The people here just pay a tax of $1.70 per $100 on real and personal property and only 50 cents per $100 on intangible property.

They do not have to pay any income tax to the District like they do in the States. They do not have to pay any inheritance tax on estates in the District like they do in the States. They do not have to pay any special school tax like they do in most of our States, and they do not have to pay any sewer tax, or water tax, or paving tax, or any of the many other taxes they pay in the States. Every tax on earth they pay is embraced in this $1.70 per hundred dollars.

They have the cheapest water on God's earth here, and it is the best water. There is not any better water than the water they get here in the District of Columbia, because the Government has spent millions of dollars of the tax money of the other people of the United States to perfect the water system here, and the Government owned the original conduit that furnished water to this city. The District never paid a dollar for it. Do you know what it costs a family here to receive water? That is one thing in this bill I am strongly against, and that is the reduction of 10 per cent in the water rate here, which is merely to give Washington people even cheaper water. Do you know what the ordinary family pays a year for water now? Eight dollars and seventy-five cents a year. Is there any Representative on this floor that has a water system back home that furnishes a family all of its water for $8.75 a year? No; not one of you. You can not square this with your constituents when you go home.

The cheapest, finest, and most healthful water in the world is here in Washington. It is wonderful, and yet we are proposing to reduce further the cost in this bill 10 per cent, when the present rate is only $8.75 per family per year.

Your committee worked hard in reducing these appropriations, not in the interest of the committee, but in the interest of the people who live in the District and of the rest of the people who live in the Nation. This is done every year, and then the bill goes somewhere else and it is raised here and there in another body, and they stand pat and tell us that if we do not come to their terms there is not going to be any bill passed. When that is done the people ought to know in all the States who is responsible for the raises. Then the people can hold responsible the ones who cause such raises.

Mr. McGUGIN. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman. Is the gentleman with Mr. MAPES?

Mr. McGUGIN. I do not know.

Mr. BLANTON. The gentleman ought to be finding out something about these bills, because that is the great trouble. There are too many men in Congress who do not know what is going on here. The gentleman from Michigan [Mr. MAPES] has spent months on these bills, and my friend from Kansas does not know anything about it.

Mr. McGUGIN. I am trying to drink from the fountain of knowledge. If the gentleman will permit, I am seeking some information from him. I was very much interested in the gentleman's statement that the tax rate here is only $1.70, and I know that this is a lot less than it is in almost every other town in the United States. The question I want to ask is this: How does their valuation compare with valuations in other towns in the United States? I am seeking this purely as a matter of honest information.

Mr. BLANTON. It is supposed to be full value, but it is not. You can take a residence that is worth $20,000, and it is assessed for taxes at about $9,000. You can take a piece of property that 30 years ago was worth only $250, and by reason of the money that the people of the United States have expended here through Congress has now become worth a million, you will find it will be assessed at about one-third of that value.

I have a file of papers a foot high in my office which I have gathered on the subject, and I got the figures from citizens here and also from Mr. Richards, the tax assessor—and there is not a better posted man in the country than the tax assessor of the District of Columbia. He is an expert and knows his business; and if he had the cooperation he ought to have, there would be a surplus to the credit of the District of Columbia in the Federal Treasury. I hope that the gentleman from Kansas will let all of the people of Kansas know about these matters and let them know exactly who is responsible for pigeonholing these Mapes bills and killing them.

There are too many people owning residences and property in Washington who vote and are elected to office in States back home. There are too many of them who stay here the year round and who want to stay here throughout the year; and that is the reason why we have so many special privileges here in Washington. I wish that whoever is holding up these Mapes bills would go back home just now and frankly explain to his constituents all about the bills and let them ask questions.

Mr. McGUGIN. Too many post-office applications back home.

Mr. BLANTON. The people back home can not be blamed for seeking jobs. Some of them are desperate. They have been without work for a long time. They have diligently and earnestly sought work. Many have already lost their homes. Many, both on farms and in cities, now owe mortgage payments they can not meet and are apprehensive every day that the roof is to be taken from over the heads of their families. They can not get relief anywhere.

They have been overburdened with State and county taxes. They have been weighted down with school taxes and water taxes and paving taxes and city municipal taxes. They do not realize that all of these taxes are the result of their State legislatures, but they blame Congress, and they do not realize that we have had nothing to do with their State, county, city, and local taxes.

There are expert carpenters in every State in the Union who are now out of jobs who would be glad to work for $8 per day, which contractors are now offering in Washington. Yet the carpenters here have gone out on strike and are seeking to tie up important Government construction, contending for the $11 per day they have been drawing for the past three years.

In Washington during the last three years there has been spent here approximately $100,000,000 of the people's money in building construction. Who is benefited by it? Your carpenters back home? No. The artisans and mechanics of Washington. They have been getting $14 a day, and they are getting now $14 a day for plasterers and bricklayers and $11 a day for carpenters on building construction here. I am for the plasterers and the bricklayers and the carpenters, I want them to get as much as possible, but I do not want the plasterers and bricklayers in Washington to get $14 a day when down in Muskogee, Okla., and up in Massachusetts they are working for far less than $10 a day. That is not right. It is not fair to labor in this country, is it, I will ask the gentleman from Massachusetts?

Mr. CONNERY. I do not want to subscribe to that—the men in Washington are entitled to a fair and decent living wage, and we want those in Oklahoma to come up to that living wage and not drag the Washington wage down to the Oklahoma wage level.

Mr. BLANTON. Oh, the gentleman will get a front page on that and have his picture in all the labor papers, and I will be given the devil for asking him the question. [Laughter.]

We are both for the men who labor, but the difference between us is this: There is an idea prevailing throughout the country that in order to be reelected and come back here we have got to get down on our knees and lick the leather soles of every union labor organization in the country and obey them 100 per cent, whether they are right or wrong. Now, that is not true. I am for them when they are right, but against them when they are wrong. I have been on their blacklist here for 16 years and I am still not afraid of them. And I guarantee that I get almost as many labor votes in my district as the gentleman from Massachusetts does in his.

Mr. CONNERY. Perhaps they are not as well organized.

Mr. BLANTON. Yes, they are organized, but they know this: They know that when they are right, I am fighting for them, and they know that I will fight for them, for everything that is right. They have a contempt for some pussy-footed fellow who will talk continually about "living wages" but when the times comes to help them in a worthy cause will not fight for them.

They know that they can always depend upon me fighting against the monopolies that crush them. They always know where I stand. They know that when attempts are made to pass a general sales tax that will burden their shoulders with much of the expenses of this Government, they can count on my fighting such proposition with every ounce of fight that is in my being. They know that I can be depended upon to fight against all waste in governmental expenses. They know that I can be depended upon to fight against all extravagances. They know that I can be depended upon to fight against all graft. They know that such fights are beneficial to their interests. They know that I want them to have cheap ice, and cheap fuel, and cheap electric current, and cheap gas, and cheap transportation. They know that I want them to have jobs—not just a few of them at $11 and $14 per day—but all of them to have jobs at a living wage. I do not want the plasterers and brick masons of Washington to get $14 per day constantly, when plasterers and brick masons all over the 48 States are anxiously seeking work but can not find it, and who would gladly work for $10 or less, but can not earn anything. I do not want the carpenters of Washington to get $11 per day constantly, while thousands of carpenters all over the 48 States are out of jobs, and have been out of jobs for months, and who would gladly take the $8 per day which Government contractors are now offering Washington carpenters, when they are striking and tieing up Government work, contending for their $11 per day. And this is why many members of union labor in my district prefer me to some pussy-footing friend. They would rather have me for them when they are right.

Mr. CONNERY. I am sure the distinguished gentleman from Texas would never refer to me as a pussy-footer.

Mr. BLANTON. No; certainly not. I did not have the gentleman in mind. He is a true, courageous friend to every man who labors.

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

Mr. BLANTON. I regret I have not the time. We have this ridiculous situation in the city of Washington just now, with officials wanting to build some grandstands for the big inaugural of one of the greatest events we have had here for years, the inauguration of a real Democrat as President of the United States, and the carpenters of the District, who for years have been getting $11 a day, are striking, not only upon that job but they are striking upon the other big Government jobs, demanding their $11 a day. It is outrageous. I hope the contractors will tell them that, if they strike, when they walk out they are walking out for good, and that their jobs will be taken by somebody else who needs a job more than they do, who is willing to work for $8 per day as a carpenter.

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

Mr. BLANTON. I yield. Is the gentleman going to say something also about a "living wage"?

Mr. MAY. I am going to ask the gentleman a question and see whether or not he will be courteous enough to wait until I get the question stated.

Mr. BLANTON. If the gentleman does not take more than half a minute of my time I will yield to him so that he may ask it.

Mr. MAY. In view of the fact that down in the gentleman's State and in my State there are lots of able-bodied men who are working for $2 a day and a lot more of them getting $1 from the Reconstruction Finance Corporation institutions, does the gentleman not think that $11 a day is enough in Washington for the other fellow, under the circumstances, and too much?

Mr. BLANTON. I do not catch the gentleman's idea. He seems to be for them striking and contending for the $11 per day, and I can not tell whether he is for them or against them.

Mr. MAY. I am for the right thing.

Mr. BLANTON. Is the gentleman for paying them $11 a day or $8 a day?

Mr. MAY. I think that under present conditions in the country their wages are vastly too high.

Mr. BLANTON. Is the gentleman in favor of standing pat and telling the contractors that Congress will back them up, if they can get able-bodied men for $8 a day, in not paying them more than $8 a day out of the money of the people?

Mr. MAY. Yes; I am. Is that plain enough?

Mr. BLANTON. Good, good! If we had a few more who would walk up and say that, we would not have any strike of carpenters for $11 per day, when they are offered $8 per day, with 15,000,000 men out of work.

If all carpenters everywhere, in my State and yours, could get $11 per day, I would rejoice with them in their good fortune and be glad to see them get it. If all plasterers everywhere, in my State and in yours, could get $14 per day, as they are getting in Washington, I would rejoice with them in their good fortune and be glad to see them get it. But when 15,000,000 men are without jobs and numerous carpenters in every State would be glad to get the $8 per day Government contractors are now offering Washington

carpenters, I think that it is an outrage for such carpenters to strike and still contend for the $11, which they have received for the past three years, and for them to tie up important Government work. And such strikers ought not to have any backers in this Congress.

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

Mr. BLANTON. Yes.

Mr. CULKIN. Will the gentleman tell the committee what influence in his opinion killed the Mapes legislation?

Mr. BLANTON. Does not the gentleman know?

Mr. CULKIN. No.

Mr. BLANTON. Selfishness; not wanting to give up something. Protecting self and friends. I will tell the gentleman this. There is a comity that exists between the two bodies that form the Congress of the United States. Unfortunately it is improper for one body to mention the other body or to criticize it. All on earth that we are permitted to do under the rules is to say that we have done our part, that we in the House have passed the Mapes bills, and we have sent them somewhere else, and we did that way back yonder in December, 1931, and that these Mapes bills have been there for nearly two years in a pigeonhole, and that they have not been brought up and passed; and when the ones responsible go home let them be held responsible for holding those bills up. Let the Members of that body go home, and when they run for reelection, it is the duty of other gentlemen to get up then and tell the people who it was that held the bills up.

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

Mr. BLANTON. Yes.

Mr. MAY. Does the gentleman not think it a very reasonable rule that prohibits the Members of each body from talking about the other body, in view of the fact that the country is talking about both branches of Congress?

Mr. BLANTON. Yes; I think so, but I do not think that the country ought to talk——

Mr. MAY. About either branch?

Mr. BLANTON. No; I think they have a right to talk about either branch whenever they please, but they ought to fix the responsibility where it is. If there are men here in the House who are zealously and faithfully working and grinding and slaving themselves day and night trying to change these intolerable conditions the people ought to differentiate as between them and those who do not so work and who are responsible for another situation, and if there are men in another body who are not deserving of criticism, neither the people nor the press ought to direct criticism against all the membership, when it is not fair or just. They ought to pick out the ones who are responsible for these delays. They ought to pick out the ones who are responsible for these abuses that exist. They ought to give credit to the ones like my good friend from Missouri [Mr. CANNON] and my good friend from Michigan [Mr. MAPES] and my good friend from Illinois [Mr. HOLADAY] and others like them, who work here trying to change these conditions.

Mr. MAY. I think the gentleman will remember a question that I propounded to him on the floor at the last session of Congress which perhaps started the candidacy of Mr. GARNER, the Speaker of the House, and which resulted in his election.

Mr. BLANTON. There was hardly anything that could have stopped that candidacy and that election.

Mr. MAY. That resulted in his election as Vice President.

Mr. BLANTON. It was inevitable.

Mr. MAY. Does the gentleman not think that if the people of the country would read the newspapers, and read between the lines, they would not direct their talk about us?

Mr. BLANTON. Why? Does it hurt the gentleman to have the people talk about him?

Mr. MAY. Not at all.

Mr. BLANTON. Because if it does, he better quit, because any man on earth who does anything worth while will get talked about. The more he does in the interest of the people, the more adverse criticism he will get from the press, usually. It does not bother me one bit for them to talk about me. They have been cussing me for 25 years, and I still have the confidence of my constituents.

Mr. MAY. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. MAY. Perhaps the gentleman is somewhat in my attitude toward my constituents. A Republican district has sent me here twice, and by a largely increased majority each time.

Mr. BLANTON. Well, the Democrats send me here, but there are always many Republicans who vote for me.

Mr. MAY. They sent me here because they knew it did not take a civil engineer to find out where I stood on any public question.

Mr. MARTIN of Oregon. Will the gentleman yield?

Mr. BLANTON. I will be glad to yield to my distinguished friend.

Mr. MARTIN of Oregon. I fully realize that in the gentleman's modesty he would not include himself in the list of those about whom the great encomiums of praise have been passed around, so I want to have the pleasure of adding the gentleman's name to the list.

Mr. BLANTON. I thank you, General. The general and I are going to get along splendidly from now on. [Applause.]

Mr. HOLADAY. Mr. Chairman, I yield two minutes to the gentleman from Minnesota [Mr. PITTENGER].

Mr. PITTINGER. Mr. Chairman, I have listened with a great deal of interest to the profound discussion between my Democratic brethren on the cost of carpenters to build the presidential inaugural stand. May I suggest, but without being too serious, that the carpenters probably figured it was worth more than $11 a day to erect a stand upon which to inaugurate a Democratic President, and that perhaps explains the high union scale on that particular job.

I have also considered it a privilege to hear the gentleman from Texas [Mr. BLANTON] pluck those orange blossoms and geraniums and hand bouquets around here to his colleagues. It should make the Members of the House live longer to have kind things said about them that the gentleman has said.

However, these are not the subjects I wish to discuss. I arose to say that on next Monday I think we are going to cast one of the most important votes that the members of this body have had an opportunity to cast since I have been privileged to be here; that it, to vote for the Crowther bill. I wish to say now, that I am going to vote to discharge the committee, and I am going to vote for the bill because a vote for that measure is a vote for the protection of American labor and industry and American working men. It is a vote against the dumping of foreign goods on the American market that will mean much to the American people. If the vote is wrong and a measure like that is not adopted by this Congress there will be a failure which will contribute to prolong the depression.

The only other comment I wanted to make is (and it is well understood that there may be a failure next Monday) that I am just wondering if some of the newspaper men will make the mistake of saying that we do not have a party system of Government, and that the lame ducks are responsible, if the Crowther bill is defeated. The responsibility for the success or failure of that measure on Monday will rest with the responsible party leadership of this House and not with the lame ducks. The Democrats are in control, and are responsible. In an Associated Press dispatch I notice it says that the lame ducks are the reason for the failure of Congress to do anything, and as a lame duck, but a perfectly live one, going out of here with no strings around my hands or feet, I want to protest against that sort of statement. The live ducks of this body and not the lame ducks determine the success or failure of the legislative program. [Applause.]

Mr. Chairman, the depression, its cause and cure, is a much discussed topic. We have been told many times about industrial, economic, and agricultural conditions. There has been plenty of talk concerning the problems that face the American people. It is not now my purpose to

repeat the facts and figures which show that agriculture and industry are paralyzed, that people are out of employment, that additional relief for the unemployed is necessary, and that our political and business leaders in America are face to face with most perplexing difficulties. We have been told many times that, with overproduction in agriculture, there is want and starvation among other classes of our people. All of this is true.

When conditions demand constructive action, and when there is a failure along those lines, it is natural to put the responsibility on someone for such a situation. For several weeks there has been a popular outcry against the lame-duck Congress. Let me say that I am a lame duck and with no apologies. I am prepared to defend my legislative record if any such defense is necessary. The people of northeastern Minnesota have twice indorsed it. I have been in attendance at this short session of Congress, have answered the roll calls, and have voted on such measures as were permitted to come before the House of Representatives for attention. I am rendering the same service, and will continue to do so until March 4, which I rendered in 1929, in 1930, in 1931, and in 1932.

I repeat that it is fashionable to fasten the responsibility on someone when we are face to face with disaster. As now appears, the propagandists would blame the so-called lame ducks and would have the American people believe they are responsible for a continuation of unemployment, closed factories, low prices of farm products, and every other misfortune, social, economic, and political, which prevails in this country to-day.

As one editorial writer puts it, the present session of Congress has furnished the horrible example which has speeded up the abolition of lame-duck sessions, after calling attention to the fact that Congress is about as futile as a family argument.

Another editorial writer takes pleasure in saying that we have the sickening spectacle of the present lame-duck Congress killing time and getting nowhere while public business waits. He also enthusiastically says that the adoption of the lame-duck amendment shows that we do make progress.

The implication of both of these editorials, and I have quoted from them literally, is that lame ducks are responsible for all of our troubles. There can be no doubt about the facts as to present conditions. Conditions do call for a remedy. There are many things that Congress should do. Congress should translate into a legislative program every device known to relieve unemployment and, until that is done, Congress should supplement the work of relief agencies for those who can not obtain work and who are willing to work.

Congress should take notice of the fact that goods made in foreign countries by cheap labor are flooding the American markets. Whether this be due to depreciated currencies of other countries or to other conditions is beside the point. The facts are that foreign goods are coming into the United States in spite of our recent tariff law. If necessary, an embargo against their importation should be placed on our statute books for the protection of American labor and industry.

The St. Lawrence waterway treaty should be ratified. It is one of the greatest projects of modern times, and, in the march of progress, will be one of the milestones marking an important period in the welfare of our people on the North American Continent.

There are many other things that should be done, but it is not now my purpose to discuss them. I want merely to call attention to the absurdities of trying to lead people to believe that lame ducks are responsible for our troubles.

What is a lame duck? Under our Constitution, Members of Congress who are elected in November have their official term of office begin on the succeeding March 4. Unless there is a special session, Congress, however, does not convene until the succeeding December, and a period of 13 months elapses. In the short session of Congress, which occurs in December of even-numbered years, Members of Congress who have been defeated in the preceding November serve during the so-called short session, which automatically ends on March 4 next. In popular language, these Congressmen are designated as lame ducks.

