

POSTMASTERS

COLORADO

Glema M. Chapin, Crook.
Edward R. Mulvihill, Palisade.

LOUISIANA

Pierre F. Morein, Ville Platte.

MARYLAND

Ralph E. Ireland, Grasonville.
Ernest K. Taylor, Perry Point.

MISSOURI

Ferd W. Goeltz, Bismarck.

NEW MEXICO

Dolores I. Lujan, Des Moines.

NEW YORK

James W. Haines, Mohonk Lake.

WISCONSIN

Alwin W. Kallies, Bonduel.
Clarence G. Lockwood, Markesan.
Bernard J. Rabbitt, Neshkoro.
Cleon E. McCarty, Osceola.
John J. Voemastek, Rib Lake.
Helen T. Donalds, St. Croix Falls.
James S. Kennedy, Shell Lake.
John S. Dodson, Siren.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 23, 1939

The House met at 12 o'clock noon.

Dr. Martin Luther Thomas, D. D., LL. D., pastor of the Bible Presbyterian Church, Los Angeles, Calif., offered the following prayer:

Our Heavenly Father, we come to Thee in the name of Jesus Christ our Lord, thanking Thee for life, health, and divine mercy. We bless Thee for all Thou hast done for us as individuals and a nation. We thank Thee for those noble men who have labored in these halls whose memories make sacred this place, whose labors and sacrifices not only gave us a nation but preserved us as a nation and a people. Our Father, we have not always walked in humility and contrition of heart, but forgive Thou us where we have failed. Upon these men who now compose this honored body, whose hourly and daily responsibilities are great, we humbly beseech Thy wisdom and understanding. Bless the honored Speaker of this Congress, his aides and helpers. Grant unto us as a people, through this body, continued unity, peace, and divine protection, that this Nation conceived and dedicated to the preservation of life, liberty, and the pursuit of happiness might not perish from the earth. Amen.

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

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. St. Claire, one of its clerks, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 17. Concurrent resolution providing for a welcome to the King and Queen of Great Britain on the occasion of their visit to the Capitol on June 9, 1939.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1583. An act to amend the act of March 2, 1929 (45 Stat. 1492), entitled "An act to establish load lines for American vessels, and for other purposes."

HOUSE RADIO PRESS GALLERY

Mr. COCHRAN. Mr. Speaker, I submit a privileged report from the Committee on Accounts for immediate consideration.

The Clerk read as follows:

House Resolution 199

Resolved, That in accordance with the provisions of House Resolution 169, amending rule XXXV of the Rules of the House of Representatives, as adopted by the House of Representatives on April 29, 1939, there shall be paid out of the contingent fund of the House of Representatives, until otherwise provided by law, compensation at the rate of \$2,700 per annum for the services of a superintendent and at the rate of \$1,560 per annum for the services of a messenger for the radio room of the House radio press gallery, the services of the messenger to be provided only during the sessions of the Congress.

The resolution was agreed to.

A motion to reconsider was laid on the table.

DISTRICT OF COLUMBIA MILK INVESTIGATION

Mr. KITCHENS. Mr. Speaker, I present a privileged report from the Committee on Accounts for immediate consideration.

The Clerk read as follows:

House Resolution 194

Resolved, That the further expenses of conducting the investigation authorized by House Resolution 146, incurred by the Committee on the District of Columbia, acting as a whole or by subcommittee, not to exceed \$1,500, including expenditures for the employment of experts, clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by the committee, signed by the chairman thereof and approved by the Committee on Accounts.

The resolution was agreed to.

A motion to reconsider was laid on the table.

THE SOCIAL SECURITY ACT HEARINGS

Mr. JARMAN. Mr. Speaker, from the Committee on Printing, I report back favorably (H. Rept. No. 677) a privileged resolution and ask for its immediate consideration.

The Clerk read as follows:

House Concurrent Resolution 25

Resolved by the House of Representatives (the Senate concurring), That, in accordance with paragraph 3, section 2, of the Printing Act, approved March 1, 1907, the Committee on Ways and Means of the House of Representatives be, and is hereby, authorized and empowered to have printed for its use 5,000 additional copies of the hearings held before said committee during the current session on the bill entitled "Social Security Act Amendments of 1939."

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MARTIN J. KENNEDY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address made by the President last night to the American Retail Federation Forum at the Mayflower Hotel.

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

There was no objection.

(The matter referred to appears in the Appendix of the RECORD, p. 2145.)

REPORT OF BOARD OF VISITORS TO THE COAST GUARD ACADEMY

Mr. BLAND. Mr. Speaker, I ask unanimous consent to file for printing in the RECORD at this point a report of the Board of Visitors to the Coast Guard Academy, consisting of Members of the Senate and the House; and I ask unanimous consent to extend my remarks on the Coast Guard Academy following the report.

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

There was no objection.

The report is as follows:

WASHINGTON, D. C., April 28, 1939.

To the PRESIDENT OF THE SENATE.

To the SPEAKER OF THE HOUSE OF REPRESENTATIVES.

GENTLEMEN: As provided in section 7 of the act approved April 16, 1937, authorizing the establishment of a permanent instruction staff at the United States Coast Guard Academy, the annual Board of Visitors to the Coast Guard Academy was appointed in January of this year, consisting of the following:

Senators: Hon. JOSIAH W. BAILEY, of North Carolina, chairman, Committee on Commerce, United States Senate, ex officio member; Hon. FRANCIS T. MALONEY, of Connecticut; Hon. WALLACE H. WHITE, Jr., of Maine.

Members of the House of Representatives: Hon. SCHUYLER O. BLAND, of Virginia, chairman, Committee on Merchant Marine and Fisheries, House of Representatives, ex officio member; Hon. LINDSAY C. WARREN, of North Carolina; Hon. EDWARD J. HART, of New Jersey; Hon. RICHARD J. WELCH, of California.