One of the reasons for a change and for the adoption of the so-called amendment abolishing lame ducks is the fact that defeated Congressmen may or may not be responsive to the wishes of their constituents, and that they may be charged with responsibility for defeating worthwhile legislation or for voting in the affirmative on the adoption of bad legislation. All of this is theoretically possible under the present arrangement. The ratification of the twentieth amendment to the Constitution of the United States changes the situation so that, in the future, a Member of Congress, elected in November, takes office on January 3, and it will no longer be possible for a man to serve in Congress after he has been defeated.

The only way to determine whether or not lame ducks are responsible for the failure of everything is to examine the roll calls. I challenge anyone to show where the lame ducks in the present session of Congress have been responsible for the failure of any legislative program any more than other Members of Congress. For the most part, the roll calls will show that the lame ducks, without regard to the results last November, are discharging their duties and obligations faithfully and well. It would be just as foolish to blame the "live ducks" for present conditions and just as logical.

People who indulge in this loose talk lose sight of the fact that we have in this country a party system of government. Our legislative bodies are responsive to party leadership, or lack of it, as the case may be. Consequently, the criticism that is misdirected at the lame ducks should be directed to our party system of government which prevails in this country. If there are any shortcomings, and we cheerfully admit them, they are the shortcomings of the political parties in this country and the political leaders. For good measure, I do not hesitate to include some of our so-called great leaders in business and industry who owe it to themselves as well as to the American people to give patriotic encouragement and help to every program and proposition that will end the depression.

We were told last October that the election on November 8 was important and that a "change" would end all of our troubles and furnish a solution for all of our difficulties. The failures of prohibition were to be promptly ended. Farm relief was to be established. The Budget was to be balanced. Every man was to be furnished with a job. Numerous, indeed, were the pictures of hope hung out to the view of a despondent people.

The facts are that the present short session of Congress has failed in every promise that was made last fall, but that failure can not be charged to the lame ducks. It is a failure of party leadership. It is foolish to claim that nothing could be accomplished during the short session. There was much that could be done under proper leadership. Our Democratic brethren have been in control of the House of Representatives for two years. Their leaders determine what legislation shall be considered by the committees and how those committees shall report thereon.

That is the very essence of a party system of government. It carries with it opportunities and responsibilities. If those responsibilities are met the glory goes to the party leaders who met them. If they adopt a "do nothing" policy, the credit for that belongs to the party in power and to its leaders.

You can call it childish or you can call it foolish, but the fact is that a so-called lame duck can not be charged with this cheerful responsibility. For all of the good things that are done, and for the bad things that are done, for the sins of omission and commission, committed and uncommitted, in the House of Representatives, the party in control, when the record is written, must be charged in full measure therewith. Make no mistake about it. That party is the Democratic Party, long on promises and short on performance. [Applause.]

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

Mr. CANNON. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. HART].

Mr. HART. Mr. Chairman, I was very much interested this afternoon listening to the arguments of the minority leader in favor of placing a tariff or a tax against the products of foreign countries having a depreciated currency. I was particularly interested in that portion of his statement which he was quoting from some newspaper printed in Japan, that this depreciated currency had only caused a rise in commodity prices in Japan of about 8 per cent, while, on the other hand, due to the depreciation of currency, they were able to seize the export markets of the world. In fact, their export trade had reached war-time proportions.

It would seem that if a depreciated currency could work as magically as described by the gentleman from New York his party would have seized the opportunity to immediately rescue our business from the doldrums and put our export trade back on its feet.

That our export trade is an important factor in our prosperity it does not devolve upon me to prove. I just want to quote from President Hoover's speech made in Newark, N. J., on September 17, 1928:

> When, at the beginning of the Republican administration, we were determining those measures which would restore and increase employment, one of our first decisions was vigorously to build up our foreign trade. We determined that we must sell more products abroad if we would have steady and assured employment for labor in our industries. We realized that we must energetically promote the sale of our farmers' surplus abroad both in their interest and in the interest of labor. By so doing we increase the farmers' buying power and in turn his demand for the products of labor.

Somehow or another our Republican friends have lost interest in foreign trade. They are endeavoring to foster the idea that the farmer must reduce his production to domestic consumption. In other words, he is to profit by idleness.

When we speak of foreign trade it does not mean that we are only going to sell. The word "trade" itself, as defined by Webster, means "to barter; buy and sell; participate in a sale or exchange." Therefore, when Mr. Hoover in 1928 was discussing foreign trade, he certainly could not have had in mind the embargoing of foreign products.

Listen to Mr. Hoover again in September, 1928, speaking at Newark, N. J.—

> More than 2,000,000 families in the United States earn their living to-day producing goods for export, and another million families earn their living in the manufacture of raw materials which we import in exchange for our exports. This increase in exports has brought a living to a half-million families. This means more than statistics. It means higher standards of living—more jobs make more wages. Foreign trade is no artificial stimulant to employment. Its development is a vital contribution to the welfare of the American workman and the American merchant and the American farmer. I propose that we shall continue this service to our people.

I can not conceive of why our Republican friends are now endeavoring to stifle foreign trade. The "Buy American" movement will result in a stifling of foreign trade. Oh, I realize that there is a "Buy Britain" movement. There is also a buy locally movement in many of the States. We have a group in my State, "Buy Michigan."

In my judgment, these movements are fostered by those who have an ulterior motive, or by unthinking people. For instance, take my own State as an example. What would happen to our automobile industry, if other States started a "buy" movement in their own State and refused to buy Michigan automobiles. What would happen to the farmers of my State, if other States discriminated against us, because of our "Buy Michigan" movement and refused to buy Michigan beans, when we produce 75 per cent of all the white beans grown in the United States?

These local "buy" movements will have the effect of separating us into 48 individual countries and bring about bickering and trade barriers, as they exists by tariffs in Europe.

America has grown great because of its natural resources and because of a free and unobstructed market throughout this vast empire of 48 States. We want no Chinese walls. We are suffering to-day from a stifling of trade and a robbing of the public by inflation of stocks and bonds, sponsored largely by tariff-protected concerns.

It seems our friends on the other side of the aisle have an ulterior motive. They lost this election because of their high tariffs. They would like to put our party on record as out-Grundying Grundy himself.

One of the emissaries of high tariff called on me yesterday. He was not an irresponsible, but represented one of the largest industries in the United States in his line. He comes from near my home town in Michigan. He was greatly interested in depreciated currencies and when he found that I was not interested in his program, here was his last weapon. He said: "Do you realize, Mr. HART, that we are going to have another Boston Tea Party after March 4—that great interests are preparing and financing the unemployed who will dump overboard, as they arrive in port, these foreign goods which come from countries with depreciated currency?" I said to him, "This does not disturb me. No movement of this kind can take place without organization and I am sure that our Government is not asleep and that after March 4 a movement of this kind would be dealt with very quickly."

We have the farm problem with us. Over in the Senate, I understand a bill has just been reported, which will put the Government into speculating in cotton and encourage the farmer also to speculate in cotton. We learn nothing from experience. We have just finished this morning a huge speculation in cotton, by turning over the last 350,000 bales of cotton to the Red Cross. We have paid for this cotton two or three times, but the bill just reported in the Senate is going to get us in another gigantic speculation.

Why is the Government speculating in farm products? It is a blind attempt to assist the farmer, whose dollar, as compared with pre-war levels—before the Fordney-McCumber Act or the Smoot-Hawley Act—is to-day worth only 50 cents. Shall we put some more tariff on manufactured goods and put the farmer's dollar farther out of reach of the commodities which he must buy and then, in turn, try some more nostrums to lift the farmer up to the level of those whom we have protected with outrageous tariffs? It is unjustifiable; it is silly; it is unsound. The only excuse for this agitation is the next general election in 1934.

I warn my Democratic friends to beware this snare.

Mr. HOLADAY. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. SCHAFER].

Mr. SCHAFER. Mr. Chairman, I agree with my colleague from Minnesota [Mr. PITTENGER], that on next Monday the membership of this House will have an opportunity to cast one of the most important votes in this Congress.

Before passing on to what I had intended to say, may I refer to the statement of the preceding speaker, that the tariff issue wrecked the Republican Party in the last campaign? Let us look at the facts. Under the American Constitution, tariff legislation must originate in the House of Representatives. The gentleman's party, the majority party, the Democratic Party, has had control of the House of Representatives and the Ways and Means Committee thereof for two years, and although your Members demagogued against high protective tariff rates in this House and on the political stump, you have not reported from your Democratic-controlled Ways and Means Committee one bill or resolution to reduce one of the existing tariff rates, not even to the small degree of one-half of 1 per cent. On the other hand, your Democratic-controlled Ways and Means Committee reported a sales tax bill in the last session, which would put an additional 2¼ per cent row of tariff stones on almost every rate covering every article on the protected list under the Hawley-Smoot Act, and an additional 2¼ per cent row of protective tariff stones on nearly everything on the free list under that act. Under the Democratic Roosevelt farm-allotment monstrosity you sponsored and advanced some of the highest tariffs ever in the history of any nation on the face of the globe. It was only a few weeks ago that out of the Democratic-controlled Committee on Expenditures there was reported the Wilson bill,

which, in effect, put an embargo tariff on every foreign product which might have been purchased for use by the Federal Government, and there were only a handful of Members of this House, while controlled by a Democratic majority, who rose up and voted against that bill—not even a sufficient number to obtain a roll call.

In the other body a few days ago a similar embargo tariff, a "Buy American" proposition for the Federal Government, was passed as a rider to an appropriation bill, and there were but a handful of votes against it.

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

Mr. SCHAFER. I yield.

Mr. PITTENGER. Can the gentleman see any consistency in advocating a "Buy American" plan and at the same time working against protecting this country against imports from depreciated-currency countries?

Mr. SCHAFER. No. I have had my picture taken for the press and for the movietones with Democratic brothers and sisters making "Buy American" speeches. I now call upon the Democratic brothers and sisters who appeared in movietones advocating "Buy American" to act and not let the matter rest with talk only. Those talks will not cure the situation and prevent a flood of foreign imports from destroying the American market. I call upon those Democratic movietone actors who were then spreading the gospel "Buy American," which is in effect an embargo tariff principle, to back up their talk with action.

I now wish to bring to the attention of the House some ideas expounded by the leading Democratic campaigner in the last campaign, Hon. William Randolph Hearst. What has he stated in his editorials with reference to this Crowther bill we are going to vote on Monday? He said:

> There is said to be a Democratic desire that the question be kept open for the new administration. The question should not be kept open an unnecessary moment. The emergency is upon us.
>
> If the Democrats are so fatuous and shortsighted as to play politics with this great duty of national preservation, it will go ill with the Democratic Party both in this administration and the administration shortly to be inaugurated. The workingman's job and the restoration of American industry are not playthings for politicians.

This is not the utterance of a Republican protectionist; this comes from the pen of the leading Democratic campaigner in the last campaign, the Hon. William Randolph Hearst.

Mr. BLANTON. Where does Hearst get his pulp paper from? He imports it from foreign countries.

Mr. SCHAFER. I do not know. However, from his editorials, I must assume that he "Buys American."

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

Mr. SCHAFER. I yield to the distinguished gentleman from Nebraska.

Mr. HOWARD. I am sure my colleague would not wittingly make a misstatement, but evidently he has forgotten some of the things that happened in the past. He stated a while ago that nobody had made any attempt to reduce the tariff. I recall that I introduced a bill to cut the tariff on aluminum hospital utensils and cooking utensils 50 per cent, and the gentleman from Wisconsin loudly applauded my effort.

Mr. SCHAFER. I give the gentleman all due credit, but I did not say that no Member had introduced a bill. I said that the Democratic majority which controls this House and which controls the Ways and Means Committee of this House has not reported a bill to reduce the tariff in any manner.

The Ways and Means Committee have chloroformed the gentleman's aluminum tariff reduction bill in committee.

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

Mr. SCHAFER. I yield.

Mr. BLANTON. The gentleman did not answer my last question. Can the gentleman tell us where Mr. Hearst gets his pulp paper from?

Mr. SCHAFER. I do not know about that. I presume he "Buys American."

Mr. BLANTON. He imports it from abroad. His "Buy American" slogan is forgotten when he buys his pulp paper.

Mr. SCHAFER. I have not written to ask him. If the gentleman knows about it, I would suggest that he take it up with him.

Mr. BLANTON. I would like to ask the gentleman one question: Did not the gentleman vote to put a tax on wort?

Mr. SCHAFER. Who did?

Mr. BLANTON. The gentleman from Wisconsin.

Mr. SCHAFER. Who voted for it?

Mr. BLANTON. Did not the gentleman offer an amendment——

Mr. SCHAFER. I refuse to yield further, because my time is limited. A tax was imposed on malt sirups and wort; and, just as I prophesied at the time that I spoke and voted against said tax, which was supported by the gentleman from Texas, thousands of men have been thrown out of employment by reason of its enactment. There is now coming into this country from depreciated-currency foreign countries millions of bushels of malt, which is helping to wreck the great malting industry of this Nation—and bear in mind that malt is used for purposes other than making beer, nonintoxicating in fact or intoxicating in fact—the great cereal manufacturing and baking institutions buy malt sirups from the malting industry in carload lots.

Yesterday some of the Democratic speakers made a strong plea to cast party aside, to cast party actions and reflections aside, and stand united and nonpartisan. Only since last November have these gentlemen become converted to this principle. If we are to cast party considerations aside, how can we explain the action of the Democratic majority of this House in calling a caucus and binding the majority Members of this House to vote to prevent the Crowther bill from being considered next Monday?

Now I call upon you Democratic Members and progressive Republican Members who in the past have asked for the discharge rule—who in the past have gone so far as to indicate that when 100 Members of this body desired legislation considered it should be considered—to practice what you preach.

I call upon you now to give the 145 Members who have signed my petition to discharge the Crowther bill an opportunity to at least consider this important legislation on Monday next. Your Democratic Speaker indicated we did not have time for such consideration. Yesterday we adjourned at quarter to 4 and the day before we adjourned at 20 minutes to 4; and we have plenty of evenings when we could have evening sessions, if necessary.

This kind of legislation, under the American Constitution, must originate in the House of Representatives. Let us get it over to the other body. Democratic gentlemen certainly can not blame the lame-duck Republican minority for frittering away about eight days of time in another body, unless you wish to hold that a gentleman commonly known as the Kingfish is a lame-duck Republican. [Applause.]

[Here the gavel fell.]

Mr. CANNON. Mr. Chairman, I yield 10 minutes to the gentleman from Arkansas [Mr. MILLER].

Mr. MILLER. Mr. Chairman, I think it is pretty generally conceded that the Government at this time is facing the greatest crisis it has ever faced in its entire history. This crisis, of course, is a financial crisis.

We have heard and will continue to hear of the absolute necessity of reducing Government expenses. It is true that the expenses of Government that are bearing down upon the people of our country are not all Federal expenses. The truth is that a very small percentage of the total expenses of government in our Nation is the expense of the Federal Government; but, notwithstanding this fact, the duty devolves upon the Congress to relieve the people of the expense of the Federal Government as much as can possibly be done without destroying the efficiency of government.

Yesterday we sent to conference an appropriation bill carrying an amendment that had been adopted by the Senate which some gentlemen have termed drastic and dictatorial;

which some gentlemen have termed as a move to surrender the prerogatives and the rights of the Congress to the incoming Executive.

I do not agree that it is a surrender of a single right that the Congress has, and I want to invite your attention to the text of the measure that has been adopted by the Senate and see if we can find therein, if that provision is enacted into law, where we have surrendered one iota of the prerogatives that belong to the American Congress. Only a delegation of authority has been made to the Chief Executive upon whose shoulders the task of administering the Government within its revenue will fall after March 4, 1933, and since his is the responsibility, the power should likewise be his within the limits of the Constitution.

It has been argued that the Congress ought to undertake the task of reorganizing the Government and cutting down expenses, abolishing bureaus and eliminating this department or that commission. Mr. Chairman, I have only been a Member of this body during this Congress, and during this time it has been a part of my duties to act on the Committee on Expenditures. Before that committee there have been many bills. We spent many days last summer during the first session of the Seventy-second Congress in an honest and a conscientious effort to perfom this task, and there was nothing partisan about it. The question of politics did not enter into the discussion or the consideration of those bills, but here is what we were confronted with: The average Member of Congress is not an expert. His duties are manifold. We were compelled to depend upon the department heads and we were compelled to depend upon the bureau chiefs who are the very men whose departments we were trying to consolidate. They were the men whose bureaus we were trying to eliminate. We were compelled to depend upon them for information, and, without a single exception, they came before the committee armed sufficiently to prove that you could not touch them; that you could not effect any economies by touching their bureau or their commission, but that you ought to go to the other fellow; and when the other fellow came it was the same old story. I am not criticizing those gentlemen. I am stating the facts. They are all efficient enough to make a plausible argument for the maintenance of their bureau, and the Congress need not expect them to come before any committee and admit that their bureau or commission should be abolished. We all know that some should be abolished, and it is imperative that this specific authority be vested in a responsible head.

It is said, Mr. Chairman, that emergencies call for drastic action. We must all concede that this Government is facing an emergency. If it is to continue to render the service to the people that they are entitled to from their Government, then it is incumbent upon us to see to it that some of this expense, that some of these bureaus, and that some of these commissions are abolished and their functions either transferred or done away with.

I am one of those who believe that the least governed people are the best governed people, and regardless of the question of whether the President be a Democrat or a Republican and regardless of all question of politics, I believe this Congress ought to go the full constitutional limit, and when this bill comes back or when the conference report comes back we should act promptly and effectively. I want to call your attention to the words of our President, which he used in submitting the plan that was not approved by this Congress:

> Either Congress must keep its hands off now or they must give to my successor much larger powers and independent action than given to any President if there is ever to be reorganization; and that authority, to be effective, should be free of the limitations in the law passed last year. * * *

He is referring to the act of July 30, 1922, which was a step in the right direction, but which lacks a great deal of going far enough to empower him or anybody else to correct the existing evils.

Quoting further:

> Should be free of the limitation in the law passed last year which gives Congress the veto power, prevents the abolition of functions, and prevents the rearrangement of major departments. Otherwise it will, as is now being demonstrated in the present law, again be merely make-believe.

I know, Mr. Chairman, that the Membership of this House is sincere in its desire to reduce governmental expenses. It matters not whether you or I may agree that this bureau or that bureau shall be abolished. Probably we could not agree, but if conditions are what we are told that they are—in fact, what we know they are, and we know they exist at this time—we should surrender our belief and not object to putting this particular bureau or that particular bureau out of existence. I do not care who he is, he should conscientiously approach the problem in the discharge of his duty of returning the Government to the people and reducing expenses.

Mr. CONNERY. Will the gentleman yield?

Mr. MILLER. I yield.

Mr. CONNERY. The gentleman is looking to solving the question by the President. Does not the gentleman believe that if the President of the United States sent up recommendations as to the abolition of this bureau or that bureau he would get the same action without giving him complete dictatorial power?

Mr. MILLER. They might do it.

Mr. BLANTON. I do not think they would.

Mr. MILLER. I am trying to avoid the same condition that has been confronting the Committee on Expenditures during this entire Congress. There have been meritorious propositions; meritorious bills have come before that committee, and I am sure that every man on the committee and every Member of Congress wants to reduce expenses, but I may have a particular liking for this bureau or that bureau which serves and functions in my district; another Member likes a particular bureau that functions in his district, and neither will give up. I am inclined to agree with the gentleman from Texas when he says that we can not do it—not because we do not cooperate but simply because I will not give up the bureau that serves my district and he will not give up one that serves his.

Mr. BLANTON. The President only can do it.

Mr. MILLER. Mr. Chairman, the work can only be done by some one upon whom the responsibility rests. Some one must have the sole responsibility, and the President is the servant of all the people. He is responsible to them and he must have this power.

It can not be successfully argued that Congress can do it, for the reasons above stated; not that the individual Members are not just as able as anyone and just as desirous of reducing expenses, but because the particular interests of our districts lead us to fight for the retention of the various bureaus. We are afraid to surrender one because we do not know that the other fellow will have to surrender, and so the fight goes on. The President represents all and will not be moved by any partisan consideration nor by any sectional desire. He will be dominated and controlled by the imperative duty to reduce governmental expenses without a corresponding destruction of governmental efficiency in the fundamental activities.

President Taft, upon authority from Congress, reorganized the Customs Service and brought about economies. That work was accomplished in the face of opposition from all over the country. The work of the new President will be assailed, but he can and will do it well, and after it is done will come the fight of the organized minorities for the undoing of the work. Then will come the agitation for the repeal of this law, but I firmly believe that the Congress will be controlled by the desires of the people as a whole rather than by the wishes of the minorities who may be affected by the consolidations, abolitions, and eliminations.

It can not be argued that a commission should be appointed to study the question, because in the past many such commissions have been appointed and have filed their reports after long and careful investigation. The reports contained many useful suggestions, but because of the variety of interests affected none of them could be adopted.

If the proposal be revolutionary, if it be drastic, if it be dictatorial, experience has taught us that the reform can not come unless the authority be lodged in some one who is responsible to all the people, and not to any particular district, interest, or section. That one person is the President, and if we are to save our Government and relieve our people we must act.

[Here the gavel fell.]

Mr. HOLADAY. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. CROWTHER].

Mr. CROWTHER. Mr. Chairman, I listened with a good deal of interest to the statement of the gentleman from Michigan [Mr. Hart] in which he called attention to the decrease in our export trade. Of course his criticism falls flat because our loss in exports is exactly in proportion to the export loss sustained by every other country in the world, and our loss is due to their impoverished condition and consequent reduced purchasing power.

Mr. Chairman, I want to say a word on the subject that we are going to take up on Monday. One of our leading newspapers this morning contained an editorial on this subject of depreciated currency and quoted from the report by the Secretary of Commerce, Mr. Chapin, which is a rather comprehensive statement, although it is brief, and will be found on page 3708 of the RECORD of February 9, 1933. The only thing that the newspaper apparently could find of value from its point of view in that statement was this, which it quoted in the editorial, as follows:

> An examination of the latest available foreign trade statistics does not indicate that we are experiencing what might be termed a flood of imports.

That is the only portion of the statement they thought worth while to quote in the editorial. I wonder why it did not quote this part of the statement, if it wanted to be fair to the reading public:

> From the standpoint of mechanics alone, a lag of several months must occur between the time a foreign currency begins to depreciate and the time when imports of individual commodities begin to increase. The depreciated-currency country must have or develop an exportable surplus. The foreign producer must arrange for United States agents or distributors, who in turn must develop or extend the market. This takes time. Even after this has been done the growth of imports may be temporarily stopped or retarded by "less-than-cost selling" by American producers. But a policy so ruinous and uneconomic can not long be maintained. Statistics for 1932 should therefore be taken, not as a measure of effect, but merely as an indication of the direction in which these forces are working.

The writer of the editorial would not quote a constructive paragraph that illustrates what the final result is going to be in the United States of the continuation of a policy so eminently unfair as that which now predominates.

Mr. Chairman, 145 Members of this body signed a motion to discharge the Committee on Ways and Means from the consideration of the bill, H. R. 8557, known as the Crowther bill, and action will be taken upon that motion on February 13. The title of that bill is "To equalize tariff duties by compensating for depreciation in foreign currency." The Hill bill, H. R. 13999, and the Connery bill, H. R. 14413, are designed to effect the same purpose.

While it is not fair to place the entire blame for our industrial depression on depreciated foreign currency, sufficient evidence was submitted to the Committee on Ways and Means to prove beyond the shadow of a doubt that this condition is a prime factor in the continuation of our industrial stagnation.

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

Mr. CROWTHER. I can not yield at present.

Mr. BLANTON. Just for one question.

Mr. CROWTHER. Very well.

Mr. BLANTON. Why did my friend from New York let them hoodoo his bill by bringing it up on the 13th of the month?

Mr. CROWTHER. Mr. Chairman, I am not as superstitious as the gentleman from Texas. The gentleman would probably run away from a black cat if he saw one. Besides, 13 is a lucky number with me. I have 13 letters in my name, and I think I have been one of the luckiest fellows in the world to be able to serve here all these years with the gentleman from Texas and my many beloved colleagues. Let me give you a list of the industries that are seriously affected by depreciated foreign currency:

Fisheries and fish canning: Washington, Oregon, and California.

Boat builders: Washington and Oregon.

Motor hardware: Washington, Oregon, and California.

Electric supplies, incandescent bulbs, and so forth: Massachusetts, Pennsylvania, and New York.

Electric storage batteries, metal toys, and novelties: Pennsylvania and New Jersey.

Other metal articles: New Jersey, Illinois, Kentucky, Virginia, and California.

Lumber: Missouri, Washington, and Michigan.

Pulp and paper: Washington, Oregon, Massachusetts, Maine, Illinois, Wisconsin, West Virginia, New York, Ohio, and Michigan.

Pottery: New York, New Jersey, Ohio, and West Virginia.

Carpets and rugs: New York, Connecticut, Massachusetts.

Leather: New York, Ohio, and Wisconsin.

Glazed kid: Pennsylvania and Delaware.

Manufactures of cork: Pennsylvania.

It is only fair to say that I have received some 16 letters protesting against the proposed legislation, largely from the converting paper mills.

While our imports have suffered a material reduction as a whole, resulting from our own decreased buying power, there has been a marked increase of importations of many commodities from countries off the gold standard. It is only fair to say that there has been an increase in some commodities from countries still on the gold standard, but in many cases a low gold standard.

France, Germany, Canada, and even the Philippines have protected themselves against loss from this source by suitable legislation, order of council, or proclamation.

If the greatly reduced income of our American workers is to be spent for articles that are made abroad and American goods permitted to remain on the shelves, what hope is there for a resumption of industrial or agricultural activities in this country?

Here is the situation: Foreign nations with their depreciated currency have taken charge of the toll gates at our customhouses and have changed the price of admission to suit themselves. Tariff rates have been destroyed by this process and the foreign goods enter in many cases with less than a fair degree of competition. The element of protection to American industry has vanished and American industry and labor are the victims. How long are we going to permit this condition to prevail? It seems to suit the element that is apparently obsessed with the cult of internationalism, but if protecting American industry and American workmen against a combination of pauper labor and depreciated foreign currency is nationalism, then put me on record as a nationalist. I am for America first, now and forever. [Applause.]

I hope the Members of the House will see the wisdom of enacting this legislation and of reestablishing the rates that we intended to be applied when we passed the Hawley-Smoot bill.

Mr. MAY. Will the gentleman yield?

Mr. CROWTHER. In just a minute.

I believe if we had embarked on this method of legislation 30 days after England went off the gold standard in September, 1931, and when the rest of the nations followed her in rapid succession, if we had adopted this policy of collecting tariff duties on par value of their currency, not only England but many of the other nations would have long ago returned to the gold standard. Every week that we postpone it we are losing an opportunity to drive in a wedge that will urge these nations back to the gold standard and help to stabilize the currency of the world. [Applause.]

We are more than a year late in taking this action. I introduced H. R. 8557 on January 28, 1932, and the gentleman from Oregon [Mr. HAWLEY] and the gentleman from

Washington [Mr. HADLEY] introduced identical bills at that time.

The CHAIRMAN. The time of the gentleman from New York [Mr. CROWTHER] has expired.

Mr. CANNON. Mr. Chairman, I yield 10 minutes to the gentleman from Arkansas [Mr. RAGON].

Mr. RAGON. Mr. Chairman, I am glad we have had what might be termed a "running debate" this afternoon upon this very important question that is to be decided on next Monday.

I would call the attention of the Members to this condition that exists in the district of each of us: Our people are greatly disturbed; it matters not whether it be the most humble workman or the greatest financier in any one of your districts, that man to-day is hoping for some solution of the problem that we have in this great depression.

At first glance this proposition of equalizing the tariff rates with those countries that have resorted to a depreciation of currency appeals to one, whether he is a protectionist or not, but when you turn to clear light of truth upon the question and get the facts surrounding it the legislation that is here proposed is utterly worthless and ridiculous.

I think if I were on the opposite side of the aisle and if I had a distinguished member of my party who happened to be in a place of great authority, namely, the Tariff Commission, and a man who should know more about this than any other one, and then to have been denounced by him for signing a petition to bring an important tariff bill before the House under a petition to discharge the committee, I would certainly stop and try to study the testimony in this case and see if I might not be wrong.

Mr. PITTENGER. Will the gentleman yield?

Mr. RAGON. I will answer the gentleman in just a moment.

Mr. PITTENGER. I just wanted to say that man is not a Republican.

Mr. RAGON. I beg the gentleman's pardon; he is a Republican, and he was appointed by a Republican President.

Mr. PITTENGER. No; I disagree with the gentleman.

Mr. RAGON. Of course the gentleman disagrees. He must disagree. The gentleman is the same gentleman who a while ago said the lame ducks had nothing to do with this legislation.

Mr. PITTENGER. And I meant it.

Mr. RAGON. Yet 84 Members of the 145 who signed that petition are lame ducks. I have nothing against those so unfortunate as to be defeated, but the gentleman must recognize facts.

Mr. PITTENGER. That is one of the finest things they have ever done.

Mr. RAGON. Fifty-eight per cent of the signers of the Republican petition are lame ducks, and then the gentleman tells us they had nothing to do with this legislation. [Laughter and applause.]

Well, it is an old saying that a fellow had better stop and do a little thinking before he does so much speaking.

Now, let us see what are the principles involved in this bill. Our tariff is supposed to represent the difference between the cost of production here and abroad. From the lips of the Tariff Commission, who knows more about this than anyone else, we hear this: There has been a reduction in wholesale costs in this country of 32 per cent. Now, if we have had that much reduction in wholesale production costs in this country, then you are certainly bound to admit that the costs of production have become greatly decreased in this country. Very well. Against that 32 per cent reduction in wholesale prices in this country what do we find in Canada? We find a depreciated currency now, as I recall, of between 20 and 25 per cent. Very well. What is expected by this bill? It is expected to increase the tariff and make it effective upon our present rates, without giving any consideration at all to the cost of production in this country and its reduction within the last two years.

Mr. CROWTHER. Will the gentleman yield?

Mr. RAGON. I can not yield now.

Mr. CROWTHER. The gentleman just made a statement that is very wide of the mark.

Mr. RAGON. Very well.

Mr. CROWTHER. The gentleman said that this legislation did not make any provision for reduction of production costs in this country. In both the Hill bill and my bill there is left a very wide margin between what we shall receive in duties, and what we expected to get under the present tariff law; a very wide margin is allowed for the reduction of our costs, and also for the presumed increase of foreign costs, under the old economic fundamental theory of commodity price rising when currency is debased, which has not occurred, and the gentleman knows that is a fact by the evidence submitted.

Mr. RAGON. I contend that both the Crowther bill and the Hill bill will make the tariff effective just as soon as foreign currency is reduced 5 per cent below par. The very object of these bills ignores domestic cost of production. Find out, if you can, how it would effect a consideration of the cost of production in this country. Of course, that is the very purpose of it, not to consider the cost of production here, because it would not work if you did. The Tariff Commission can do that now. It has only recently done that very thing. If you consider anything but the depreciation of currency, you take it out of the scope of this legislation.

Why, of course, it does not refer to the cost of production in this country. You now have in the flexible clause of the tariff act all the power necessary to do the very thing the gentleman from New York speaks about.

Mr. Chairman, upon what is based the claimed necessity for this bill? You have got to base it upon the proposition that this country is being flooded by imports from other countries. I do not see how in the world any reasonable man could expect it to be invoked in any other way.

What are the facts? The facts are that the imports into this country last year from all sources in volume were 21 per cent under those of 1931. In value they decreased in 1932 something over 30 per cent under what they were in 1931.

Not only that, but the gentlemen have quoted from Mr. Chapin, the Secretary of Commerce, and his statement that there were two hundred and thirty-odd articles listed. Mr. Chairman, if they had taken time to get information from other sources than Mr. Chapin they would find there is listed 277 articles in our hearings. Mr. Page, of the Tariff Commission, testified that of these 277 articles there were only 83 as to which imports had increased last year over the year before. I ask you to think this statement over seriously; he said that of the 83 articles 43 were from depreciated-currency countries and 40 were from countries on the gold standard.

Mr. Chairman, I say these gentlemen must be careful that they do not make themselves the instrument of a half a dozen greedy industries who want to peg their prices in this country.

Now, let us look at a common application of this legislation. Here is Canada with a currency depreciated about 25 per cent. Here is Japan with a 50 per cent depreciated currency.

Mr. CROWTHER. Sixty per cent.

Mr. RAGON. Well, we will say 50 per cent. That will make it better for your side. Here is France, who many years ago cheapened her currency more than any of these countries, and you are not making any provision to meet the French situation at all.

What does this mean? It means against the same article coming from the different countries that in the case of Canada you charge one rate of tariff, in the case of Japan you charge another rate of tariff, but in the case of France you do not charge a penny.

Great Britain is in the same shape as Canada, yet Great Britain walked up to the lick log and paid up every dollar she owed us last December. Nevertheless, you would impose upon Great Britain this extra burden.

[Here the gavel fell.]

Mr. CANNON. Mr. Chairman, I yield to the gentleman from Arkansas 10 additional minutes.

Mr. RAGON. But to France, who was a defaulter, you are giving a crown of glory.

There are fifty-odd countries with depreciated currencies—maybe more; I do not remember the number now. The reason assigned by those men appearing before the committee, Republicans and Democrats alike, why it was impractical of operation was because it set up a different tariff rate on all articles for over 50 countries. In effect it would be levying 50 different rates on the same article.

Mr. Chairman, there must be something wrong when three members of the Tariff Commission come before the committee and say this bill will not do. There must be something wrong when the authorized representatives of the Treasury Department come up there and say this bill is impractical. There must be something wrong when the gentleman who appeared on behalf of the Department of Commerce gave the kind of testimony he did.

Mr. Chairman, this is a serious proposition from another viewpoint. When you increase the tariff against Japan 100 per cent, and increase that against France none, what is going to be the feeling in Japan? When you increase the Canadian duty 33⅓ per cent and increase the French duty none, what is going to be the feeling in Canada?

Mr. Chairman, legislation of this character will simply make a crowd of nations now out of humor with us feel more disposed against us than they have ever felt.

Let us analyze the situation a little further.

You have 67 per cent of your imports on the free list. You have one-half of the remaining 33 per cent of dutiable tariffs, one-half specific duties and one-half ad valorem.

Under your specific duties whenever they depreciate the currency you automatically increase the tariff. For illustration, here is a hat that comes in from Italy worth $4 and they pay $1 specific duty. The currency in Italy depreciates 25 per cent and the hat goes down to $3 and you still retain that specific $1 tax. In order to bring that up and make it effective, what have you to do? You have to increase it one-third of $3 dollars; in other words, you have to increase it 33⅓ per cent to make up for a 25 per cent depreciation in currency.

Mr. Chairman, you are not only increasing it in this way, but you are increasing it upon your ad valorem rates as well to the same extent. You are not only doing this, but you are going into the free list. Have you ever thought about that? Have you ever begun to contemplate that even under the Smoot-Hawley bill, passed when you gentlemen on the Republican side were in power, with a great majority here, 67 per cent of the imports into this country were placed by you upon the free list? Are you willing now with a few slight exceptions, that they shall all have an import duty placed upon them?

I had a gentleman figure it out the other day and averaging the equivalent ad valorem rate over all our imports, it amounts to a rate of 16.9 per cent. Whenever you adopt this legislation you drive up the average equivalent ad valorem rate to over 40 per cent by including the free list.

Mr. Chairman, this is why these gentlemen down here on the commission, Republicans and Democrats, make this statement, and as I said to my friend, SNELL, to-day, there is not one argument for this bill that I can not give you 12 better arguments for depreciation of our own currency.

When did the thought arise that in the depreciation of the currency of the country, the very salvation of our people is to come about? I am not going to answer the question, but I am going to say this. We have been talking about the great advantages of this depreciated currency to these countries. If this is true, then you make the strongest argument for the depreciation of our own currency that could possibly be made.

There is one other thing to remember in this connection. By doing this you might possibly help a score of industries in this country in an infinitesimal way, but they are the only people you will help.

Now, why do I say this? I say this because whenever you increase wholesale prices in this country, that is going back onto the shoulders of a population that now carries 12,000,000 people unemployed. It carries about 55,000,000 of the American population who are partially deprived of their livelihood in the agricultural sections of our country, and there never has been such destitution in the history of this country as there is to-day in agriculture, and there is not a man here who does not know it.

I have been here 10 years, and I have seen many bills come in here for the relief of agriculture. Everybody admits the necessity for this. If you will rehabilitate the agriculture of the country, to-morrow you will start the smokestacks in every New England factory just as soon as the reaction can set in. There is no question about it.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. RAGON. Not now.

But how many of these agricultural relief bills have you even seen where either party ever became so active in support of that they resorted to a petition for the discharge of the committee considering them?

Oh, a handful of factories can go around the country with their propaganda; and as a result we are to undertake to write the most complicated bill there is upon any statute book with 10 minutes of debate on each side. There are millions of people to-day in the agricultural business with their cotton and wheat prices reduced 66 per cent since 1926, whereas the products of the Steel Trust, a beneficiary of this legislation, have only been reduced 19 per cent. Yet, my friends, those people do not get any bills introduced by my friend from New York [Mr. CROWTHER] petitioned out of committee by the gentleman from Wisconsin [Mr. SCHAFER].

I say to you frankly, Mr. Chairman, that almost every day you read upon the front pages of the papers a description of these horrible conditions from the communities that have always furnished the finest examples of manhood to this country; a source that has been so productive in building up the institution of which we are all so proud. These people are standing out there in peasantry and yet you will bring in here a bill that will heap $1,000,000,000 upon their already overburdened shoulders in order to make the big interests of this country smile.

I want to say to my friends of the Republican faith that I thought you had a taste for roughness when you took unto yourselves the parenthood of the Hawley-Smoot bill. On last November the Democratic Party took that bill and they hammered you into insensibility and the people on November 8, holding an inquest, decided that the Republican Party's usefulness in this country was dead.

Mr. SCHAFER. Will the gentleman yield?