In further conformity to the above-mentioned act, the Secretary of the Treasury, under date of March 14, 1939, designated 9 a. m., Thursday, April 20, 1939, as the time for the meeting of the Board of Visitors at the Coast Guard Academy, New London, Conn. Senators JOSIAH W. BAILEY and WALLACE H. WHITE, accompanied by Representatives EDWARD J. HART and RICHARD J. WELCH, left Washington at 10 a. m. April 19, arriving at New London, Conn., at about 5 p. m. the same date, when they were met by the superintendent of the academy and conducted to his quarters on the reservation. The departure of Representative S. O. BLAND was delayed until 1 p. m. on account of a meeting of the Merchant Marine and Fisheries Committee, and Senator MALONEY was unable to leave Washington before 5 p. m. Members of the Board arriving at 5 were entertained at dinner by the superintendent and Mrs. Jones in their quarters. Later the party was joined by Representative BLAND, and motion pictures depicting various phases of Coast Guard life were shown to the members of the Board.

The Board convened the following morning at 9 a. m. and was later joined by Senator MALONEY. The first business upon the assembling of the Board was the election of a chairman, and Representative S. O. BLAND, the nominee of Senator J. W. BAILEY, was so elected. The Board expressed the desire that Commander (E) E. Reed-Hill, United States Coast Guard, act as secretary, a position filled by this officer during the meeting of the preceding Board in 1938.

Admiral R. R. Waesche, Commandant of the United States Coast Guard, and Capt. E. D. Jones, Superintendent of the Academy, were invited to appear before the Board and to bring to the attention of same any pertinent and necessary matters. There was a general discussion of various matters affecting the academy with the exception of the curriculum, which the Board ascertained was satisfactorily taken care of by the advisory committee of the Coast Guard Academy, which, appointed by law, makes recommendations in such matters to the Secretary of the Treasury. The Board discussed and inquired into the following matters:

- (1) Set-up of appropriations for the academy.
- (2) The loss of the two schooners (Gloucester fishing type), one sunk and the other damaged beyond economic repair by the hurricane of September 1938.
- (3) Use of facilities at the academy by the United States maritime service in the Coast Guard training of licensed and unlicensed personnel of the merchant marine.
- (4) The geographical distribution of cadets accepted by the service.
- (5) The number of enlisted men admitted for cadetship.
- (6) The method of obtaining cadets by open competitive examinations held throughout the United States.
- (7) The effect of special preparation for competitive examinations by so-called cram schools.
- (8) The pay and allowances of cadets.
- (9) The handling of cadet funds and cadet messes.
- (10) Need for publicity in obtaining cadet material.
- (11) The proper date for the meeting for the Board of Visitors, probably a few weeks later in the year.

(12) The enactment of legislation authorizing an appropriation for contingencies for the Superintendent of the Academy which was recommended by the previous Board of Visitors and which was approved on this date.

The Board inspected the academy grounds and reviewed the battalion of cadets, after which the members had luncheon with the cadets.

The Board was most favorably impressed with the academy and the administration thereof and finds it a thoroughly modern educational institution of high standards. The Board believes that comparatively few young men are familiar with the advantages of a cadetship in the Coast Guard, and the Board is of the opinion that every reasonable effort should be made to present to the qualified throughout the country the opportunity offered at the Coast Guard Academy for an education and a career.

The Board recommends an appropriation of not to exceed \$200,000 for the construction of a suitable vessel for the training of cadets in the handling of sails—this vessel to be a replacement of the two schooners no longer available due to damage sustained by the hurricane—as the proper training of cadets is being seriously handicapped by the lack of a suitable sailing vessel; that additional funds be made available for replacements, supplies, and repairs to laboratory equipment; and that the act of April 16, 1937, be so amended that when a member appointed in January is unable to attend the annual meeting an additional member may be appointed in his stead.

The Board desires to make mention of the cordial reception and hospitable treatment furnished its members by Captain Jones, the other officers, and cadets at the academy.

Having completed its inspection, the Board departed New London at 2:19 and arrived in Washington at 9:20 that night.

Respectfully submitted.

SCHUYLER O. BLAND, Chairman.
JOSIAH W. BAILEY.
FRANCIS T. MALONEY.
WALLACE H. WHITE, Jr.
EDWARD J. HART.
RICHARD J. WELCH.

ELLIS REED-HILL,
Secretary to the Board.

THE COAST GUARD ACADEMY

Mr. BLAND. Mr. Speaker, the Coast Guard established in 1790 as the Revenue Marine is the national maritime law-enforcement agency of the United States. Its police powers are derived from the laws enacted for the regulations and promotion of American sea-borne commerce. Its growth parallels the maritime development of the Nation. The reasons for the establishment of the service and the duties imposed upon it are so closely interwoven with the history of the commerce and navigation of the United States as to constitute a single theme.

The Coast Guard officer of today must be trained for an organization which is charged primarily with performing important peacetime functions in the maritime field, including instruction and training of licensed and unlicensed personnel of the merchant service, and secondarily with the preparation for national defense in time of war.

At New London, Conn., the Coast Guard Academy, a modern educational institution of high standing, is maintained for the professional instruction of candidates for a commission in the United States Coast Guard. Cadetships at this institution are granted to qualified young men of not less than 17 nor more than 22 years of age following open competitive examinations held throughout the United States annually. The course at the academy requires the completion of 4 full years of study and the work done is well in excess of that ordinarily required for a bachelor of science degree from civilian institutions. In addition to the time given to engineering, seamanship, navigation, and other professional and cultural subjects, the cadet specializes in maritime law and courses related to maritime economics and maritime transportation.

Originally the officers for the revenue marine were commissioned from the merchant service and it is interesting to follow the evolution of the process of obtaining Coast Guard officers. Many of the original appointees had served in the Continental Navy during the Revolution; some were destined to return to distinguished careers in the Navy with the cutters permanently placed on that establishment after the quasi war with France. The cutters thus served to carry on unbroken the traditions of the Revolutionary Navy.

For a period of 85 years officers were obtained from both the Navy and the merchant marine. This had the advantage of providing the service with officers having an understanding of both naval and merchant ship methods. A serious disadvantage, however, was the cleavage between two groups whose background and training were basically dissimilar. Some naval officers detailed to the cutters found the service distasteful, the duties irksome. In consequence, Secretary of the Treasury Louis McLane in 1832 issued orders discontinuing the detail system and providing that vacancies should be filled by promotions made within the service.

During the period that followed junior officers were appointed as third lieutenants. They received their training aboard ship until a vacancy as second lieutenant occurred. The principal disadvantage to this system was that some of the officers appointed to the probationary grade were too old to learn their profession. The need for younger material was recognized, but for many years little was done to remedy the situation.

Finally, Secretary of the Treasury John Sherman secured passage of the law establishing the cadet system. The act of July 31, 1876, provided:

That hereafter upon the occurring of a vacancy in the grade of third lieutenant in the Revenue Marine Service, the Secretary of the Treasury may appoint a cadet, not less than 18 nor more than 25 years of age, with rank next below that of third lieutenant, whose pay shall be three-fourths that of a third lieutenant, and who shall not be appointed to a higher grade until he shall have served a probationary term of 2 years and passed the examination required by the regulations of said Service.

Under this authority a board consisting of Capts. George C. Moore, J. H. Merryman, and J. A. Henriques was convened at Washington in December 1876 to hold the first examinations for cadetship. As a result of this examination 8 of the 19 candidates were appointed. The schooner *Dobbin* was overhauled and fitted as a school ship and Captain

Henriques appointed to command. On May 25, 1877, the *Dobbin* sailed on the first practice cruise. Her complement was 3 officers, a surgeon, 6 warrant officers, and 17 men in addition to the 8 cadets.

On October 15 the *Dobbin* arrived at New Bedford, Mass., which had been chosen as winter headquarters, and the first academic term began. Prof. Edwin Emery, of Whitinville, Mass., was appointed to teach algebra, history, English, and French. The two lieutenants taught navigation, seamanship, and gunnery.

In the meantime plans had been drawn for a new cadet training ship. This vessel, named after Secretary of the Treasury (later Chief Justice) Salmon P. Chase, was bark rigged, 106 1/4 feet long, 25 1/2 feet beam, armed with four 4-inch guns. The cadet steerage had accommodations for 12 cadets in six staterooms. The *Chase* replaced the *Dobbin* in the summer of 1878, and for the next 12 years operated under the system originally provided, that is, in port for academic instruction during 8 or 9 months of the year, and cruising for practical instruction during the other 3 or 4 months.

In 1890 there was a surplus of graduates of the naval academy. The *Chase* was accordingly placed out of commission and for the next 4 years the lower grades were filled by appointments from this surplus. In May 1894, in consequence of the absorption by the Navy of all graduates of the academy, the *Chase* was recommissioned and a new class appointed under the previous system.

Under the operation of the act of March 2, 1895, the retirement of officers who previously had been retained on the active rolls of the service under "waiting orders", and the promotions incident to these retirements entirely exhausted the grade of third lieutenant. In order to provide the large number of officers required to fill the junior grade, the *Chase* was lengthened by 40 feet, cadet accommodations increased to 12 double rooms, and the system of instruction completely reorganized. Under the new scheme entrance requirements were materially raised with the idea of obtaining cadets whose scholastic education would be practically complete before appointment, thus leaving the 2-year course open for technical and professional instruction. This required a change in the division of time between cruising and port instruction to 7 months at sea and 4 months in port. During the remaining month the practice cutter underwent an annual overhaul and the cadets were granted leave.

The course of instruction at this time was mainly in seamanship, navigation, marine surveying, compass correction, naval architecture, gunnery, and law. Instruction in marine engineering was rudimentary as there was no machinery aboard the *Chase*. The engineer officers of the service constituted a separate corps and were obtained from graduates of engineering schools.

Beginning in 1900 the *Chase* made its winter headquarters at Arundel Cove, near Baltimore. Here in a few frame buildings converted to serve as classrooms the school of instruction established its first shore roots. In 1903, Congress authorized the extension of the course to 3 years.

The act of June 23, 1906, authorized the appointment of two civilian instructors and also provided for the appointment of cadet engineers to serve a probationary time of at least 6 months. After the passage of this act, the curriculum was completely revised. The policy of teaching only professional subjects was abandoned; history, English, physics, and chemistry were added; the course in mathematics was increased in scope. A course for cadet engineers was provided and the instruction of line cadets in engineering was broadened. Cadets were required to agree to serve for 3 years after graduation.

In 1907 the *Chase* made her last cruise. As a parting gesture to the age of steam that had overtaken and passed her spotless hull, she sailed in review before the massed fleets of the navies of the world gathered, 140 strong, in Hampton Roads to celebrate the three-hundredth anniversary of the settlement of Virginia. For 30 years this beautiful ship had served both as a home and school for the future officers of the service. The next 30 years were destined to

hold greater changes in navigation than the previous three centuries. The era of sail was dead.

The *Chase* was replaced by the *Itasca*, a brig-rigged steamer. The cadet corps had grown from 8 to 60. From now on engineering began to play a more important part in the course of instruction and additional shore facilities for this branch became necessary. After a survey of available locations, negotiations were begun with the Army which resulted in the transfer of Fort Trumbull, in New London, to the service. Here further changes were made in the curriculum; the course for cadet engineers was lengthened to 1 year.

In 1915 the Revenue-Cutter Service and Life Saving Service were consolidated to "constitute a part of the military forces of the United States." This increased the scope of operation of the service materially, and increased its effectiveness as an arm of the national defense.

During the next few years the problem of crowding into a 3 years' course the variety of instruction demanded by the service became acute. The intervention of the World War, during which the academy was turned into a training station for the Navy, overshadowed this problem for the time being, but the end of the war brought it again into the foreground.

The post-war period was one of rapid change for the Coast Guard. Aviation had been introduced; numerous added duties imposed. In order to combat the rising tide of smuggling after the passage of the National Prohibition Act the Coast Guard fleet was greatly expanded and a temporary increase in officers and men to man this fleet was authorized in 1924. Finally in the act of July 3, 1926, a permanent increase in the officer personnel was authorized, the line and Engineers Corps were consolidated and the Secretary of the Treasury was given discretion to increase the course of instruction to 4 years. In 1929 the construction of a new academy on a site provided by the city of New London was authorized. In 1930 the 4-year course was inaugurated. In 1932 transfer to the newly completed academy was effected.

With the provision of this modern and completely equipped plant matériel requirements are adequately met. The principal changes since then have had as their objective the improvement of the course of instruction so as to take full advantage of the facilities provided.

With this in mind the Commandant, in 1934, asked the presidents of Columbia, Harvard, and Yale Universities and Massachusetts Institute of Technology each to nominate a member of the faculty to serve as members of an advisory committee to recommend changes in the course of instruction. The work of this committee in laying out a sound curriculum and their continuing interest in the improvement of this course has been invaluable. As a result of their recommendations a permanent staff of professors and instructors was authorized by the act of April 16, 1937. This act also provided for the appointment of the advisory committee and of a board of visitors composed of three Senators and four Members of the House of Representatives.