Mr. RAGON. No, not now.

Now, what do you do? You have not only got the poor, old Republican Party that has served a great purpose in the history of this country laid out cold on the slab, but now you come along under the leadership of my friend from New York [Mr. SNELL], and the gentleman from Wisconsin [Mr. SCHAFER] and you place upon the cold, poor old Republican Party a shroud in the shape of the Crowther bill. [Applause.]

[Here the gavel fell.]

Mr. HOLADAY. Mr. Chairman, I yield two minutes to the gentleman from Ohio [Mr. COOPER].

Mr. COOPER of Ohio. Mr. Chairman, I have asked for two minutes in order to ask a question of the gentleman from Arkansas. He said a moment ago that if we would do something to relieve agriculture the industrial sections of our country would begin operations and prosper. I would like to ask the gentleman from Arkansas how the industrial sections can prosper when to-day they are suffering from the competition of manufactured products coming from European and Asiatic countries that take the work away from the American laborer employed in our American industries. How is it going to benefit agriculture by passing

relief legislation and put them on their feet again if the industrial manufacturing sections are not thriving?

He spoke about the iniquitous Smoot-Hawley tariff bill. I remember more than two years ago the Democrats were going from one end of the country to the other criticizing the Smoot-Hawley tariff bill as the most iniquitous measure ever put on the statute books. And yet the Democrats have had control of this Congress for two years and not one step have they taken to change one schedule in the Smoot-Hawley tariff bill. [Applause.] The gentleman from Arkansas [Mr. RAGON] says wait until after March 4, and then we will show you how quick we will reduce the rates in the Hawley-Smoot bill. That was your cry two years ago. Your party promised the people you would lower the tariff rates in the Republican tariff act of 1930. Be honest about this, and I want to see if you have the courage to carry out your promise to do so. [Applause.]

Mr. CANNON. Mr. Chairman, I yield one minute to the gentleman from Arkansas [Mr. RAGON].

Mr. RAGON. Mr. Chairman, the gentleman from Ohio is a too high-class Republican, he is too great a statesman, to be the author of such a suggestion as he has just made. It would be frittering away the time of this House for any Democrat, or any Democratic Ways and Means Committee to have undertaken to consider a tariff bill, when we had only a half dozen majority in the House and a Republican Senate that would kill it, and a Republican President who would veto the bill if it should pass. [Applause.]

Mr. HOLADAY. Mr. Chairman, I yield two minutes to the gentleman from Ohio [Mr. COOPER].

Mr. COOPER of Ohio. Mr. Chairman, the gentleman from Arkansas has not answered my question. The Democratic Party carried on a campaign against the Smoot-Hawley tariff bill, and I repeat that his party has been in control of Congress two years and has not endeavored to change one schedule of the Smoot-Hawley tariff law.

I call the gentleman's attention to a matter that came to me a few days ago. It was called to my attention that one of the American steel companies was buying Belgian steel skelp and fabricating it into pipe, and some of that pipe was going into the construction of our Federal buildings.

I called upon the Treasury to make an investigation, and they sent the usual letter that it was not the policy of the department to use any foreign material in the Federal buildings.

I got in touch with them again, and called attention to the fact that this American industry was buying Belgian skelp and fabricating it into steel pipe, and I wanted this investigated. A few days later I received a letter from the Treasury with a copy of a letter from this steel company stating that they were buying Belgian skelp and it was being fabricated into steel pipe and this steel is being sold on the American market in competition with the products of our own steel industry at a cost far below the price we can produce it in the United States. I represent a great steel industrial district, where we have at the present time 20,000 or more unemployed. It is not only steel skelp, but also steel bars, tin, pig iron, and many other steel products being imported into our country to-day from foreign lands. How can the gentleman from Arkansas [Mr. RAGON] stand for and justify the importation of products into our country which is taking business and work from our American industries and American labor. [Applause.]

Mr. CANNON. Mr. Chairman, I yield one minute more to the gentleman from Arkansas.

Mr. RAGON. Mr. Chairman, I want to keep the record straight. It is true that we fought the Smoot-Hawley bill; it is true that we went to the people of this country when we put that up as an issue two years ago, and they turned out an overwhelmingly Republican House and replaced it with a Democratic House; and it is true that again this past year we went to the country on that same issue and they increased our present membership to the largest majority that ever sat here as a majority of either one of the parties. They not only gave us the House but they gave a Democratic Senate and a Democratic President, and we will show the gentleman in two years what we will have been able to do with the tariff.

Mr. HOLADAY. Mr. Chairman, I yield half a minute to the gentleman from Ohio.

Mr. COOPER of Ohio. I know that you made that kind of a campaign and promise to the people, but you have not dared to carry it out.

Mr. RAGON. We could not do it with a Republican President in power.

Mr. HOLADAY. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. MAY].

Mr. MAY. Mr. Chairman, I have listened with a great deal of interest to this round-table discussion or running tariff debate this afternoon, in a consideration of tariff rates that affect business and commerce of this country at the ports of entry, and I have been wondering whether the gentlemen who have talked so readily and ably upon the question of the tariff on imports from foreign countries have awakened to a realization that they are talking about a bear in the woods, while there is a snake at their feet, ready to bite them.

I want to talk this afternoon for just a little while on a tariff at home, that is even more destructive of the commerce of this country than either the Smoot-Hawley bill or the Hoover-Grundy tariff act, or both of them combined, notwithstanding their well-known iniquities. I have reference to the freight rates upon the railroads of this country. In my district the principal industry is coal, and being interested in the subject of coal and the transportation of it to the markets of the Middle West and the Northwest where it is consumed by the constituents of my friend from Wisconsin [Mr. SCHAFER] and by my friend from Michigan [Mr. MAPES] and others in the Northwestern States, as well as my Ohio colleagues, I asked the Interstate Commerce Commission to furnish to me a statement showing the freight rates on coal from the Kentucky fields and the West Virginia fields to the Lake ports. Before I put in the RECORD that certificate showing the table of rates, I call attention to the fact that some of the best high-class steam coal in the world is selling now on the markets at the mine in northeastern Kentucky and West Virginia at 20 cents per ton of 2,000 pounds.

I call attention to the fact that a 50-ton car of coal sold at the mine at 20 cents per ton amounts to the huge sum of $10 per car, and in that price are included the wages of the men who produce it and load it onto the cars, taxes, insurance, mine supplies, and every other charge connected with the production of coal, while the freight rate on that same car of coal from points in eastern Kentucky to the city of Louisville in northern Kentucky is $1.69 a ton of 2,000 pounds, which would make the freight on the $10 carload of coal cost $84.50 for its delivery into the city of Louisville. The freight rate on the same carload of coal from the Kentucky fields to Toledo, Ohio, is $2.64 per ton, which on this $10 carload of coal costs $132 to deliver at Toledo, Ohio, or $122 more than it brings the producer at the mines. The same 50-ton car of coal delivered at Erie, Pa., with a freight rate of $3.06 per ton, costs the producer $153 or $143 more than it brings the producer at the mines; and the same 50-ton car of coal delivered at Buffalo, N. Y., on a freight rate of $3.48, costs the producer $174, which is $164 more than it brings the producer at the mines. Yet Members in the House of Representatives have not yet realized that that is just as much a tariff on the consumer of this country as the Smoot-Hawley or the Hoover-Grundy tariffs are upon the imports into the country. It must ultimately be paid by the man in the Northwest and in the Middle West and at the Lake ports who consumes the coal, and in addition to that he pays a transfer charge of $1.81 for transferring it from the railroad to the boat that takes it across the Lakes to the Lake ports in Michigan and other northwestern points.

I undertake to say that whoever controls the commerce and the finances of the country controls the business of the country. They are dictators, and yet in this country we have two independent offices, the Interstate Commerce Commission and the Federal reserve system which have more

power in the country than the Executive and the Congress combined.

They talk about the Interstate Commerce Commission and the Federal reserve system, and I have heard them denounced, correctly so, upon the floor of this House as the archcriminals of the age. It was during Grover Cleveland's administration that the Interstate Commerce Commission was created, and it was brought forth for the purpose of preventing discriminations and preventing exorbitant freight rates, yet they refused to allow the railroads, who voluntarily offered to do so, to reduce their freight rates on coal from the South to the Lake ports and to the Mid West and the Northwest.

Mr. Chairman, I ask unanimous consent to insert in the RECORD at this point a table of rates, furnished me by the Interstate Commerce Commission.

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

There was no objection.

The matter referred to is as follows:

Present rates on bituminous coal, carloads, from and to various points

[Rates in cents per 2,000 pounds]

Mine	District	Group	Destination	Local	For transshipment f. o. b. car at dock
Algonquin, W. Va	Pocahontas.	3	Toledo, Ohio	[1] 264	[1] 196
Big Sandy, W. Va	Tug River	3	Sandusky, Ohio	[1] 264	[2] 196
			Cleveland, Ohio	[1] 264	
			Erie, Pa	[1] 306	
			Buffalo, N. Y	[1] 348	
Williamson, W. Va	Thacker	5	Toledo, Ohio	[1] 239	[2] 181
Thacker, W. Va	do	5	Sandusky, Ohio	[1] 239	[2] 181
			Cleveland, Ohio	[1] 239	
			Erie, Pa	[1] 286	
			Buffalo, N. Y	[1] 328	
Logan, W. Va		3	Toledo, Ohio	[3] 239	[4] 181
			Sandusky, Ohio	[3] 239	[4] 181
			Cleveland, Ohio	[3] 239	
			Erie, Pa	[3] 286	
			Buffalo, N. Y	[3] 328	
Elkhorn City, Ky. (Eastern Kentucky).		5	Toledo, Ohio	[3] 239	[4] 181
			Sandusky, Ohio	[3] 239	[4] 181
			Cleveland, Ohio	[3] 239	
			Erie, Pa	[3] 286	
			Buffalo, N. Y	[3] 328	
Russell, Ky		4	Toledo, Ohio	[5] 239	[6] 181
Harlan, Ky			do	[5] 239	[6] 181
			Sandusky, Ohio	[5] 239	[6] 181
			Cleveland, Ohio	[5] 239	
			Erie, Pa	[5] 328	
			Buffalo, N. Y	[5] 328	
Elkhorn City, Ky			Cincinnati, Ohio	[3] 179	

[1] Norfolk & Western, 3140-B.
[2] Norfolk & Western, 3141-B.
[3] Chesapeake & Ohio, 11138.
[4] Chesapeake & Ohio, 10436.
[5] Louisville & Nashville, A-16115.
[6] Louisville & Nashville A-16110.

Traffic moving under rates stated above is subject to an additional emergency surcharge of 6 cents per 2,000 pounds.

Mr. MAY. Further, I want to call attention to the fact when you are talking about freight rates and tariff rates, that the freight rates on coal are significant of the fact that they prevail in the same proportion upon cotton and wheat and corn and every other product in this country, and yet the Interstate Commerce Commission, created for the express purpose of regulating freight rates, refuses to allow them to be regulated downward, and holds them at an equilibrium on the upward schedules.

I undertake to say that is what we might call an internal tariff, and railroad freight rates in this country are destroying the country just as much as tariff rates that prevent competition in foreign trade.

Mr. BRIGGS. Will the gentleman yield?

Mr. MAY. I yield.

Mr. BRIGGS. Does the gentleman not think that the excessively high freight rates are probably as chief a factor in the present plight of the railroads as any other factor which enters into their condition?

Mr. MAY. I am quite agreed with the gentleman, and if they were permitted to reduce their freight rates as well as their passenger rates, they would have more traffic and more business. Instead of the coal mines in my section of the country and every other coal field in the country being paralyzed, their miners' houses rotting down and crying for paint and occupied by animals and bats and owls, rather than by happy and industrious tenants, we would have greatly increased business for the coal mines, and resulting larger business and vastly greater revenues for the roads therefrom.

I call attention to the fact that in a certain proceeding before the Interstate Commerce Commission, that has been pending for 20 years, trying to regulate the differentials between coal shipped from the North and South and various fields, Docket 23240 and Docket 23241, Ohio Lake Cargo Coal Association against Baltimore & Ohio Railroad and others, it was shown by the railroad representatives in that proceeding that they were making as much as a dollar a ton profit upon every ton of coal shipped under the present rates from the South to the North.

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

Mr. CANNON. Mr. Chairman, I yield five additional minutes to the gentleman from Kentucky.

Mr. MAY. Under the rates as I have given them to you, and as set forth in this statement, the average mileage of an engine running from Russell, Ky., to Toledo, Ohio, is one trip in 15 hours, with 2 train crews of 5 men. They pull 150 cars carrying 50 tons per car, or 7,500 tons of coal, for which they get $2.39 per ton, or a total sum of $17,925. It is excessive rates and it is excessive profits, and yet the railroads contend that if they were permitted to reduce those rates they could operate and compete with the busses and trucks and other forms of competition which they have.

I undertake to say that we have a situation in America similar to that which existed in 1832, when Andrew Jackson was President. The Bank of the United States undertook to dominate the money market. When Jackson was told by the president of the United States Bank that he controlled 75,000 votes in the United States and if he refused to continue the charter of the National Bank of the United States, he would bring about his defeat, Jackson answered: "That was too damned much power for one man in a free country." I think to-day the Interstate Commerce Commission is given too much power, or permitted to exercise too much power in this country on the question of regulating railroad traffic and freight rates, to the extent that they are destroying commerce throughout the country.

I propose, Mr. Chairman, before the next session of Congress closes, to undertake, if it is within my power to do it, to secure the passage of a bill to control the power of this commission and to give them the privilege only of exercising the functions and purposes for which the act was enacted which created that commission, that of preventing discriminations and exorbitant freight rates, rather than building up an obligarchy in a free country.

The price of the coal which I have mentioned was the lowest available price of which I have received information in the last few months, based on the lowest grade of coal commonly known as nut and slack; and since the mines in the fields referred to prepare their coal by separating it into three to five grades, ranging from nut and slack to a large-size block coal with intermediate grades, I am able to say to the members of this committee that the average of those grades on the market to-day will not exceed 80 cents per ton of 2,000 pounds f. o. b. mines; and using this price, which is the average of all the grades and covers the entire production of the mines, and following the same line of discussion, a 50-ton car of coal loaded in this field, all grades included, at 80 cents per ton, would average $40 per car sales price at the mine. Assuming that this is the average market price at the mines, and taking the average weight of the cars loaded at 50 tons per car, and taking the table of freight rates to which I have referred, each car of coal transported from the mines to Toledo, Ohio, at $2.64 per ton, freight rate, would cost $132 delivered at Toledo, Ohio, which would be $92 more than the price realized by the pro-

ducer; and the same car of coal delivered at Erie, Pa., on a freight rate of $3.06 per ton, would cost for transportation to that point $153, which is $113 more than the coal yields to the producer at the mines and approximately three times the value of the car of coal; and the same car of coal transported from the mine to Buffalo, N. Y., on a freight rate of $3.48 per ton, as shown in the foregoing table, would cost $174, and $134 more than realized by the seller at the mines, which is more than three times the value of the coal.

What is true of coal is true of all other products transported over the railroads, including all agricultural crops, lumber, and all grades of building material and hardware. The commission assumes authority to fix and regulate freight rates, and within its jurisdiction under the law as it now exists it undoubtedly has this power, or at least no court has so far denied it the power to regulate transportation in interstate commerce and fix freight schedules and rates therefor. The power to regulate commerce among the several States is expressly confided to the Congress under the commerce clause of the Constitution of the United States, and yet this commission usurps and arbitrarily exercises the powers and functions of the Congress of the United States.

In the early history of this Government, George Washington, the great leader of the movements of his day, for better and more extended transportation facilities was engaged in building canals and improving navigation of the great waterways by the simple method of removing obstructions therefrom, and to-day one of the great railroad systems of the country carries a marvelously equipped, commodious passenger train bearing the name, the "George Washington," celebrating the bicentennial of Washington's birth. It was the idea of Washington that in order to maintain and bind more closely the Union, the manufacturing industries of the North and East would transport and deliver their manufactured articles throughout the agricultural South in exchange for the produce of the farms of the South and West, and of course he had in mind the transportation and delivery of these goods at that time by boats, barges, and small commercial vessels by water and the stagecoach overland.

Were he to return to-day and walk up to the ticket agent in the Union Station in Washington and ask for a ticket to Alexandria, Va., he would be invited to become a passenger on the "George Washington," and I can imagine his surprise at the comfort, convenience, and beauties of that great train, and likewise I can conceive that he would be more surprised, and perhaps dumbfounded, if he should walk into the chamber of the Interstate Commerce Commission and inquire as to their legitimate functions and be told that these are the men that regulate and control the railroads, say how much they shall charge for the transportation of goods from one section of the country to the other, fix schedules and tariffs for the transportation of the products of the vineyards of California to New York, and of the manufacturing establishments from north to south and east to west and every nook and corner of the continent, and the rates to be charged for the transportation of the vegetables of the truck grower in Florida to the markets of the North and East, he would begin to wonder what has become of the Constitution framed by the convention over which he presided more than 150 years ago, and who created this great branch or department of the Government when he and his compatriots had provided only for three departments: legislative, executive, and judicial.

Washington's great mind would no doubt begin to grasp the whole situation, and presently you would hear him remark, "Such power as this was not contemplated by the framers of the Constitution, and if this commission can wield the powers and functions claimed for it, then it has power to destroy the markets of the wheat growers of the West, the fruit growers of the South and West, the coal producers of the North and East, the cotton farmers of the South, and the manufacturers in the great industrial factories of the North and East alike." Then if some lawyer should step up to the immortal Washington and reveal to him the fact that the great railroads of America that constitute and are the real arteries of commerce can not even, with their own money, install a railroad siding except by order of this commission, he would begin to wonder what has become of the law of competition, and the Constitution of the United States.

The economic life of the Nation depends very greatly upon the methods and means of transportation of the produce of the farm, the mines, the mills, and the factories to the markets of the country, and the railroads of this great industrial country of ours are to it and its commerce what the circulatory system is to the human body. If transportation by reasonable competition is not free and unrestrained, the result is stagnation and paralysis.

The question propounded by the gentleman from Texas [Mr. BRIGGS] was doubtless intended to provoke an argument on the question of the earning capacity of the railroads in connection with the volume of traffic available and the influence of the exorbitant freight rates thereon. The most striking illustration of the blighting effect of the high freight rates as now maintained in the country is, by comparison, made plain by reference to the effect of the provisions of the revenue act of 1932 which required upon first-class mail a 3-cent stamp in lieu of a 2-cent stamp, the result being that by reason of the increased charge there was a depreciation in the amount of business and a resulting loss of many millions of dollars to the Post Office Department, without taking into consideration the fact that failure to use the mails for means of communication naturally resulted in a large decrease in the amount of commercial business transacted. Likewise, if the railroads were permitted to engage in legitimate competition with each other with reasonable regulation and permitted, as they have often sought to do, to reduce their freight rates on the major products of the country, they would enjoy a vastly greater income and, in my judgment, achieve many desirable results not obtainable under the present system.