This legislation, enacted almost exactly 60 years from the date the first cadet reported on board the *Dobbin*, has served to crown the efforts of those early officers whose foresight has provided the Coast Guard with the complete facilities now available for the education of its future officers.

The Coast Guard is a military service. It was founded as such by Alexander Hamilton, who recommended that its first officers be commissioned by the President, on the ground that "it will not only induce fit men the more readily to engage but will attach them to their duty by a nicer sense of honor."

The system of discipline established at the academy is accordingly military in character. Its purpose is to develop the qualities of leadership upon which the success of any service largely depends.

For this two instruments are available—the cadet battalion ashore and the practice cruise at sea.

Each newly appointed cadet takes his place in the battalion, where his military instruction begins. Discipline at the academy centers in this organization, which is officered throughout by cadets selected on a basis of seniority and proficiency under the supervision of the tactical officers assigned. Military responsibilities are laid on gradually, and promotion to

cadet company and battalion officers in the first class year come as a reward for the demonstration of military character, proficiency, and leadership.

The annual practice cruise begins about June 1 and is of 2½ months' duration. The first and third classes embark on the latest class of cutters for a foreign cruise of about 10,000 miles. The itineraries of these cruises are planned to include carefully selected ports in European and South American waters. While in port, tours to places of historical and scientific interest are arranged. These trips are of considerable cultural value. During the cruises a cadet makes while at the academy he may have the opportunity of observing widely separated nationalities in a score of foreign countries in Europe, Africa, South America, and the West Indies.

The second class makes shorter coastwise cruises in sail and on patrol boats of the service, while the newly appointed class which reports in August is also given several week-end and other short cruises to accustom them to their future service afloat.

Aboard ship the cadets take their places in the regular ship's organization. They stand watch on deck and in the engine room according to their experience, navigate, man the battery and boats, steer and heave the lead. In the complex ship routine they apply the theory they learn in their classes ashore and learn the practical uses of seamanship, navigation, engineering, and gunnery.

In the course of the cruise they complete the firing course in rifle, pistol, and machine-gun practices at a Coast Guard range. Toward the end of the cruise they join other ships of the service in the course of battle practice prescribed for all Coast Guard ships.

The cadet's day begins with reveille at 6 a. m. Ten minutes later assembly sounds, the battalion marches to the dock, and mans the flotilla of ships' boats for a half hour's pull. Breakfast formation is at 7:05. After breakfast the cadets make their beds and prepare their rooms for inspection. At 7:45 the battalion is formed for inspection and marched to class for the first recitation at 8. Recitation and study periods of 1 hour each follow until noon. Fifteen cadets constitute a class section. Lunch formation is at 12:15 p. m. Recitations and laboratory work are resumed at 1 and continue until 3, when an hour of supervised physical training is held. The period from 4 to 6 is devoted to team practice and other sports. Dinner formation is at 6:15. From 7 to 10, study hours are observed. Taps at 10:10 ends the day.

Military drill is held 3 days a week in 1-hour periods. Liberty is granted on Wednesday afternoon from 4:15 to 6, on Saturday afternoon from 1 to midnight, and on Sunday from after chapel to 7 p. m.

During the practice cruise, ship routine is observed.

Leave is granted for 1 week at Christmas and for 3 weeks at the end of the practice cruise.

The Academy occupies a reservation of 45 acres overlooking the Thames River at New London, Conn. Built as a unit at a cost of two and three-quarter million dollars in 1932, the red brick buildings of colonial Georgian architecture are both pleasing in appearance and effectively planned.

The administration building, Hamilton Hall, named for the first Secretary of the Treasury, contains the administrative offices, board rooms and a library, on whose walls are murals descriptive of service history. The library contains about 12,000 volumes, which are now added to at the rate of about 2,000 volumes a year. The entire second floor is occupied by a sick bay of 20 beds, completely equipped with operating, X-ray, chemical, and dental laboratories.

Flanking Hamilton Hall to the southward is the academic building, Satterlee Hall, named for Capt. Charles Satterlee, who, with his entire crew, was lost in the cutter *Tampa*, torpedoed by a German submarine in the World War. Classrooms and laboratories for electricity, radio, metallurgy, physics, and chemistry are located in this building.

To the northward of Hamilton Hall is Chase Hall, the cadet barracks, named for Salmon P. Chase, Lincoln's Secretary of the Treasury, and afterward Chief Justice of the Supreme Court. Cadet rooms, arranged on three "decks," are assigned in accordance with the battalion organization. The

first deck also contains the first class and the second and third class recreation rooms; the fourth class rates no recreation room. This deck also contains offices for the officers of the day, both cadet and commissioned, and the commandant of cadets. The basement contains a well-equipped, small-bore rifle range.

Across the quadrangle from Chase Hall is the cadet mess hall and galley.

Directly behind Hamilton Hall is the engineering building, McAllister Hall, named for Capt. Charles A. McAllister, engineer in chief of the Coast Guard from 1905 to 1919 and later president of the American Bureau of Shipping. This building contains machine and carpenter shops, foundry, and an engineering laboratory, which is one of the best arranged and most up to date of any in the country. Complete steam, Diesel, and gasoline engine ship installations, auxiliary machinery, aircraft engines, and testing instruments are laid out so that they may be moved and hooked up as required for tests. The equipment includes a full-sized working fire room and auxiliary engine room of the type found aboard a modern cutter, complete with forced draft, air lock, and measuring tanks.

South of McAllister Hall is the enlisted men's barracks, Yeaton Hall, named for Hopley Yeaton, the first commissioned officer of the Service.

Behind Yeaton Hall is Billard Hall, named for Admiral Frederick C. Billard, superintendent of the Academy at the outbreak of the World War and Commandant of the Coast Guard when the new Academy was authorized. The main floor of this building contains a large gymnasium, a gunnery spotting range, a stage, and a trophy room, in which is housed the Perham collection of small arms and numerous athletic trophies.

The lower level contains a 60-foot swimming pool, showers and locker rooms, and squash court. On this same floor is the armory, containing small arms, types of guns used in the Coast Guard from 1-pounder to 5-inch, fire-control equipment, wrecking mines, depth charges, and ammunition samples.

Extending north from Billard Hall is Jones Field, named for Cadet Henry L. Jones, '29, lost at sea, July 3, 1927. On the wall bounding this field is a section of the giant chain which was stretched across the Hudson River at West Point to prevent the passage of British warships.

Below Billard Hall and overlooking the river from a high rock is the observatory with its traditional "walk" and gallery. Opposite the observatory is the rigging loft, scene of the annual ring dance, at other times devoted to the more prosaic uses of instruction in seamanship and storage of boat gear.

The waterfront extending from a wharf at the south at which the largest cutters may lie, to the seaplane ramp at the north provides facilities for the fleet of small boats used for instruction and a filled-in field used for housing visiting airplanes.

Officers' quarters, occupying the high hill bounding the reservation to the southward, complete the academy's physical plant.

The academy was designed to accommodate 208 cadets but is capable of handling 312 by berthing 3 in a room. Shops, laboratories, classrooms, and other facilities are capable of handling this expansion. The usefulness of this provision has already been demonstrated for with the establishment of a Maritime Service Training School for officers of the merchant marine at Fort Trumbull, the shops and laboratories at the academy are used for the practical instruction of this group.

Individuals pass through the academy as their classes graduate, the cadet corps remains to hand down the customs that have become a part of its tradition. These customs have evolved into a way of living distinctive of the academy. The cadet corps as repository of this heritage plays an important part in academy life. It serves not only to temper the rigor of the course of instruction but to build up morale by sponsoring the various extra-curricular activities that constitute an important part of academy life.

These activities afford a welcome break in the routine, provide the important factor of social relaxation and encourage initiative and sportsmanship.

Besides the regular physical instruction provided in the routine, the academy maintains intercollegiate schedules in football, basketball, baseball, boxing, swimming, rifle, cross country, tennis, and sailing. Intramural competition in these sports and in soccer supplement the varsity schedules. Competition is in general confined to nearby New England colleges, among which are Trinity, Wesleyan, Amherst, Connecticut State, Clark, Massachusetts State, Worcester Tech, Norwich University, and Middlebury. In boxing, which is considered a major sport because of its value in promoting courage and self-reliance, schedules are maintained with the leading eastern colleges, including Yale, Rutgers, Western Maryland, and Syracuse. The boxing squad is normally as large as the football squad. Cadets who have been awarded varsity insignia by the athletic association for playing on the various teams are eligible to membership in the Monogram Club. The wide participation by cadets in all forms of athletic sports is indicated by the fact that more than one-third of the corps as a rule are members of the Monogram Club.

Small-boat sailing, while classed as athletics, is also encouraged as a useful recreational activity. Included in the fleet attached to the academy are six one-design sloops which cadets are allowed to use during their own time after reaching the required standard of proficiency.

Musical organizations include the Glee Club and the cadet orchestra. All cadets are required to learn to dance. Regularly scheduled dances are held throughout the winter months. During graduation week the ring dance of the second class and the formal graduation dance serve to bring the social season to a close.

Publications include Running Light, a guide for the fourth class, and Tide Rips, the annual of the first class. Tide Rips serves as a record of the graduating class and contains numerous illustrations and descriptions of the academy and the cruise.

EXTENSION OF REMARKS

Mr. LUDLOW. Mr. Speaker, the gentleman from Virginia [Mr. WOODRUM] made a most excellent address last night over the radio on national finances and relief. I wish every person in the country might read that address, and I ask unanimous consent to include it in an extension of remarks in the RECORD.

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

There was no objection.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

Mr. DICKSTEIN. Mr. Speaker, by direction of the Committee on Immigration and Naturalization I ask unanimous consent that this committee may, on Wednesday and Thursday of this week, sit during the sessions of the House. They will have under consideration the Wagner-Rogers-Dingell bill, and a number of witnesses from various sections of the country will be here, who must be heard.

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

There was no objection.

EXTENSION OF REMARKS

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a very brief statement in the press on the question of un-Americanism.

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

There was no objection.

THE TOWNSEND BILL

Mr. HENDRICKS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

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

There was no objection.

Mr. HENDRICKS. Mr. Speaker, I hate to have to continue to explain, but owing to no fault whatever of the Committee on Ways and Means there are imperfections in the Townsend bill. For this reason the committee was not able to take final action today but will do so tomorrow.

Mr. Speaker and Members, I call your attention to the CONGRESSIONAL RECORD of May 22, and my remarks, in which I made a defense of the actions of the Committee on Ways and Means. Some Members have thought I made disparaging remarks. I am sorry they misconstrued what I intended. The record speaks for itself.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that the gentleman from Florida may proceed for 1 additional minute in order that I may ask him a question.

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

There was no objection.

Mr. DOUGHTON. Mr. Speaker, I would like to ask the gentleman from Florida [Mr. HENDRICKS] on what authority he states that the committee will act on the Townsend bill tomorrow? I had a conversation with him this morning and he stated at that time he had received a communication from Dr. Townsend, in which he stated he wanted us to consider a new bill. The only thing I promised the gentleman was that if the bill was introduced I would bring it to the attention of the committee tomorrow.

Mr. HENDRICKS. I will accept the gentleman's statement. I had no intention of committing the gentleman to action tomorrow. I will offer the perfected bill, as I was asked to do, and I hope the gentleman's committee will take action.

Mr. DOUGHTON. I only said I would bring it to the attention of the committee, and I hope to do that tomorrow.

EXTENSION OF REMARKS

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein certain correspondence between Dr. Townsend, the gentleman from Florida, Representative HENDRICKS, and myself in respect to the amendments discussed on the floor of the House this morning which Dr. Townsend promised to furnish the committee. I may say that there has been some criticism of our committee about its slowness of action in reporting the Townsend bill. The criticism has been unjust. I therefore ask unanimous consent that I may place in the RECORD at this point the correspondence setting forth what has taken place between Dr. Townsend, the gentleman from Florida [Mr. HENDRICKS], and myself with respect to his bill.

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

There was no objection.

Mr. DOUGHTON. Under leave to extend, I insert the following extract from Dr. Townsend's testimony before the Committee on Ways and Means on February 17, 1939:

Mr. McCORMACK. You said that you had some amendments that you were going to submit to the House if the bill came up for consideration in the House.