As I have already stated, the powers accorded to the Interstate Commerce Commission and exercised by it are so arbitrary and unlimited that its orders and regulations amount not to regulation but to confiscation and destruction of the markets of the country. Members of the House may talk all they wish about high protective tariff; they may denounce the Smoot-Hawley and the Hoover-Grundy laws to their hearts' content, but I contend that the most disastrous and destructive tariff system on the face of the earth is the tariff schedules being maintained by the railroads and other means of transportation throughout the country. It has been very aptly said that "competition is the life of trade," and while I do not believe in—nor would I favor—any resort whatever to cutthroat methods of competition between the common carriers, either by land or water, yet I believe one of the chief factors in the destruction of business in this country is the outrageous and exorbitant cost of transportation.

We may pass legislation for the relief of the farmer from interest rates and mortgage indebtedness; we may pass relief measures and continue the unwise practice of giving doles to big business or doles to individuals; we may regulate tariff schedules and thereby improve our foreign trade, but if we do not provide some means by which the prohibitive tariffs embraced in freight and passenger rates now existing upon the railroads of this country will be cut, all of our efforts for relief from our economic difficulties will be of no avail.

During the World War and immediately following it there were flat horizontal increases of freight rates from time to time; first, it was a flat 15 per cent raise and another of 25 per cent in 1918, and another of 25 to 40 per cent in 1920, and yet at that time prices of farm commodities and products of the mines and factories of this country were normal and sufficient to yield a reasonable profit to the producer, and the cost of transportation at that time did not exceed the market value of the produce transported, as is the case in thousands of instances now. The Congress of the United States undertook by resolution to induce the Interstate

Commerce Commission to so adjust their structure of freight and passenger tariffs as to relieve the then supposedly distressing condition of the farmers, and in the CONGRESSIONAL RECORD of June 6, 1924, lengthy debate was indulged in upon the floor of this House upon a resolution proposing to establish and declare the policy of the Congress with respect thereto. The first paragraph of that resolution is as follows:

Resolved, etc., That it is hereby declared to be the true policy in rate making to be pursued by the Interstate Commerce Commission in adjusting freight rates that the conditions which at any given time prevail in our several industries should be considered, in so far as it is legally possible to do so, to the end that commodities may freely move with fair profit to the producer and sold at a reasonable price to the consumer.

Then after directing the commission to make a thorough investigation of the rate structure of common carriers that were subject to the interstate commerce act, the resolution concluded:

In view of the existing depression in agriculture, a basic industry, the commission is hereby directed to effect with the least practicable delay such reasonable and lawful changes in the rate structure of the country as will promote the freedom of movement by common carriers of the products of agriculture affected by that depression, including livestock, at the lowest possible reasonable and lawful rates compatible with the maintenance of adequate transportation service: *Provided*, That no investigation or proceeding resulting from the adoption of this resolution shall be permitted to delay the decision of cases now pending before the commission involving rates on products of agriculture, and that such cases shall be decided in accordance with this resolution.

Thus, it will be seen that the Congress not only declared a policy, but undertook to have it put into practice by the commission, and even went to the extent of directing that rate controversies then pending should be decided in accordance with the resolution. Were it possible to do so, I would be glad to quote at length from the discussions of the membership of this House at that time upon that question, but it is sufficient to say that a joint resolution of January 30, 1925 (U. S. Code, title 49, sec. 55), provided:

That it is hereby declared to be the true policy in rate making to be pursued by the Interstate Commerce Commission in adjusting freight rates, that the conditions which at any given time prevail in our several industries should be considered in so far as it is legally possible to do so to the end that commodities may freely move.

There is something radically wrong in a government where an individual department or commission is delegated the constitutional functions and powers of the Congress to regulate commerce among the several States when it is possible for that commission to so adjust rates and tariffs of freight and passenger rates as to destroy the industries of one section of the country while they build up and promote the industries in another section of the country. All of this is possible and has, in fact, been done as in the case of coal shipped from the southern fields to the lake ports in competition with coal shipped from eastern fields to the lake ports where a freight differential is permitted and adhered to by the commission amounting to 35 cents on each ton of coal; discriminatory and destructive of the business of the southern coal operators, this 35-cent differential is nothing more nor less than imposition of a local tariff that must ultimately come from the pockets of the consumer and result in the paralysis of the business against which it is directed. By reason of this situation, a large number of coal operating companies in the southern fields have been exterminated, completely bankrupted, and their mines abandoned, involving many thousands of dollars, and the few that survive the blighting effects of this freight differential, plus the exorbitant rates otherwise allowed, are practically all in receivership. As a result of prohibitive freight rates prevailing under orders of the commission throughout the country, the rice growers of Arkansas are trucking thousands of tons of rice to Idaho and exchanging it for Idaho beans and potatoes, and the railroads are the losers of the traffic and the revenue to be derived therefrom.

I have already discussed the situation relating to value, and while I do not contend that value is the only criterion for arriving at proper freight charges, it is nevertheless one of the important factors and has a definite bearing on values as well as in determining what the traffic will bear. So far as coal is concerned, the average of freight rates for the year 1932 applicable to the transportation of bituminous coal throughout the country, it is a fact that the freight charges imposed upon coal as a commodity amounted to 64 per cent of the retail sales value of the products at the point of delivery upon the market, so that, as a matter of fact, the remaining 36 per cent of the sales price of coal must take care not only of the cost of production but of the dealers' and retailers' profits to be derived therefrom. In some instances the entire revenue of the railroads received from bituminous coal represents more than 75 per cent of the total gross receipts taken in by the roads in the form of revenue.

The railroads themselves use about 20 per cent of the entire production of bituminous coal for fuel purposes, and as a result of competition of other fuels and forms of energy, the total mass production of coal in the United States depreciated in 1932 approximately 200,000,000 tons, while several hundred millions more have been lost by reason of competing fuels such as gas, fuel oil, and electricity. In view of the fact that the railroads consume from 20 to 25 per cent of all bituminous coal produced and that they receive freights equal to 17 per cent of the freight revenue on all class 1 railroads, 23 per cent on 37 roads, 75 per cent on 5 of the 37 roads, and 50 per cent on 7 of the 37 roads, so that by reason of the failure and refusal of the commission to obey the express mandate of the Congress of the United States by following the policy outlined by the Congress, not only the coal industry is being throttled and destroyed by prohibitive freight rates, but the carriers themselves are being bankrupted by the rates they are required to maintain under the orders of the commission.

In the closing days of this session of the Congress there is little or no hope of any remedial legislation on this subject, and doubtless if a bill should be referred to a committee at this late day in the session, it would not even be accorded a hearing, much less be reported, and any action of this session of the Congress on the subject would doubtless be futile.

The truth of the matter is the railroads have been regulated to death, and while regulation to some extent is necessary, the sooner the railroads are relieved of the clutches of this all-powerful tribunal of the Government and permitted to engage in legitimate competition, the sooner both the railroads and the country will start toward a substantial and lasting recovery. The railroads are being assessed not only upon a high rate of values of their properties, but they are paying multiplied millions in franchise taxes, and being one of the largest industries and, perhaps, the greatest tax-paying organization in the country, they are being required to contribute to the burdens of government, and the money that is being paid by them in the form of taxes is being used by the Government to build canals and waterways and hard-surface roads upon which their competitors are permitted without restraint to indulge in all sorts of competition with the railroads. It is unfair, and everyone knows it, and the trucks and busses should be put under the same regulations or the shackles should be taken off the railroads and they permitted to compete in a legitimate way with their competitors.

As for me, Mr. Chairman, sink or swim, live or die, survive or perish, I propose to exert my energies so long as I am a Member of this House, or until something is done to relieve agricultural and other industries in this country from the grasp of this giant bureaucrat.

The CHAIRMAN. The time of the gentleman from Kentucky has again expired.

Mr. CANNON. Mr. Chairman, I yield one minute to the gentleman from Oklahoma [Mr. HASTINGS].

Mr. HASTINGS. Mr. Chairman, on Thursday last I was privileged to appear before the House Committee on Banking and Currency and there to make an argument in favor of refinancing farm mortgages and in support of a bill which I had introduced for that purpose. In order not to take

up the time of the House this afternoon, I ask unanimous consent to extend my remarks in the RECORD by inserting the remarks which I made before the committee on that occasion.

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

There was no objection.

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

Mr. HASTINGS. Mr. Chairman and gentlemen of the committee, it is unnecessary for me to remind you that the question of refinancing farm mortgages is the most important question before the Congress and before the country to-day. The Bureau of Economics of the Department of Agriculture reports that there are outstanding mortgages on real estate in the amount of $9,241,390,000.

In addition to that amount there are other farm indebtednesses of some $4,283,000,000. So that the farmers are indebted in the amount of approximately $13,500,000,000.

Mr. REILLY. Is that additional indebtedness inclusive of second mortgages?

Mr. HASTINGS. My understanding is that the additional indebtedness does not include second mortgages but includes chattel mortgages and all other indebtedness of the farmer.

Mr. REILLY. Does the amount $9,241,390,000 take in second mortgages?

Mr. HASTINGS. That is my understanding—and I get this information from the hearings before the Subcommittee on Appropriations for the Department of Agriculture, page 739 of their hearings—that is correct.

Mr. WILLIAMS. That is only their estimate of it; that is, there are no absolutely accurate statistics on the subject aside from the reports made by the farm owners—those who operate the farms.

Mr. HASTINGS. That is the best estimate that we have. I think there was a statement in last Sunday's New York Times to the effect that the amount was $9,100,000,000. That is a pretty close estimate of the farm-mortgage indebtedness.

Mr. Chairman, I appreciate that your time is limited. I think I can cover the essential points in a few minutes. I want to make it plain that I favor any one of the bills to relieve the mortgage situation—I have no pride of authorship.

The bill which I have introduced, to refinance farm mortgages, is H. R. 14135, and I should like to explain its provisions.

In the first place, I tried in this bill to avoid as many new set-ups as I could. The administration of the bill is placed under the Farm Loan Board that was created by the act of July 17, 1916.

Second: The bill retains the same districts that have been outlined in the farm land bank system.

Third: The bill creates a new agency, known as the Federal Rural Mortgage Land Bank, to take the place of the farm land bank. The head offices are placed in the same cities where the farm land banks are located, because we want to utilize some of their employes, and benefit from their experience.

In the first place, the bill provides that stock shall be subscribed by the Secretary of the Treasury in the minimum sum of $25,000,000 and may be increased to the maximum sum of $40,000,000, to each of the 12 banks, which would make a maximum amount of $480,000,000.

Every director is appointed by the Farm Board, approved by the Secretary of the Treasury; so that every officer and employee is a Federal officer.

In the fifth place, the bill does away with local loan associations. There is no necessity for them under this set-up. It creates an agent, in the place of a local loan association, who would be authorized to serve one or more counties. Those agents are to receive applications and forward them, make reports upon them and perform such other duties as may be required.

All of these officers are appointed by the Federal rural mortgage land bank and approved by the Farm Board and the Secretary of the Treasury, so that they are all Government officers.

The amount of a loan that may be made to any one borrower is raised to 60 per cent of the appraised value of the land instead of 50 per cent, as under the rural credit bill, and to 25 per cent instead of 20 per cent of the value of the permanent insured improvements.

Now, let me anticipate a question that I know the committee will ask and that is, "Why don't you use the farm land banks"?

I have tried to use them, but I found that farm land banks have outstanding loans in the sum of $1,200,000,000. That is the latest information from the Farm Board of the amount of outstanding loans. A great many of these loans are delinquent and are either foreclosed or in the process of foreclosure.

Another reason is that, in my judgment, you can not exercise the same control over them, because some of the directors are elected by the vote of the individual shareholders that have subscribed for stock in these banks since they were organized in 1916.

Mr. STEVENSON. The directors are not elected by the shareholders?

Mr. HASTINGS. A part of them are.

Mr. STEVENSON. Three of them are elected and three of them are selected.

Mr. HASTINGS. That is correct; I understand that.

Mr. STEVENSON. The board really has control of them.

Mr. HASTINGS. I do not think you can exercise the same complete control over them as you could if all were appointed as this bill provides.

Another provision in the bill is that the Government of the United States guarantees the bonds, both principal and interest. The rural mortgage land banks may issue bonds in the same manner as Federal farm land banks may issue bonds. That would enable them, with the amount of capital stock authorized, to issue bonds in the sum of twenty times the amount of their capital stock and take care of all outstanding mortgages.

While the bill is rather long and technical, it follows almost identically the language of the rural credits bill approved July 17, 1916, with the exceptions that I have indicated and some others I will point out.

Mr. STEVENSON. Is it the purpose to take care of all the land mortgages.

Mr. HASTINGS. The purpose is to take care of any or all who may apply. It is intended to be a permanent and constructive measure.

Mr. STEVENSON. In other words, ultimately it means a transfer into the Treasury of the United States of all the land mortgages in America.

Mr. HASTINGS. No; that is not the purpose and will not be the effect.

Mr. STEVENSON. If they all apply, that is what it means.

Mr. HASTINGS. I do not think so. The bill provides that every borrower should subscribe for stock, just as an individual borrower would take stock under the rural credits bill, and it contemplates at the end of 10 years that the borrowers will own these banks instead of the Government owning them.

Mr. STEVENSON. What percentage of the loan is it contemplated the borrower should take in stock?

Mr. HASTINGS. Five per cent.

Mr. STEVENSON. Five per cent?

Mr. HASTINGS. Yes. These loans are limited in amount to $10,000. That is the limit under the rural credits bill. The minimum amount that one may borrow is $200.

It provides that the Secretary of the Treasury shall subscribe for all the stock. The money is to be advanced by the Reconstruction Finance Corporation. The language is the same as that which provided for money to be advanced under the home loan bank bill. The bill really combines the two.

It provides—and I want to give my reasons for this—against a second mortgage. It provides that in the mortgage that is made there shall be a provision or covenant that the mortgagor will not make a second mortgage. Loans are only made on first mortgages, up to 60 per cent, as I stated a moment ago, of the present value of the land and 25 per cent of the insured permanent improvements.

My judgment is if this bill were passed and competent men appointed as agents representing the banks and the mortgagors, the farmers throughout the country, they would be able to scale down a very large percentage of the amounts of the mortgages and the mortgagees would be glad to accept in lieu of their mortgages liquid money to the amount of 60 per cent of the appraised value of the land, which the banks would be authorized to loan under the terms of this bill.

Speaking from my own personal experience out in my State, I believe that most, if not all, of the mortgagees of farm lands would be willing to accept 60 per cent of the appraised value of the land and release their lien, so that a first mortgage could be taken by the bank—if sold under an order of foreclosure, it may and perhaps would bring less.

It is important that the farmer have some equity left in the farm. If he is allowed to mortgage his land a second or third time, he has no hope to start with to pay off the indebtedness, and the present mortgagor might as well foreclose and take the farm. You are only postponing the evil day.

Mr. GOLDSBOROUGH. Your theory, Mr. HASTINGS, is something like this, as I understand it: The farm lands of the country are now mortgaged for much more than their present value. If the mortgages remain as they are, the farmers will ultimately go into bankruptcy and will be in grief between now and that time. This legislation which you propose may result in scaling down the mortgages to a point where they can come out, if they are thrifty and use ordinary judgment and energy in the management of their business.

Mr. HASTINGS. And have some equity left; yes. In a nutshell, that is what the bill provides and its purpose.

Mr. REILLY. Where are you going to get the money?

Mr. HASTINGS. Through the Reconstruction Finance Corporation.

Mr. REILLY. You will have to have additional money; you will have to sell bonds?

Mr. HASTINGS. Yes. I am glad you asked that question. The bill authorizes this rural mortgage bank to issue bonds exactly under the same terms and in the same language as is provided for in the rural credit bill for farm land banks, not to exceed twenty times the amount of their capital stock.

Mr. REILLY. But they can not draw that rate of interest.

Mr. STRONG. Your idea is that they can sell those bonds with the Government guarantee behind it?

Mr. HASTING. That is what I was going to say.

The bill provides that the Government guarantee the bonds, principal, and interest. Farming is our leading industry, and I think we are justified in going just as far as we can to save the farmers of this country from bankruptcy and ruin. Agriculture should be placed on a parity with industry.

The bonds are to be exempt from all taxation. The Government guarantees them and there is a requirement that the borrowers subscribe for stock of the banks as in the case of farm land banks.

The hope is expressed in the bill that ultimately the borrowers will own and control the banks. When that time comes and they take them over, they can elect their own directors, as they may do in the farm land banks.

Mr. STRONG. What will be the incentive for people to buy bonds in an institution in which the borrowers will eventually control and who are going to manage it? Would you do it?

Mr. HASTINGS. The Government guarantees these bonds and guarantees the interest. Both the principal and the interest are tax exempt.

Mr. STRONG. I was wondering, if you and I are trustees of a fund to invest, how much we would invest in an institution the borrowers of which were eventually going to run and control the system?

Mr. HASTINGS. The bill permits Congress to legislate and release control if and when the stockholders, the individual borrowers, own three-fourths of the stock of the bank and after 10 years. Bonds thereafter issued would not be guaranteed. In my judgment, the bill will provide a means to refinance all distressed mortgages. Many mortgagors will want to make application for loans.

Mr. REILLY. How can you take them over? Are not these farms mortgaged now to their full value and more?

Mr. HASTINGS. If that be true, I do not see how you can help them unless you get the mortgagors to scale down the amount of their mortgage liens. I do not know of any case that has come to my attention where a mortgagee would not be more than glad to scale down his mortgage lien rather than go to court, pay a lawyer's fee and court costs, and be subject to the delay of a decree being entered, wait perhaps a year or two before he can get a deed; as I say, I do not know of any case where a mortgagee would not prefer to take 60 per cent of the value of the land in ready money. I believe that there are thousands of cases of threatened foreclosure of mortgages that could and would be compromised, where the mortgagors would be willing to scale down the amounts and release their liens for liquid money of 60 per cent of the appraised value of the land.

You could get thrifty farmers on the farms and they would retain some equity in their lands.

Mr. GOLDSBOROUGH. How would you get thrifty farmers on the farms?

Mr. HASTINGS. What is the question, Mr. Goldsborough?

Mr. GOLDSBOROUGH. How would this legislation get thrifty farmers on the farms? They may be thrifty already. I am not criticizing the farmers. I think they do more work for what they get than any other class. But how would this legislation assist in getting thrifty farmers on the farms?

Mr. STRONG. They may be thrifty when they go on the farms, but how long does it last?

Mr. HASTINGS. Mr. GOLDSBOROUGH, that is a pertinent question and I want to answer it. This bill provides for the appointment of local agents in the several counties. One agent may serve one or more counties. If the gentleman from Maryland [Mr. GOLDSBOROUGH] were the local agent in his particular county, he would not make a favorable recommendation on the application of a thriftless man for a loan. In that way I think we would weed out a great many of the less thrifty farmers and have the more conservative, economical, hard-working farmers whom you could recommend as being worthy of some moral risk.

Mr. GOLDSBOROUGH. Let me ask you another question, Mr. HASTINGS: Of course, the farm-loan banks have had a great deal of experience with the results of having local agents. The natural tendency is to sympathize with their own people in their desire to get money from the Government. That has been their experience.

Mr. HASTINGS. You are mistaken about land banks having local agents. If you examine the rural credit bill you will see what I mean. Refer to section 15 of the act. Now, I happened to be on this committee when that legislation was passed. Section 15 of that bill provides that the only local agents that may be appointed are banks or trust companies and that they must guarantee the loans. If you will examine that act you will find that provision in section 15 of the act.

Mr. GOLDSBOROUGH. The practical situation in my country is this: In counties where they have the local farm-loan organization they have some man whom they call their agent. They take his judgment and he is the one who actually does the work and to whom they pay some sort of compensation. That is what happens in practice. Of course, in some of the counties, the local organization is not functioning and a loan is applied for direct to the Federal land bank. They send out an inspector from Baltimore, but they also have a local representative. I know that is a fact. That is how it works in practice.

Mr. HASTINGS. I am not talking about the farm agents. I am talking about the agents of the farm-land banks.

You will find you are mistaken about that. The farm land banks do not have any agents in the counties. We have agricultural agents there but no agents of farm land banks. The farm land banks agents, under section 15 of the act of July 17, 1916, must be banks or trust companies, and they must indorse or guarantee the loans.

Mr. GOLDSBOROUGH. I know what they do.

Mr. HASTINGS. Let me say this to you, Mr. GOLDSBOROUGH. I said when the rural credit bill was being framed, that when local loan associations met and formed an organization and secured their loans, that there would be no inducement to meet again.

Mr. GOLDSBOROUGH. If you will allow me, Mr. HASTINGS, I did not finish my question. The insurance companies, for instance, have a local agent who writes insurance, let us say fire insurance. When a loss occurs the agent theoretically represents the insurance company, but actually he represents his client in trying to adjust the loss.

Mr. HASTINGS. That is true.

Mr. GOLDSBOROUGH. How does your bill get away from that local situation?

Mr. HASTINGS. Here is how it does it. The local agent is just a forwarding agent. He would be the preliminary representative of the rural-mortgage land banks. All applications for loans would have to be forwarded to the bank. The bank would have an examiner to pass on the title. The bank would have appraisers of the land whom they send out to view and appraise the land. The loan would not, of course, be made on the appraisement of the local agent at all.

Mr. GOLDSBOROUGH. That is, under your bill.

Mr. HASTINGS. Yes. The appraisement must be made by an appraiser not the agent. This provision is in the exact language of the farm land bank bill. I have only substituted the agents for the local loan associations.

Mr. STEVENSON. Let me suggest there that the local loan associations have been dominated, of course, by the secretary of the association, and he is the agent of the thriftless fellow that you talk about who wants to borrow. He always exhibits to those people who finally pass on the loan his splendid wife and fine children. The old man himself is not worth a darn, but because of his wife and children they think the loan is a good loan, because the wife and children will work it out. That is the situation.

Mr. HASTINGS. Mr. Chairman and gentlemen of the committee, so far as my information goes, there has not been a meeting of any local loan association in my district in the last 10 years. After the local loan association has met and organized and secured the loans for their members from the farm land banks, there was never any inducement for them to meet any more. They are not interested in having any new borrowers to come in and secure loans.

Mr. MCFADDEN. Are they functioning now, are they taking new loans?

Mr. HASTINGS. I do not think the farm-land banks are making any loans now. They are not in my State, certainly not in my district.

Mr. MCFADDEN. The local associations, are they functioning, are they making loans?

Mr. HASTINGS. No.

Mr. STEVENSON. Mr. HASTINGS, I have been watching you for 16 years in the House. You have been a student of this particular problem for a long time. You have always shown a great interest in it. I want to direct your attention to what the tendency is and where it is going to lead us, as it looks to me. You remember once away back yonder there was a country called Egypt and one Joseph, the son of Israel, representing the Government of Egypt, loaned the farmer everything he needed. That was all right, but first he got the capital. We are going the other way. Then he got the land. The Government got it. They have been tenants and peons ever since.

Do you not think we are driving in that same direction, to the point where Uncle Sam is going to own all the land in this country? It will not be owned by Joseph, but it will be owned by the land banks and others.

Mr. HASTINGS. Mr. Chairman and gentlemen of the committee, I do not care to detain you by picturing to you the distressful condition of the farmers throughout the country to-day. You read about their financial condition in every day's paper.

Mr. STEVENSON. I do not have to read it. I am one of them.

Mr. HASTINGS. You have read about the situation in Iowa. The same is true in Wisconsin. The same is true in Oklahoma. The situation as described in Iowa is measurably true in every agricultural State in this country. Let me say that I was amazed, while going about over my district, to be informed that in certain of my counties, 65 per cent of the acreage of the land was foreign owned. In other words, mortgages had been foreclosed either by individuals, insurance companies, or savings banks, or foreign mortgage companies had taken them over. Those farms were occupied by tenants. The improvements were deteriorating, the soil was eroding. The land was becoming less productive.

It is an alarming statement to make that 65 per cent of the land of a county is foreign owned.

Let me suggest another thing, and this, I presume, is true in your own districts. Very few, I would say only a comparative few, are paying taxes in my State. That unfortunately is true. We are getting very little money for current expenses, for running schools or the county government. The payment of taxes is being postponed by legislation. The farmers can't pay them with the present prices of farm products.

We dislike to advertise this condition as obtaining in our own State, but it is true, and it is true, I think, in a large number of other sections of the country. Press reports so indicate.

Mr. MCFADDEN. I did not quite understand all of your statement in regard to the farms being foreign controlled. Do you mean that people outside of the State own this land? What class of ownership is that?

Mr. HASTINGS. Mr. MCFADDEN, I do not have exact information just where the owners of the farms live. Some of them, many of

them, are outside of the State, but I mean to say that the owners do not live on the farms. Many mortgages have been foreclosed. The farms have been taken away from the original owners. They are not being operated, they are not being cultivated by the people who own the lands. I am sorry, but I do not have more definite information to give you in reply to your question.

Mr. McFADDEN. What I was wondering was this: Is there a deliberate control being exercised by outside interests who have come in the State to take control of these lands? For instance, in Oklahoma you have oil lands. Do you think that some of the oil companies are picking up these lands?

Mr. HASTINGS. I do not think so, Mr. McFADDEN. I do not think that the oil companies want these farm lands unless they have prospective oil value for the opportunity to pay taxes on them, any more than individuals or mortgage companies or insurance companies want them.

But a few years ago real-estate mortgages were regarded as the very best investment. A great many agents of insurance companies and mortgage companies and other outside companies, representatives of people with capital, scoured our new State of Oklahoma for real-estate mortgages, advertising money to loan on farm lands.

Farming conditions are very bad now, as Mr. GILCHRIST, of Iowa, stated on the floor of the House the other day. He said corn was selling in his district at 6 cents a bushel. I think it is selling at around 12 to 14 cents in my district. Oats are around 12 to 14 cents a bushel; wheat is selling for from 25 to 30 cents a bushel. As a result of the low price of farm products the farmers have been unable to pay interest, they have been unable to pay taxes. They are bankrupt and discouraged—they need help.

Mr. LUCE. You just touched upon one phase of this subject, Mr. HASTINGS, that has not received the benefit of any discussion here, so far as I know, and that has perplexed me at any rate greatly. You spoke of the decrease in the fertility of the soil of some of these farms. I have seen it stated that fully 40 per cent of the farm lands of this country ought not to be kept under cultivation. They are the marginal lands.

I have wondered whether legislation of this class, testimony concerning which we have been listening to now for some days, and which is widely proposed, does not encourage the continuing cultivation of marginal lands that might, to the common good, be thrown out? And before you answer, I may say that in my own neighborhood, in New England, the ordinary workings of the economic laws led to a large increase in the number of abandoned farms. In recent years, many of them have been taken up for summer use by city dwellers. The problem is no longer serious. But the irresistible laws of supply and demand led to our discarding the lands that were no longer profitable.

Do you think it is wise for us to encourage the owners of marginal lands to continue the inevitable failure of these lands?

Mr. HASTINGS. In reply to the question propounded, I think it would have exactly the opposite effect; because in my judgment agents carefully selected, men of judgment, men of character, would advise prospective borrowers against making application for loans on these so-called marginal lands. They would advise them that there was no hope for them to ultimately pay out on that kind of land. The agents would not make a favorable report on an application to borrow money on that character of land.

Suppose the gentleman, my distinguished friend from Massachusetts, were the agent in his county and of the surrounding counties, and a prospective borrower comes to him and says, "I want to make application to the rural mortgage land bank to borrow money." You would sit down and discuss the matter with the prospective borrower. You would say to him, "John, that is your tract of land out there. I have known it for years. That land is eroded. It is losing its productivity. There is no hope for you to pay out on that land. It is better for you not to make an application for this loan. I am sorry, but I will be unable to recommend favorably your application for a loan on this character, this class of land. It would only bring you to grief in the end. It would be better to deny you now than to have you get a loan and then lose all that you may expend in improving it."

I think that if you picked out the proper men to represent the bank you would discourage just such loans as that and in that way you would weed out the thriftless class and in that way you would get a better class of farmers.

This bill would require borrowers to retain an equity in their farms and they would be able to entertain the hope that at some time they would own unemcumbered their own home.

I have not yet explained to you that the bill provides for payment on the amortization plan. It requires borrowers to add 1 per cent to the interest rate, the same as is required by farm land banks, which makes a total of 4 per cent per annum. One per cent of the 4 would be applied toward the reduction of the principal of the loan. It has been figured out that in thirty-four and a half years, 1 per cent, payable one-half per cent semiannually compounded, will pay off the principal.

Mr. LUCE. Your answer is complete, I think, so far as it goes. But unquestionably some large part of the demand for farm relief that reaches us is coming from men who occupy marginal lands. I do not see how this type of legislation can avoid encouraging their continued occupancy.

Mr. HASTINGS. It depends on the efficiency of the administration. If you get the proper men to administer provisions of the bill, it will work. The bill provides that every single one of these officers shall be a Government officer, Government-appointed, so that they may be selected with care.

Mr. LUCE. In this matter of administration, this committee has learned from time to time of difficulties that may not have come to your attention. In the matter of the farm loan system, for instance, it was brought to our notice that the secretaries of the loan associations in many cases were paying no further attention to developing the farm loan system, but were acting as agents for others.

Mr. HASTINGS. Mr. LUCE, that was the weak spot in that act, as I pointed out when the bill was being drafted. I was a member of this committee when the act of July 17, 1916, known as the rural credit bill, was proposed and reported. The truth is that many secretary-treasurers of local loan associations were appointed without reference to their special fitness. I venture to say that thousands of them should not have been appointed. But under the terms of this bill that is changed. These local agents are not appointed by local loan associations nor upon their recommendation; they are to be selected with very great care by the farm land banks and approved by your Farm Board and the Secretary of the Treasury. So that we should select the best-equipped men in the several counties to represent this new set-up or the new rural mortgage banks that are provided in the bill.

Mr. LUCE. Do you contemplate paying them salaries or a commission?

Mr. HASTINGS. That is to be regulated by the rural mortgage bank.

Mr. LUCE. If commissions, it would tempt them to make these loans, would it not?

Mr. HASTINGS. Their compensation is left to the rural mortgage farm land banks under rules and regulations to be adopted, approved by the Farm Board and the Secretary of the Treasury.

Mr. LUCE. That is all.

Mr. McFADDEN. Mr. HASTINGS, I was interested in your reference to the manner in which applications for loans on these marginal lands, unproductive lands, were handled. What is going to happen to that poor fellow that has got a family and lives on some of that poor land and can not get along? Is he going to lose his place? Are we going to have him as a pauper? Or is he going to be moved onto some of this productive land, or is any assistance to be rendered to him?

Mr. HASTINGS. Mr. McFADDEN, I hope he can be helped. If his land is such that there is any chance or any hope through good advice and assistance of his being able to pay out his loan, then that loan may be recommended and favorably considered. But if it is a hopeless case, if this land is eroded, and can not be terraced, so that it is nonproductive, if there is not any chance of his being able to pay off the loan in the end, you had better be frank with him and deny him the loan now. That is my judgment about it.

Mr. McFADDEN. I was on the committee when the Federal farm land act was passed, as you were, and I recall the discussions. I have watched the operation of the system during these years. I am aware of the fact that these secretary-treasurers of the local loan farm associations went out and solicited loans. They were anxious to build up a big business for their own association. There was not the care exercised that should have been exercised in the determination of values as a basis for these loans. It has resulted in the chaotic condition which we see here, as shown by so many foreclosures to-day. But under the plan you have just set out here of picking these men, these loans are to be approved by local people and then by the Farm Loan Board, and then by the Secretary of the Treasury; is that correct?

Mr. HASTINGS. No, you are mistaken. The bill provides for an approval of the loans by the rural mortgage banks. It does not require the approval of loans by the Farm Board or the Secretary of the Treasury.

Mr. McFADDEN. That is the way I understood you.

Mr. HASTINGS. I regret that I did not make myself clear. The agent would receive the applications and would advise the prospective borrowers of the requirements. The agents would be supplied with blank forms and detailed instructions. They would talk the matter over with each prospective borrower. The chances are that the agent would personally know every farm in the county and when the applicant, the owner of the farm, would come to him to discuss the matter with the agent, the following conversation would take place: "Now, John, is this your 80 acres of land upon which you live that you want to borrow on?"

"Yes."

"What amount of taxes are you paying?" He would give the information.

"What kind of improvements are there on the farm? How much of it is in cultivation?" and so on. The agent would get and report all the facts. But he could not take final action. All he could do is to forward the application and report to the rural mortgage land bank for his district for its consideration and action. First, the bank would have to examine the title and, second, the land would be visited, viewed, and appraised by the bank's appraiser, just as the farm land bank does now, and the appraiser would not be a local man at all. He would appraise the land and report back to the rural mortgage land bank, just as they do to farm-land banks. The application for the loan would not go any further than the rural mortgage land bank that is to be created under the provisions of the bill. In that way consideration of the application for loans will be expedited.

Mr. McFADDEN. I understood you to say that it had to be approved by the board and the Secretary of the Treasury.

Mr. HASTINGS. What I meant to say was that all officers were selected or appointed in that way with the approval of the Farm Board.

Mr. STRONG. Yes; you were referring to the selection of the agents. What compensation do these agents get for taking the application?

Mr. HASTINGS. That would be governed by the rural mortgage land bank and would be covered by their rules and regulations.

Mr. WILLIAMS. Let me ask you this question, Mr. HASTINGS: After all, what would be the difference between the principle involved there and the principle involved in the present plan so far as making the loans is concerned?

Mr. HASTINGS. The bill does away with local loan associations. So far as the present local loan associations are concerned, they do not function and are of no value. I do not believe that many of them have ever had a legal meeting since they were first organized and secured their first loans.

In my judgment as long as you compel a farmer to join one of these local loan associations and make his application through them, that you will not make a success of the system.

I have had pending in Congress since 1916 a bill to amend section 15 of the rural credit bill authorizing the appointment of agents, as is provided for in this bill, rather than through local loan associations; and in that effort I have had the sympathetic assistance of my good friend from Kansas [Mr. STRONG].

Mr. STRONG. You remember, Mr. HASTINGS, that my bill, under which these banks are now operating—that is, the liberalization bill—contained that provision, but they struck it out on the floor of the House.

Mr. HASTINGS. Yes; that is right. I will say that this amendment, which embodies your ideas as well as my own, to amend section 15, had the recommendation of the Farm Loan Board a few years ago. We tried to get it considered, but because of the congestion of the calendar we were unable to get favorable action.

Mr. WILLIAMS. Do you think the cooperative feature of the old system has broken down?

Mr. HASTINGS. Yes. I do not think it is of any value at all.

Mr. WILLIAMS. My original question was this: What would be the difference, after all, in the manner of the approval of the loan? Do they not now depend upon the recommendations of the appraiser for the land bank who is sent out to appraise the land?

Mr. HASTINGS. They do; yes.

Mr. WILLIAMS. And that is your plan, is it not?

Mr. HASTINGS. Yes; that is my plan of appraisement.

Mr. WILLIAMS. He is the one who determines finally whether or not the loan should be made?

Mr. HASTINGS. No; the officials of the bank pass on the loan. The truth is, of course, not only have the land banks lost but insurance companies and all other mortgagees have lost; everybody that has invested in mortgages has lost because of the depreciation in land values. That applies to all classes of business.

Mr. WILLIAMS. Let me ask you this question: You are a man of experience and one who has given a great deal of study to this question. Is there any way out of it except to scale down these enormous values?

Mr. HASTINGS. I do not think so. I think this bill does that in a constitutional way by offering them a certain amount not to exceed 60 per cent of the value of the land and requiring that no second mortgage may be taken. I believe most all mortgagees throughout the country will be glad to accept that amount in full settlement of their indebtedness.

Mr. REILLY. The principal point of your bill is the guarantee of the Government of the payment of the interest.

Mr. HASTINGS. Both the principal and interest of the bonds.

Mr. REILLY. Have you any idea how much that will cost?

Mr. HASTINGS. I do not think the Government is liable to suffer much loss other than, perhaps, the administrative costs. I think that better conditions are going to prevail in this country. I do not believe that corn is always going to sell at from 6 to 14 cents a bushel. I do not believe that oats are going to continue to sell for 10 to 15 cents a bushel, and I do not believe that wheat is going to sell for 25 to 30 cents a bushel. I believe that if you pass a permanent law, one that will operate for a long time so that the farmer can get on his feet and will be encouraged in the belief that some day he will own his own home, it will help greatly toward bringing about better conditions.

Mr. STRONG. If those prices prevail, the more the farmer borrows the worse shape he will be in.

Mr. HASTINGS. Yes; of course.

Mr. MCFADDEN. How is a good appraiser going to arrive at the proper value of a farm to-day under these conditions so as to be able to justify the recommendation of a loan on the farm? Would not any value that he places on it to-day be merely a guess?

Mr. HASTINGS. That is a perfectly legitimate question. Of course values have shrunk. But I think a man could arrive at a pretty fair estimate of the value of good farm lands throughout the country. It would not be the value placed on the land in 1919 or 1920 or 1921. But the appraiser would take into consideration the amount the land was returned for taxes, and what the land would produce; the location; whether they are marginal lands, whether they have eroded; the character of the improvements; and all other factors.

If I were the appraiser I would also take into consideration the moral risk, the character of the applicant, whether he had been a successful farmer, whether he had tenacity of purpose, and his capacity to run the farm.

A great many other factors would enter into the appraisement if I had it to do and if I were the appraiser.

But I think that a pretty fair estimate could be made of the value of farm lands. These appraisers would be selected, not from that particular locality but from various parts of the country, so that they would be familiar at the same time with local conditions and with the value of farm lands generally in those localities.

Mr. WILLIAMS. I should like to ask you for some figures, if you have them. What percentage of farms of this country are mortgaged?

Mr. HASTINGS. These hearings before the subcommittee of the Committee on Appropriations for the Department of Agriculture show that information. The Bureau of Economics gives it as 42 per cent. I am glad you asked that question; I think it is important. It is estimated that 42 per cent of the farms of the country are mortgaged. That is the latest estimate of the Bureau of Economics of the Department of Agriculture.