Dr. TOWNSEND. Yes.

Mr. McCORMACK. Why do you not submit those amendments to the committee?

Dr. TOWNSEND. I will, if they want them.

Mr. McCORMACK. We have been here for some time and we will be here for some time longer. Do you not think the proper place to submit amendments, if you have any of them, to your bill, is to the committee before which the bill is being heard?

Dr. TOWNSEND. I really did not know that this was the place where amendments were to be submitted.

Mr. McCORMACK. This is the place where amendments should be offered, because if we are going to take any action on the bill, we will consider the bill in executive session and then make amendments to it. That is the usual course of procedure.

Dr. TOWNSEND. I will present my proposed amendments to you tomorrow.

Dr. Townsend did not present his proposed amendments on the following day, as he promised. The hearings continued until April 7, 1939, but on no day during this time did Dr. Townsend present or tender to the committee his suggested amendments. In fact, nothing further was heard

from him until on May 10, 1939, approximately 3 months later, I received a letter from Dr. Townsend dated May 9, 1939, enclosing certain suggested amendments, and on May 17 the gentleman from Florida [Mr. HENDRICKS] introduced H. R. 6378, which purported to contain the amendments to H. R. 2, which Dr. Townsend desired.

On May 19, 1939, I received the following letter from Dr. Townsend:

WASHINGTON, D. C., May 19, 1939.

Hon. ROBERT L. DOUGHTON,
Chairman, Ways and Means Committee,

House of Representatives, Washington, D. C.

DEAR MR. DOUGHTON: Recently Congressman HENDRICKS introduced H. R. 6378, which was referred to the Ways and Means Committee, of which you are chairman.

It occurred to me that since an issue has been built up on H. R. 2 (also introduced by Congressman HENDRICKS) the question may arise in your committee as to which bill the Townsend forces prefer. May I assure you and all members of the Ways and Means Committee that H. R. 6378 is the same bill as H. R. 2, except that H. R. 6378 carries the amendments which I submitted to your committee, and which I am sure improve the bill. It was my suggestion that Congressman HENDRICKS introduce H. R. 6378 in order that we may get a vote on a bill drawn as we wish it. I therefore sincerely recommend that your committee take action on H. R. 6378 instead of H. R. 2.

Respectfully,

DR. FRANCIS E. TOWNSEND.

This morning I received the following letters from Dr. Townsend and the gentleman from Florida [Mr. HENDRICKS], which are self-explanatory:

WASHINGTON D. C., May 23, 1939.

Hon. ROBERT L. DOUGHTON,
Chairman, Ways and Means Committee,

House of Representatives, Washington, D. C.

DEAR MR. DOUGHTON: Recently, in accordance with the request of the committee, I submitted to you as chairman copies of the amendments which we desired to H. R. 2 in accordance with our testimony before the committee.

Subsequently you requested Congressman HENDRICKS to prepare a new draft of bill incorporating these amendments. This was accordingly done, and new draft of bill, now known as H. R. 6378, was introduced in the House by Congressman HENDRICKS on May 17, 1939.

On May 19 I wrote you as chairman advising that we would very much appreciate H. R. 6378 being reported to the House.

It now appears that through stenographic error H. R. 6378 omits one section of H. R. 2. I am herewith enclosing a copy of the omitted section, and trust this may be included in the bill H. R. 6378 as reported to the House. If new draft is desired to correct this stenographic error, Congressman HENDRICKS will be pleased to introduce a new bill in the House this noon.

Respectfully,

DR. FRANCIS E. TOWNSEND.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., May 23, 1939.

Hon. ROBERT L. DOUGHTON,
Chairman, Ways and Means Committee,

House of Representatives, Washington, D. C.

DEAR MR. DOUGHTON: I understand that Dr. Townsend has written you this morning and submitted a section that was left out of the new bill H. R. 6378 and asking that this section be included. This section is not new material or new amendment. It is simply a provision of H. R. 2 which was left out of H. R. 6378 through stenographic error.

I sincerely recommend that the committee take action and place this section back in H. R. 6378. I may suggest that both proponents and opponents are desirous of voting on the issue as the Townsend people prefer it. If I thought you were prepared to make a favorable report on this bill, I would expect you to make whatever amendments you desired that you thought would improve it; but since I am sure that the committee has no intention of making a favorable report but simply report it without recommendation in order to give the proponents and opponents a chance to vote on the issue, I feel that it is imperative that this section go back in.

I would like to advise the committee that I have worked under pressure for a number of weeks to avoid the petition method, and up to now have been successful on the ground that the committee has assured me that they will give me some sort of report. I sincerely trust that the negotiations for this report will not break down because of a simple stenographic error, as I do not believe there would be any justification for it.

Today is the deadline for the petition. I would still like to keep it out; and if the committee will merely say that they will give us a report without recommendation on a clean bill, I shall be glad to introduce a new bill today, even though I would prefer having this matter inserted in the present bill, which can easily be done by the committee.

With kind regards, I beg to remain,

Respectfully,

JOE HENDRICKS.

Dr. Townsend is in error in stating that I had requested the gentleman from Florida to prepare a new draft of a bill incorporating the amendments suggested by him. I merely stated to the gentleman from Florida that if he introduced such a bill I would bring the same to the attention of our committee for its consideration.

The foregoing correspondence speaks for itself, and any intelligent and fair-minded person will certainly come to the conclusion that if any criticism should be directed at anyone, it would be to Dr. Townsend and his associates for their failure to present a definite program and not change their minds from day to day.

After a great deal of clamor for a hearing on H. R. 2, Dr. Townsend disowned this bill early in the hearings, and then waited until the hearings were concluded and almost 3 months after his abandonment of H. R. 2, to submit his new bill, H. R. 6378, and then within a few days after the introduction of this bill, he comes forward with the statement that the committee should not act on H. R. 6378, as it is incorrect, and a new bill will have to be introduced.

The Ways and Means Committee has been most patient, despite these dilatory tactics.

PERMISSION TO ADDRESS THE HOUSE

MR. KNUTSON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

THE SPEAKER. Is there objection to the request of the gentleman from Minnesota [Mr. KNUTSON]?

There was no objection.