Mr. WILLIAMS. What percentage of the farms of the country are operated by the owners of the farms, if you have that information?

Mr. HASTINGS. I believe that information is in the hearings before the committee. Of course, the percentage varies in different localities. In New England and in the East they are largely operated by the owners, but as you go West and South the percentage is lower.

Mr. WILLIAMS. You do not have the percentage?

Mr. HASTINGS. The Bureau of Economics gives it as 57.46 per cent operated by the owners.

In conclusion, permit me to recapitulate:

The provisions of the bill which I have introduced (H. R. 14135) create 12 Federal rural mortgage land banks, one to be located in each of the Federal land bank districts under the supervision of the Farm Board and the Secretary of the Treasury, with a minimum capital of $25,000,000 each, which may be increased to $40,000,000 each, to be subscribed by the Secretary of the Treasury with funds furnished by the Reconstruction Finance Corporation, the same as furnished to the home loan banks, for the purpose of making loans to farmers on first mortgages at 3 per cent interest, plus 1 per cent additional to amortize or to be applied upon the reduction of the principal. Loans are provided to be made through county agents up to 60 per cent of the appraised value of the land and 25 per cent of the appraised value of the permanent insured improvements. The rural mortgage land banks are authorized to issue bonds in the same manner as the farm land banks and said bonds, both principal and interest, are to be guaranteed by the Government. All of the directors and other officials are to be appointed by the Farm Loan Board, subject to the approval of the Secretary of the Treasury.

I can not too strongly urge upon the committee the necessity for permanent legislation. Let me make it clear, however, that I favor any one of the many bills pending in Congress which will bring relief to the distressed farmers of the country.

Mr. CANNON. Mr. Chairman, I yield five minutes to the gentleman from Ohio [Mr. FIESINGER].

Mr. KUNZ. Mr. Chairman, I make the point there is not a quorum present.

The CHAIRMAN. Evidently there is not a quorum present.

Mr. CANNON. 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. PRALL, chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the bill (H. R. 14643), had come to no resolution thereon.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment a joint resolution and bill of the House of the following titles:

H. J. Res. 597. A joint resolution to provide appropriations to carry into effect the act entitled "An act to authorize the distribution of Government-owned cotton to the American National Red Cross and other organizations for relief of distress," approved February 8, 1933.

H. R. 11461. An act for the relief of C. N. Hildreth, jr.

The message also announced that the Senate had agreed to the amendments of the House to a bill of the Senate of the following title:

S. 188. An act for the relief of Tampico Marine Iron Works.

The message also announced that the Senate had ordered that the House be requested to return to the Senate the joint resolution (H. J. Res. 533) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska, with accompanying papers.

The message also announced that the Vice President had appointed Mr. METCALF and Mr. COPELAND members of the

Joint Select Committee on the part of the Senate as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of useless papers in the Department of Labor.

ASSESSMENT WORK ON MINING CLAIMS

The SPEAKER laid before the House the following communication from the Senate:

Ordered, That the House of Representatives be requested to return to the Senate a joint resolution (H. J. Res. 533) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska, with the accompanying papers.

The SPEAKER. Without objection, the request of the Senate is agreed to.

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. BANKHEAD, for an indefinite period, on account of death in family.

RADIO ACT

Mr. DAVIS of Tennessee. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 7716, an act to amend the radio act of 1927, approved February 23, 1927, as amended (U. S. C., Supp. V, title 47, ch. 4), and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. DAVIS of Tennesese, BLAND, and LEHLBACH.

PERMISSION TO ADDRESS THE HOUSE

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to address the House for two minutes.

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

There was no objection.

Mr. CONNERY. Mr. Speaker, on Monday the House will vote on the question of considering legislation pertaining to depreciated currency.

Mr. Speaker, there is no subject pending before the Congress of the United States at this time which to my mind is of such vital importance to the American people, American industry, American labor, and American agriculture as is the question of depreciated currency. The fact that producers in foreign countries are willing and able to offer their products in the American market at total landed costs which are less than the American costs of production of similar articles is responsible for the closing of thousands of American factories and workshops and the unemployment of hundreds of thousands of American workers.

Mr. Speaker, the Committee on Ways and Means, as I understand it, takes the position that time does not permit of the study necessary to report a bill to the House. Realizing the importance of the subject, and not wishing to embarrass Members of the House by asking their support for permanent legislation on this subject, I wish to announce that if the Ways and Means Committee is discharged on Monday from further consideration of the Crowther bill, and the bill is considered in the House, I propose to offer the Connery bill as a substitute for the Crowther bill with an amendment which will limit the enforcement of the Connery bill to a period not beyond June 30, 1934.

Mr. Speaker, it will be conceded by every person conversant with present-day conditions that a national emergency exists. The passage of the Connery bill limiting its operation to a period not beyond June 30, 1924, will take care of the present emergency and will permit the Committee on Ways and Means to make a full and exhaustive study, and will give them time to have their conclusions enacted into law by the incoming Congress. At the same time the bill, together with the amendment which I will offer, will save many American industries from utter destruction and will provide employment for hundreds of thousands of American workers now idle.

The bill referred to follows:

H. R. 14413

A bill to protect American labor by equalizing the cost in the United States of articles imported from foreign countries the currency of which has depreciated

Be it enacted, etc., That there shall be levied, collected, and paid upon all articles when imported into the United States or into any of its possessions (except the Philippine Islands, the Virgin Islands, American Samoa, and the island of Guam) from any foreign country, if the depreciation in the currency of such country, as determined by the Secretary of the Treasury, is 5 per cent or more below the standard value of such currency as proclaimed by the Secretary of the Treasury on October 1, 1931, these following taxes, which shall be in addition to the duties collected under existing law as amended by section 3 of this act:

(1) If the amount of the invoice value of the article is ascertained in units of currency of such foreign country—a tax equal to the difference between the invoice value of the article expressed in units of currency of such foreign country and converted to units of currency of the United States at the standard value of the currency of such foreign country as proclaimed by the Secretary of the Treasury on October 1, 1931; and (b) such amount converted to the currency of the United States at the buying rate of the unit of currency of such foreign country as ascertained under section 522 (c) of the tariff act of 1930.

(b) If the amount of the invoice value of the article is ascertained in units of currency of any country (including the United States) other than the country of exportation—a tax equal to the difference between (a) such amount expressed in units of currency of the country of exportation at the current rate of exchange for noon of the date of exportation and converted as provided in paragraph (1) to the currency of the United States at the standard value of such unit of currency of the country of exportation as proclaimed by the Secretary of the Treasury on October 1, 1931, and such amount expressed in units of currency of the country of exportation, and converted as provided in paragraph (1) into the currency of the United States at the buying rate of the unit of currency of the country of exportation as ascertained under section 522 (c) of the tariff act of 1930.

SEC. 2. This act shall not apply to imports of tea, coffee, tin, or rubber, to fruits, or to unmanufactured spices not produced in the United States.

SEC. 3. For the purpose of the assessment and collection of duties under the existing law, the value (whether such value is ascertained in units of currency of the United States or of any other country) of any article provided for in section 1 shall be the value of such article converted to the currency of the United States at the standard value of the unit of currency of the country of exportation as provided for in paragraph (1) or (2) of section 1, as the case may be.

SEC. 4. Terms used in this act shall have the meaning assigned to such terms in the tariff act of 1930.

SEC. 5. This act shall be administered as part of the customs laws.

SEC. 6. This act shall take effect on the day following the date of its enactment.

SENATE BILLS REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and under the rule referred as follows:

S. 254. An act authorizing adjustment of the claim of the Chicago, North Shore & Milwaukee Railroad Co.; to the Committee on Claims.

S. 257. An act authorizing adjustment of the claim of the Baltimore branch of the Federal Reserve Bank of Richmond; to the Committee on Claims.

S. 610. An act for the relief of the Anderson-Tully Co.; to the Committee on Claims.

S. 1067. An act for the relief of Agnes M. Angle; to the Committee on Claims.

S. 1463. An act for the relief of William Powell; to the Committee on Claims.

S. 2203. An act for the relief of John Pearce Cann; to the Committee on Claims.

S. 2374. An act to authorize and direct the Secretary of the Navy to convey by gift to the city of Savannah, Ga., the naval radio station, the buildings, and apparatus, located upon land owned by said city; to the Committee on Naval Affairs.

S. 2469. An act for the relief of Nellie E. Treuthart; to the Committee on Claims.

S. 2519. An act for the relief of Frank I. Otis; to the Committee on Military Affairs.

S. 3008. An act for the relief of Timothy J. Long; to the Committee on Naval Affairs.

S. 3405. An act for the relief of Raymond Ambrose Nichols; to the Committee on Naval Affairs.

S. 3831. An act for the relief of William A. Lester; to the Committee on Claims.

S. 3832. An act for the relief of Zetta Lester; to the Committee on Claims.

S. 3972. An act for the relief of Alva D. McGuire, jr.; to the Committee on Claims.

S. 4085. An act for the relief of Dominick Edward Maggio; to the Committee on Naval Affairs.

S. 4230. An act for the relief of Betty McBride; to the Committee on Claims.

S. 4382. An act for the relief of Wayne Bert Watkins; to the Committee on Naval Affairs.

S. 4480. An act authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Woman's Club, of the city of Paducah, Ky., the silver service in use on the U. S. S. *Paducah*; to the Committee on Naval Affairs.

S. 4674. An act authorizing the Secretary of the Interior to issue patents to the numbered school sections in place, granted to the States by the act approved February 22, 1889, by the act approved January 25, 1927 (44 Stat. 1026), and by any other act of Congress; to the Committee on Public Lands.

S. 4782. An act authorizing adjustment of the claim of Arthur R. Saffran; to the Committee on Claims.

S. 4930. An act for the relief of Avery G. Constant; to the Committee on Claims.

S. 5126. An act to extend the provisions of the Reconstruction Finance Corporation act and the emergency relief and construction act of 1932 to the Virgin Islands; to the Committee on Banking and Currency.

S. 5203. An act for the relief of the Harvey Canal Ship yard & Machine Shop; to the Committee on Claims.

S. 5204. An act for the relief of the Texas Power & Light Co.; to the Committee on Claims.

S. 5205. An act for the relief of the Great Falls Meat Co., of Great Falls, Mont.; to the Committee on Claims.

S. 5207. An act for the relief of Rose Gillespie, Joseph Anton Dietz, and Manuel M. Wiseman, as trustee of the estate of Louis Wiseman, deceased; to the Committee on Claims.

S. 5233. An act to provide for the protection of national parks, battlefield sites, national monuments, and miscellaneous memorials under the control of the War Department; to the Committee on Military Affairs.

S. 5270. An act to authorize the adjustment of a part of the western boundary line of the Plattsburg Barracks Military Reservation, N. Y.; to the Committee on Military Affairs.

S. 5274. An act to regulate service of contest notices in all cases affecting mining locations or claims, and for other purposes; to the Committee on the Public Lands.

S. 5283. An act authorizing the Secretary of the Navy to make available to the municipality of Aberdeen, Wash., the U. S. S. *Newport;* to the Committee on Naval Affairs.

S. 5304. An act to authorize the Secretary of War to sell or dispose of certain surplus real estate of the War Department; to the Committee on Military Affairs.

S. 5305. An act to authorize the Secretary of War to acquire 5 acres of land, more or less, opposite the Mobile National Cemetery, Ala., for use as an addition to said cemetery; to the Committee on Military Affairs.

S. 5325. An act for the relief of Sadie L. Kirby; to the Committee on the Public Lands.

S. 5370. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Farnam Street, Omaha, Nebr.; to the Committee on Interstate and Foreign Commerce.

S. 5413. An act for the relief of the Booth Fisheries Co.; to the Committee on Claims.

S. 5417. An act to extend the operation of the act entitled "An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law," approved April 1, 1932; to the Committee on Irrigation and Reclamation.

S. 5445. An act to extend the time for the construction of a bridge across the Rio Grande at or near Rio Grande City, Tex.; to the Committee on Interstate and Foreign Commerce.

S. J. Res. 238. Joint resolution relating to leave with pay for employees of the Government Printing Office; to the Committee on Appropriations.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 311. An act to approve Act No. 268 of the session laws of 1931 of the Territory of Hawaii, entitled "An act to authorize and provide for the manufacture, maintenance, distribution, and supply of electric current for light and power within the island of Molokai";

H. R. 698. An act authorizing the President to transfer and appoint Lieut. (Junior Grade) Arnold R. Kline, United States Navy, to the grade of assistant paymaster with the rank of lieutenant (junior grade) in the Supply Corps, United States Navy;

H. R. 1225. An act authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Campus Martius Memorial Museum, of the city of Marietta, Ohio, the silver service presented to the United States for the gunboat *Marietta;*

H. R. 2065. An act for the relief of the Great Western Coal Mines Co.;

H. R. 3033. An act for the relief of Ida E. Godfrey and others;

H. R. 5329. An act to amend section 24 of the act approved February 28, 1925, entitled "An act to provide for the creation, organization, administration, and maintenance of a Naval Reserve and a Marine Corps Reserve," as amended by the act of March 2, 1929;

H. R. 5786. An act for the relief of Essie Finger;

H. R. 6637. An act authorizing the President to present a medal of honor to Richmond Pearson Hobson;

H. R. 6733. An act for estimates necessary for the proper maintenance of the flood-control works at Lowell Creek, Seward, Alaska;

H. R. 7385. An act for the relief of Sidney Joseph Kent;

H. R. 7503. An act to repeal the Executive order of November 23, 1909, making the enticing of laborers from the Isthmian Canal Commission or the Panama Railroad a misdemeanor;

H. R. 7506. An act to repeal an ordinance enacted by the Isthmian Canal Commission August 5, 1911, and approved by the Secretary of War August 22, 1911, establishing market regulations for the Canal Zone;

H. R. 7508. An act to provide for the inspection of vessels navigating Canal Zone waters;

H. R. 7514. An act in relation to the Canal Zone postal service;

H. R. 7515. An act to provide for the establishment of a customs service in the Canal Zone, and other matters;

H. R. 7523. An act to amend sections 7, 8, and 9 of the Panama Canal act, as amended;

H. R. 9166. An act for the relief of William E. B. Grant;

H. R. 9385. An act authorizing Roy H. Campbell, Charles H. Brown, G. H. Wilsey, and Dr. H. O. Strosnider, their heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Des Moines River at or near St. Francisville, Mo.;

H. R. 9636. An act to authorize the Postmaster General to permit railroad and electric-car companies to provide mail transportation by motor vehicle in lieu of service by train;

H. R. 9714. An act for the relief of Marion F. Blackwell;

H. R. 11930. An act to provide a preliminary examination of the Green River, Wash., with a view to the control of its floods;

H. R. 12329. An act to establish the boundary lines of the Chippewa Indian territory in the State of Minnesota;

H. R. 13372. An act to extend the times for commencing and completing the construction of a bridge across the Pee

Dee River and a bridge across the Waccamaw River, both at or near Georgetown, S. C.;

H. R. 13523. An act in reference to land in the Bonnet Carre floodway area;

H. R. 13535. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak.;

H. R. 13743. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a free highway bridge across the Illinois and Mississippi Canal near Tiskilwa, Ill.;

H. R. 13744. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a free highway bridge across the Illinois and Mississippi Canal near Langley, Ill.;

H. R. 13770. An act to authorize an appropriation to carry out the provisions of the act of May 3, 1928 (45 Stat. L. 484);

H. R 13852. An act to extend the times for commencing and completing the construction of a bridge across the Rock River, south of Moline, Ill.;

H. R. 13974. An act granting the consent of Congress to Bonner County, State of Idaho, to construct, maintain, and operate a free highway bridge across Pend Oreille Lake at the city of Sandpoint, in the State of Idaho;

H. R. 14060. An act to extend the times for commencing and completing the construction of a bridge across the Columbia River at or near The Dalles, Oreg.;

H. R. 14129. An act to extend the time for completing the construction of a bridge across that portion of Lake Michigan lying opposite the entrance to Chicago River, Ill., and a bridge across the Michigan Canal, otherwise known as the Ogden Slip, in the city of Chicago, Ill.;

H. R. 14200. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Alexandria Bay, N. Y.; and

H. J. Res. 597. Joint resolution to provide appropriations to carry into effect the act entitled "An act to authorize the distribution of Government-owned cotton to the American National Red Cross and other organizations for relief of distress," approved February 8, 1933.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Commitee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 698. An act authorizing the President to transfer and appoint Lieut. (Junior Grade) Arnold R. Kline, United States Navy, to the grade of assistant paymaster with the rank of lieutenant (junior grade) in the Supply Corps, United States Navy;

H. R. 1225. An act authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Campus Martius Memorial Museum, of the city of Marietta, Ohio, the silver service presented to the United States for the gunboat *Marietta*;

H. R. 2065. An act for the relief of the Great Western Coal Mines Co.;

H. R. 5786. An act for the relief of Essie Finger;

H. R. 6637. An act authorizing the President to present a medal of honor to Richmond Pearson Hobson;

H. R. 7385. An act for the relief of Sidney Joseph Kent.

H. R. 9636. An act to authorize the Postmaster General to permit railroad and electric-car companies to provide mail transportation by motor vehicle in lieu of service by train;

H. R. 9714. An act for the relief of Marion F. Blackwell;

H. R. 11930. An act to provide a preliminary examination of the Green River, Wash., with a view to the control of its floods;

H. R. 12329. An act to establish the boundary lines of the Chippewa Indian territory in the State of Minnesota;

H. R. 13372. An act to extend the times for commencing and completing the construction of a bridge across the Pee Dee River and a bridge across the Waccamaw River, both at or near Georgetown, S. C.;

H. R. 13523. An act in reference to land in the Bonnet Carre floodway area;

H. R. 13535. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak.;

H. R. 13743. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a free highway bridge across the Illinois and Mississippi Canal, near Tiskilwa, Ill.;

H. R. 13744. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a free highway bridge across the Illinois and Mississippi Canal near Langley, Ill.,

H. R. 13770. An act to authorize an appropriation to carry out the provisions of the act of May 3, 1928 (45 Stat. L. 484); and

H. R. 13852. An act to extend the times for commencing and completing the construction of a bridge across the Rock River, south of Moline, Ill.

ADJOURNMENT

Mr. KUNZ. Mr. Speaker, I make the point of order there is not a quorum present.

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

The motion was agreed to; accordingly (at 5 o'clock and 30 minutes p. m.) the House adjourned until Monday, February 13, 1933, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

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

932. A letter from the Assistant Secretary of Labor, reporting that the department has an accumulation of miscellaneous material in the Children's Bureau which will be of no further use in the transaction of official business, and that the papers do not possess sufficient historical interest to warrant their preservation in the Library; to the Committee on Disposition of Useless Executive Papers.

933. A letter from the Secretary of War, transmitting a report, pursuant to section 10 of the flood control act of May 15, 1928, dated February 10, 1933, from the Chief of Engineers, United States Army, on Hocking River, Ohio, together with illustrations and accompanying papers; to the Committee on Flood Control.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. BUCHANAN: Committee on Appropriations. House Joint Resolution 597. Joint resolution to provide appropriations to carry into effect the act entitled "An act to authorize the distribution of Government-owned cotton to the American National Red Cross and other organizations for relief of distress," approved February 8, 1933; without amendment (Rept. No. 2000). Referred to the Committee of the Whole House on the state of the Union.

Mr. CANNON: Committee on Appropriations. H. R. 14643. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1934, and for other purposes; without amendment (Rept. No. 2001). Referred to the Committee of the Whole House on the state of the Union.

Mr. NELSON of Missouri: Committee on Agriculture. H. R. 11718. A bill to amend the act entitled "An act to regulate foreign commerce by prohibiting the admission into the United States of certain adulterated grain and seeds unfit for seeding purposes," approved August 24, 1912, as amended, and for other purposes; without amendment (Rept. No. 2002). Referred to the Committee of the Whole House on the state of the Union.

Mr. GLOVER: Committee on Agriculture. H. R. 14266. A bill to authorize the creation of a game refuge in the Ouachita National Forest in the State of Arkansas; with

amendment (Rept. No. 2003). Referred to the Committee of the Whole House on the state of the Union.

Mr. NELSON of Missouri: Committee on Agriculture. House Joint Resolution 513. Joint resolution authorizing the Secretary of Agriculture to issue congressional certificate of merit for 4-H achievement; without amendment (Rept. No. 2004). Referred to the Committee of the Whole House on the state of the Union.

Mr. SANDERS of Texas: Committee on Ways and Means. House Joint Resolution 596. Joint resolution authorizing the President, under certain conditions, to invite the participation of other nations in the Texas Centennial Celebration, providing for the admission of their exhibits, and for other purposes; without amendment (Rept. No. 2005). Referred to the Committee of the Whole House on the state of the Union.

Mr. DAVIS of Tennessee: Committee on Merchant Marine, Radio, and Fisheries. S. 4491. An act amending the shipping act, 1916, as amended, for the purpose of further regulating common carriers by water in interstate commerce of the United States engaged in transportation by way of the Panama Canal; with amendment (Rept. No. 2006). Referred to the Committee of the Whole House on the state of the Union.

Mrs. NORTON: Committee on the District of Columbia. Senate Joint Resolution 248. Joint resolution to amend the joint resolution entitled "Joint resolution to authorize the merger of street-railway corporations operating in the District of Columbia, and for other purposes," approved January 14, 1933; without amendment (Rept. No. 2007). Referred to the House Calendar.

Mrs. NORTON: Committee on the District of Columbia. H. R. 13750. A bill to regulate the bringing of actions for damages against the District of Columbia, and for other purposes; with amendment (Rept. No. 2010). Referred to the Committee of the Whole House on the state of the Union.

Mrs. NORTON: Committee on the District of Columbia. H. R. 13853. A bill to authorize the merger of The Georgetown Gaslight Co. with and into Washington Gas Light Co., and for other purposes; without amendment (Rept. No. 2011). 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. DELANEY: Committee on Naval Affairs. H. R. 4352. A bill for the relief of Luke Francis Brennan; without amendment (Rept. No. 2008). Referred to the Committee of the Whole House.

Mr. GAMBRILL: Committee on Naval Affairs. H. R. 14256. A bill for the relief of Irwin D. Coyle; with amendment (Rept. No. 2009). 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. CANNON: A bill (H. R. 14643) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1934, and for other purposes; to the Committee of the Whole House.

By Mr. RANKIN: A bill (H. R. 14644) to provide for the channeling and improvement of the Tombigbee River, Miss., and for other purposes; to the Committee on Banking and Currency.

By Mr. FIESINGER: A bill (H. R. 14645) to aid in securing a normal and stable commodity price level, through the establishment of an auxiliary monetary reserve of silver and the issuance of silver certificates, under circumstances insuring the maintenance of the gold standard; to the Committee on Coinage, Weights, and Measures.

By Mr. ARENTZ: A bill (H. R. 14646) to extend the mining laws of the United States to the Death Valley National Monument in California, and for other purposes; to the Committee on the Public Lands.

By Mr. RANKIN: A bill (H. R. 14647) to provide for controlling the floods of Town Creek, Miss., and for other purposes; to the Committee on Banking and Currency.

By Mr. HOWARD: A bill (H. R. 14648) providing for an alternate budget for the Indian Service, fiscal year 1935; to the Committee on Indian Affairs.

By Mr. TAYLOR of Colorado: A bill (H. R. 14649) authorizing the Reconstruction Finance Corporation to make advances to the reclamation fund; to the Committee on Banking and Currency.

By Mr. GUYER: A bill (H. R. 14650) to require the employment of American citizens on observation cars, club cars, and sleeping cars used by railroads in interstate commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. CANNON: Resolution (H. Res. 377) to provide for the consideration of certain provisions in connection with H. R. 14643, the District of Columbia appropriation bill for the fiscal year 1934; to the Committee on Rules.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the Council of the City of Buffalo, memorializing Congress to authorize the Postmaster General to issue a special series of postage stamps commemorative of the one hundred and fiftieth anniversary of the naturalization as an American citizen and appointment of Thaddeus Kosciusko as brevet brigadier general of the Continental Army; to the Committee on the Post Office and Post Roads.

Memorial of the Legislature of the State of Nebraska, memorializing Congress in opposition to continuance of Federal gasoline tax; to the Committee on Ways and Means.

Memorial of the Legislature of the State of Washington, memorializing Congress to pass Senate bill No. 5121; to the Committee on Banking and Currency.

Memorial of the Legislature of the State of Delaware, memorializing Congress to enact House Joint Resolution 191; to the Committee on the Post Office and Post Roads.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. HOUSTON of Hawaii: A bill (H. R. 14651) for the relief of Yamato Sesoko; to the Committee on Claims.

By Mr. KURTZ: A bill (H. R. 14652) granting a pension to William L. Shaffer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14653) granting a pension to M. Blanche Gable; to the Committee on Invalid Pensions.

By Mr. MOBLEY: A bill (H. R. 14654) granting a pension to Lonie Pearson; to the Committee on Pensions.

PETITIONS, ETC.

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

10341. By Mr. CARTER of California: Petition of the City Council of the City of Albany, Calif., protesting against any Federal taxation which imposes, or may be interpreted to impose, a burden upon States, State agencies, or publicly owned utilities; to the Committee on Ways and Means.

10342. Also, petition of the board of directors of the East Bay municipal utility district, Oakland, Calif., protesting against any Federal taxation which imposes, or may be interpreted to impose, a burden upon States, State agencies, and/or publicly owned utilities; to the Committee on Ways and Means.

10343. Also, petition of the board of public utilities of the city of Alameda, State of California, protesting against any Federal taxation which imposes, or may be interpreted to impose, a burden upon States, State agencies, and/or publicly owned utilities; to the Committee on Ways and Means.

10344. Also, petition of the City Council of the City of Walnut Creek, State of California, protesting against any Federal taxation which imposes, or may be interpreted to impose, a burden upon States, State agencies, and/or publicly owned utilities; to the Committee on Ways and Means.

10345. Also, petition of the City Council of the City of Pleasanton, State of California, protesting against any Federal taxation which imposes, or may be interpreted to impose, a burden upon States, State agencies, and/or publicly owned utilities; to the Committee on Ways and Means.

10346. Also, petition of the City Council of the Town of Emeryville, State of California, protesting against any Federal taxation which imposes, or may be interpreted to impose, a burden upon States, State agencies, and publicly owned utilities; to the Committee on Ways and Means.

10347. Also, petition of the City Council of the City of Alameda, Calif., protesting against any Federal taxation which imposes, or may be interpreted to impose, a burden upon the States, State agencies, or publicly owned utilities; to the Committee on Ways and Means.

10348. By Mr. CHRISTGAU: Resolution adopted at a meeting of the Spring Valley Parent-Teachers' Association, Spring Valley, Minn., held on November 14, 1932, urging support of Senate bill 1079; to the Committee on Interstate and Foreign Commerce.

10349. Also, resolution adopted by the Peterson Library Club, Peterson, Minn,, urging support of Senate bill 1079 and Senate Resolution 170; to the Committee on Interstate and Foreign Commerce.

10350. Also, resolution adopted by the Harry J. Madsen Post, No. 1173, Veterans of Foreign Wars of the United States, Moose Lake, Minn., urging that favorable action be taken on the measure providing for the immediate cash payment of the adjusted-compensation certificates; to the Committee on Ways and Means.

10351. Also, resolution adopted by the Steele County Bankers Association, Steele County, Minn., urging the repeal of the bank-check tax; to the Committee on Ways and Means.

10352. Also, resolution adopted by the Minnesota Cooperative Wool Growers Association at the annual meeting held in St. Paul, Minn., on January 17, protesting against abolishment or any crippling of the present service of the Federal Farm Board; to the Committee on Agriculture.

10353. Also, resolution adopted by the Woman's Improvement Club, Mazeppa, Minn., urging support of Senate bill 1079 and Senate Resolution 170; to the Committee on Interstate and Foreign Commerce.

10354. Also, resolution signed by citizens of Spring Valley, Minn., protesting against any repeal or modification of the eighteenth amendment, and urging adequate appropriations for law enforcement and for a campaign of education in law observance; to the Committee on the Judiciary.

10355. Also, resolution adopted by St. Paul's Lutheran Congregation, Minneapolis, Minn., urging support of Senate bill 1079 and Senate Resolution 170; to the Committee on Interstate and Foreign Commerce.

10356. By Mr. ERK: Petition of West View United Presbyterian Church, favoring the stop-alien-representation amendment to the United States Constitution; to the Committee on the Judiciary.

10357. Also, petition of the Perrysville Avenue Women's Home Missionary Society of the Methodist Episcopal Church, requesting the enactment of a law which will establish a Federal motion-picture commission, declare the motion-picture industry a public utility, regulate the trade practices of the industry used in the distribution of pictures, supervise the selection and treatment of subject material during the processes of production, and provide that all pictures entering interstate and foreign commerce be produced and distributed under Government supervision and regulation; to the Committee on Interstate and Foreign Commerce.

10358. Also, memorial of Council of the City of Pittsburgh, requesting the enactment of legislation authorizing the Postmaster General to issue a special series of postage stamps commemorative of the one hundred and fiftieth anniversary of the naturalization as an American citizen of Thaddeus Kosciusko; to the Committee on the Post Office and Post Roads.

10359. Also, petition of Perryville Avenue Woman's Christian Temperance Union, Pittsburgh, Pa., requesting the enactment of a law which will establish a Federal motion-picture commission, declare the motion-picture industry a public utility, regulate the trade practices of the industry used in the distribution of pictures, supervise the selection and treatment of subject material during the processes of production, and provide that all pictures entering interstate and foreign commerce be produced and distributed under Government supervision and regulation; to the Committee on Interstate and Foreign Commerce.

10360. By Mr. ESTEP: Resolution No. 12 adopted by the City Council of Pittsburgh, Pa., memorializing the United States Congress to enact legislation which will authorize and direct the Postmaster General to issue a special series of postage stamps commemorative of the one hundred and fiftieth anniversary of the naturalization as an American citizen and appointment of Thaddeus Kosciusko as brevet brigadier general of the Continental Army on October 13, 1783; to the Committee on the Post Office and Post Roads.

10361. By Mr. FITZPATRICK: Petition of the Bricklayers' and Plasterers' Local Union, No. 22, Yonkers, N. Y., urging the passage of Senate bill 5125, known as the Costigan-La Follette emergency relief bill; to the Committee on Ways and Means.

10362. By Mr. GIBSON: Petition of Foster-Crosby Post, No. 73, opposing reduction in the benefits now being paid to the veterans of all wars; to the Committee on Ways and Means.

10363. By Mr. GRISWOLD: Petition of Harry Calmus and 105 other petitioners of Dunkirk, Jay County, Ind., requesting the revaluation of the gold ounce, the placing of gold in competition with silver, and the correction of financial abuses; to the Committee on Banking and Currency.

10364. By Mr. HOWARD: Resolution adopted by the House of Representatives of Nebraska, memorializing the Congress of the United States in behalf of legislation to repeal the packers and stockyards act of August 15, 1921, in so far as it authorizes or permits Federal authorities to fix charges for stockyards services at public stockyards; to the Committee on Agriculture.

10365. Also, resolution adopted by the House of Representatives of Nebraska, memorializing the Congress of the United States in opposition to continuance of Federal gasoline tax; to the Committee on Ways and Means.

10366. By Mr. JOHNSON of South Dakota: Petition of citizens of Groton, S. Dak., favoring the stop-alien-representation amendment to the United States Constitution; to the Committee on the Judiciary.

10367. By Mr. JOHNSON of Texas: Petition of Jack W. Fletcher and 37 other members of the American Legion post of Frost, Tex., favoring passage of the bonus bill and opposing economy measures affecting World War veterans as proposed by the Economy League; to the Committee on World War Veterans' Legislation.

10368. Also, letter of G. B. Dealey, president the Dallas News, Dallas, Tex., opposing House bill 8557, the Crowther bill; to the Committee on Ways and Means.

10369. By Mr. LAMBERTSON: Resolution of the Rotary Club of Leavenworth, Kans., favoring the continuation of the citizens' military training camps and the Reserve Officers' Training Corps, and that adequate appropriations should be made for the continuation of these activities, and disfavoring any untried plan or program for the training, maintenance, and support of the youth of America; to the Committee on Appropriations.

10370. Also, resolution of the Ladies' Aid Society of the Seward Avenue Methodist Episcopal Church, of Topeka, Kans., urging the establishment of a Federal motion-picture commission, and for the regulation and supervision of the motion-picture industry; to the Committee on Interstate and Foreign Commerce.

10371. By Mr. LINDSAY: Petition of Peter Cooper Corporations, New York City, favoring additional tariff on glue

and gelatine to equal depreciated foreign currencies; to the Committee on Ways and Means.

10372. Also, petition of the United States Fisheries Association, William Fellowes Morgan, jr., president, New York City, urging emergency legislation to meet destructive competition from imports priced in depreciated foreign currencies; to the Committee on Ways and Means.

10373. By Mr. Mansfield: Petition of the Woman's Missionary Society of Gonzales County, Tex., opposing the repeal or modification of the eighteenth amendment; to the Committee on the Judiciary.

10374. By Mr. PARKER of Georgia: Memorial of W. W. Gaines, chairman of the Social Service Commission of Georgia Baptist Convention, Atlanta, Ga., urging that no changes be made in our prohibition laws; to the Committee on Ways and Means.

10375. Also, resolution of the General Assembly of the State of Georgia, opposing the reduction of the tariff on imported fruits and vegetables; to the Committee on Ways and Means.

10376. Also, resolution of the General Assembly of the State of Georgia, having for its purpose the securing of information as to the proper valuation of public utilities in Georgia; to the Committee on the Judiciary.

10377. By Mr. RAINEY: Petition of W. G. Hilbert, of Gloversville, N. Y., and 42 other citizens of the State of New York, favoring the Sparks-Capper stop-alien-representation amendment; to the Committee on the Judiciary.

10378. By Mr. RICH: Petition of citizens of the sixteenth Pennsylvania district, protesting against any change in the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

10379. By Mr. RUDD: Petition of the Peter Cooper Corporation, New York City, favoring additional tariff on glue and gelatine to equal depreciated currencies; to the Committee on Ways and Means.

10380. By Mr. SEGER: Petition of American Federation of Silk Workers, favoring the La Follette-Costigan relief bill and the Black-Connery labor bill; to the Committee on Labor.

10381. Also, resolutions from the executive committee, State department, American Legion of New Jersey, favoring adequate national defense; to the Committee on Military Affairs.

10382. Also, petition of Mrs. George Sayre and other members of the Women's Union of the Community Congregational Church of Little Falls, N. J., favoring passage of Senate Resolution 170 and Senate bill 3770, dealing with the motion-picture industry; to the Committee on Interstate and Foreign Commerce.

10383. By Mr. STALKER: Petition of Elwyn D. Swarts and 50 other residents of Hornell, N. Y., R. F. D. 4, 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.

10384. Also, petition of Rev. A. S. Cox and 72 members of the Methodist Episcopal Church at Caton, 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.

10385. By Mr. TAYLOR of Colorado: Petition of citizens of Hotchkiss, Colo., urging the passage of the Capper-Spark bill to prohibit alien representation in apportioning congressional districts in the various States of the Union; to the Committee on the Judiciary.

10386. By Mr. THOMASON: Petition of the Texas and Southwestern Cattle Raisers Association, requesting that cattle, sheep, and goats be not included in allotment bill; to the Committee on Agriculture.

10387. Also, petition of the El Paso Chamber of Commerce, commending work of Hon. L. M. Lawson, international boundary commissioner in the Rio Grande rectification program; to the Committee on Foreign Affairs.

10388. By the SPEAKER: Petition of the Good Government Congress of Jackson County, Oreg., requesting that action be taken to reestablish law and order in Jackson County, State of Oregon; to the Committee on the Judiciary.

SENATE

MONDAY, FEBRUARY 13, 1933

(Legislative day of Friday, February 10, 1933)

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

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, returned to the Senate, in compliance with its request, the joint resolution (H. J. Res. 533) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska, with accompanying papers.

The message announced that the House had passed a bill (H. R. 5261) for the relief of Sard S. Reed, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 7716) to amend the radio act of 1927, approved February 23, 1927, as amended (U. S. C., Supp. V, title 47, ch. 4), and for other purposes, requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DAVIS of Tennessee, Mr. BLAND, and Mr. LEHLBACH were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

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

H. R. 311. An act to approve Act No. 268 of the session laws of 1931 of the Territory of Hawaii, entitled "An act to authorize and provide for the manufacture, maintenance, distribution, and supply of electric current for light and power within the island of Molokai";

H. R. 3033. An act for the relief of Ida E. Godfrey and others;

H. R. 5329. An act to amend section 24 of the act approved February 28, 1925, entitled "An act to provide for the creation, organization, administration, and maintenance of a Naval Reserve and a Marine Corps Reserve," as amended by the act of March 2, 1929;

H. R. 6733. An act for estimates necessary for the proper maintenance of the flood-control works at Lowell Creek, Seward, Alaska;

H. R. 7503. An act to repeal the Executive order of November 23, 1909, making the enticing of laborers from the Isthmian Canal Commission or the Panama Railroad a misdemeanor;

H. R. 7506. An act to repeal an ordinance enacted by the Isthmian Canal Commission August 5, 1911, and approved by the Secretary of War August 22, 1911, establishing market regulations for the Canal Zone;

H. R. 7508. An act to provide for the inspection of vessels navigating Canal Zone waters;

H. R. 7514. An act in relation to the Canal Zone postal service;

H. R. 7515. An act to provide for the establishment of a customs service in the Canal Zone, and other matters;

H. R. 7523. An act to amend sections 7, 8, and 9 of the Panama Canal act, as amended;

H. R. 9166. An act for the relief of William E. B. Grant;

H. R. 9385. An act authorizing Roy H. Campbell, Charles H. Brown, G. H. Wilsey, and Dr. H. O. Strosnider, their heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Des Moines River at or near St. Francisville, Mo.;