MR. KNUTSON. Mr. Speaker, I would like to ask the gentleman from Florida [Mr. HENDRICKS] a question. The bill that he will introduce today will contain the amendments that Dr. Townsend promised the Ways and Means Committee on February 17 he would give us the following day; is that right?

MR. HENDRICKS. I do not know what Dr. Townsend promised the committee, but it contains the amendments that Dr. Townsend wanted.

MR. KNUTSON. I will call the gentleman's attention to the printed hearings, page 609, where Dr. Townsend promised to have certain amendments to H. R. 2 in the hands of the committee the following day. If the bill that the gentleman introduced the other day contains the Townsend amendments, then it is only fair to have the RECORD show that 3 months elapsed from the time Dr. Townsend promised these amendments until the time the committee received them.

MR. HENDRICKS. I do not have any objection to the gentleman having the RECORD show what he will.

LABOR DEPARTMENT APPROPRIATION BILL, 1940

MR. TARVER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5427) making appropriations for the Labor Department for the fiscal year ending June 30, 1940, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and ask for a conference with the Senate on the disagreeing votes of the two Houses and for the appointment of conferees on the part of the House.

The Clerk read the title of the bill.

THE SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. TARVER]?

There was no objection; and the Chair appointed the following conferees: Mr. TARVER, Mr. HOUSTON, Mr. RABAUT, Mr. PLUMLEY, and Mr. ENGEL.

EXTENSION OF FACILITIES OF UNITED STATES PUBLIC HEALTH SERVICE

MR. BLOOM. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3537) to extend the facilities of the United States Public Health Service to active officers of the foreign service of the United States, with Senate amendments thereto, disagree with the Senate amendments and ask for a conference.

The Clerk read the title of the bill.

THE SPEAKER. Is there objection to the request of the gentleman from New York [Mr. BLOOM]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, what are the Senate amendments?

Mr. BLOOM. I do not know. They are very minor amendments but I do not know what they are.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. BLOOM]?

There was no objection; and the Chair appointed the following conferees: Mr. BLOOM, Mr. LUTHER A. JOHNSON, and Mr. FISH.

BUSINESS IN THE SIXTH YEAR OF ROOSEVELT IS ABOUT 50 PERCENT BETTER THAN IN THE FOURTH YEAR OF HOOVER

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD and to include therein a brief article containing a tabulation of figures.

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

There was no objection.

Mr. SMITH of Washington. Mr. Speaker, I desire to place in the RECORD for the information of the Members of the House and the people of the country the very illuminating figures which were published in the Evening Star, Washington, D. C., May 22, 1939, in an article written by its national columnist, Mr. Jay Franklin. The figures relating to every known barometer and index of business show the degree of recovery and improvement in general business conditions existing at the present time as compared with the last year of the Hoover administration. Present conditions in every activity of business, industry, agriculture, and finance are shown to be 50 percent better than they were in 1932. The facts speak for themselves and furnish a complete answer to the false and misleading propaganda to the contrary which is being circulated throughout the country.

The article referred to is as follows:

WE, THE PEOPLE—BUSINESS RAGES ROOSEVELT IS RUINING IT, BUT FIGURES ARGUE DIFFERENTLY

(By Jay Franklin)

For some strange reason the Tories rage and the Wall Streeters gnash their fangs whenever a new dealer points out that they are making pots more money under Roosevelt than under Hoover. They became angry when I quoted the financial editor of the Chicago American, they became furious when I quoted the Associated Press, and they will probably excommunicate me for citing these figures from Dr. Eric Muehlberger. I do not guarantee them in detail, but I am convinced of their substantial accuracy.

The figures under comparison are for the first part of 1939 and the first part of 1932, using quarterly or weekly totals, as available. Remember, in early 1932 it was far from sure—politically—that President Hoover would not be reelected. Business had all the confidence the White House could pump into the market, taxes were conveniently low, there were no National Labor Relations Act, S. E. C., wage and hour law, or other forms of "regimentation" to act as a "deterrent" on business enterprise, and there were no serious foreign war scares. Here you have the picture of Mr. Hoover's "confident" business and Mr. Roosevelt's "discouraged" business:

Commodity	Under Hoover, 1932	Under Roosevelt, 1939
Stock prices (average)	\$81.20	\$100.61
Bond prices (average)	\$74.29	\$85.78
Monetary gold stock	\$4,345,000,000	\$15,801,000,000
Federal Reserve credit	\$1,859,000,000	\$2,572,000,000
Currency circulation	\$5,548,000,000	\$6,915,000,000
Brokers' loans	\$379,016,662	\$547,443,175
New York rediscount rate	3	1
Bank clearings (22 cities)	\$90,859,453,000	\$96,268,786,000
United States steel (tons shipped)	1,124,851	2,235,209
Steel ingot output	4,329,830	9,506,594
Pig-iron output	do	8,315,927
Automobile production	376,665	1,055,576
Building permits	74,677,796	293,703,797
Petroleum output	36,936,900	57,175,850
Bituminous coal	102,455,000	111,650,000
Electric current	kilowatt-hours	
United States raw cotton consumed	bales	
United States wool consumption	pounds	
Rayon yarn consumption	do	
United States exports	\$461,000,000	\$699,821,000
United States imports	\$398,000,000	\$526,652,000
Gold imports	\$89,728,000	\$745,159,000
Car loadings	9,574,837	9,822,512
Railway earnings (51 roads)	\$66,045,525	\$84,998,333
Sears, Roebuck sales	\$59,793,251	\$125,428,094

Commodity	Under Hoover, 1932	Under Roosevelt, 1939
Moody's commodity index	86.5	141.8
Wheat	bushels	.68
Corn	do	.45
Oats	do	.34
Cotton	pounds	5.77
Wool	do	.44½
Crude oil	barrel	2.02
Coal, furnace	ton	11.62
Copper	pound	5.75
Lead	do	3.00
Zinc	do	2.51
Steel scrap	ton	9.80
Iron pigs	do	15.00
Steel billets	do	27.00
		34.00

FEDERAL RESERVE BOARD INDICES (1923-25=100)

Industrial production	67	98
Manufactures	65	96
Minerals	84	110
Construction	26	58
Factory employment	68	91
Factory pay rolls	53	87
Carloadings	61	66
Department store sales	70	88

Since all these figures are, at best, approximations, the whole case for the New Deal's business policy can be summarized by saying that in the sixth year of Roosevelt business is about 50 percent better than in the third year of Hoover.

All right; you business babies who are howling that Roosevelt is ruining you, let's see you take a crack at this picture. And remember these Hoover figures are taken from the first part of 1932, when you had your man in the White House and the Government was taking its orders from you. The figures for 1939 are taken from a period when Roosevelt was acting for the country as a whole, and they say that you are much better off under the New Deal than under the old order. And still you squawk!

EXTENSION OF REMARKS

Mr. JOHNS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a radio address delivered by myself over WHA at Madison, Wis.

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

There was no objection.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a statement of Wadsworth W. Mount, of the Merchants' Association of New York.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. REED]?

There was no objection.

Mr. HARNESS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address delivered by myself at Louisville, Ky., on May 16 before the American Millers Association.

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

There was no objection.

Mr. HARNESS. Mr. Speaker, I wish to make this further statement to the House: I have complied with the rule by submitting the manuscript to the Public Printer and have received an estimate of the cost. The Public Printer advises me this document is one and one-half pages more than the length regularly authorized. I ask unanimous consent that this address may be printed in the RECORD notwithstanding that fact.

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

There was no objection.

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD and to include therein a reference to the fact that whenever any remarks are made with reference to trade treaties, propaganda statistics are inserted in the RECORD immediately after them.

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

There was no objection.

STATE DEPARTMENT PROPAGANDA ON TRADE TREATIES

Mr. TREADWAY. Mr. Speaker, I have asked for this time in order to direct the attention of the House to the efficient and high-gearred propaganda machine of the State Department.

It has gotten so that every time a Republican Member speaks on the subject of trade treaties some Member on the other side of the aisle rises and asks permission to insert in the RECORD at the conclusion of the Republican Member's remarks certain of the State Department's propaganda extolling the alleged benefits of the trade-treaty program. Apparently the Members carry this ready-prepared propaganda around in their pockets so as to have it ready at the opportune time.

This practice of filling the RECORD with this propaganda has occurred time and time again. It happened yesterday, when at the conclusion of my remarks the gentleman from Washington [Mr. COFFEE] asked permission to insert a statement by Albert J. Hutzler, of the Trade Agreements Unit of the Department of Commerce. This statement had already been printed in the RECORD at public expense at least once and possibly several times before. Sometimes these insertions take the form of articles which have been prepared in one of the departments, and sometimes they take the form of extensions of the Member's own remarks.

The statement which was inserted yesterday by the gentleman from Washington proves that it is impossible to depend upon any of the Government agencies for the real facts with reference to the treaty program. The Government propaganda always shows the favorable side of the treaty program, but never the unfavorable side. It is accordingly necessary for Republican Members of Congress to give the other side of the picture so that the people may judge for themselves the real effects of the Member's own remarks.

Even the Members on the other side of the aisle have been misled by this propaganda. For example, the majority leader stated yesterday that in 1926, 1927, and 1928, under Republican tariffs, this country had practically no commerce with the rest of the world.

Of course, that was a perfectly absurd statement. Yet anyone reading it in the RECORD would have a right to rely upon it, coming as it does from one in such a responsible position. The fact is, however, that in the years of which he spoke our foreign trade was undergoing a great expansion. In 1928 our exports amounted to over \$5,000,000,000, or some \$2,000,000,000 in excess of last year.

I cite this incident merely to show that there is much work to be done on the part of the Republican minority in showing up not only the misrepresentations of the alleged benefits of the treaty program but also the misrepresentations of the alleged inequities of the Republican tariff policy.

We who have been endeavoring to demonstrate the fallacies of the treaty program and the dangers which are inherent in the present tariff reduction policy face a tremendous difficulty in getting the facts to the people. It is virtually impossible, as the gentleman from New York [Mr. FISH] pointed out yesterday, for opponents of the treaty program to get any publicity of their arguments except through the columns of the CONGRESSIONAL RECORD, which, as we all know, does not have a very wide distribution. Why this should be I do not know, since we are supposed to have a free press in this country. It seems strange that anything said in favor of the treaty program comes under the heading of news, but that anything said in opposition does not.

Another thing we have to contend with is the practice of the State Department in sending its emissaries throughout the country to address women's clubs, chambers of commerce, and so on, for the purpose of spreading one-sided information in reference to the treaty program. When these audiences hear only one side of the story and when the people read only one side of the story in the press they are likely to be convinced that the treaty program has some merit. But when they become acquainted with the real facts they will realize they have been deceived.

We of the Republican minority are waging an uphill fight in bringing home to the people the truth about the treaty program and what it is doing to them. We will continue that fight until it is won.

EXTENSION OF REMARKS

Mr. JENKINS of Ohio. Mr. Speaker, I wish to submit two requests. First, I ask unanimous consent to extend my own remarks in the RECORD with reference to taxes on the T. V. A. and to discuss a newspaper article and print certain excerpts from it. They will be brief. I also ask unanimous consent to extend my remarks and discuss a newspaper article with reference to farm control of crops and to quote briefly from the article.

Mr. RANKIN. Reserving the right to object, Mr. Speaker, from what paper is the newspaper article attacking the T. V. A. taken?

Mr. JENKINS of Ohio. A Tennessee paper.

Mr. RANKIN. What paper?

Mr. JENKINS of Ohio. I do not know; one of the two great papers in Knoxville.

Mr. RANKIN. Is it the paper which has been attacking the T. V. A. all the time?

Mr. JENKINS of Ohio. I do not know which one it is.

Mr. RANKIN. That is all right.

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

There was no objection.

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter from the Soil Conservation Service.

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

There was no objection.

Mr. MAPES. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address by the Republican leader, the gentleman from Massachusetts [Mr. MARTIN], before the Retailers' National Forum at the Hotel Mayflower on yesterday.

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

There was no objection.

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of relief for those in need, and to include therein a copy of a letter I have received from the Governor of Connecticut.

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

There was no objection.

Mr. HARRINGTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a brief statement of Fulton Lewis, Jr., Mutual Network commentator, concerning the testimony of Congressman C. A. ANDERSON, of Missouri, before the House Labor Committee.

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

There was no objection.

Mr. CANNON of Florida. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a newspaper article under date of May 19 from Clewiston, Fla.

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

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. CHURCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. CHURCH. Mr. Speaker, in October of last year I joined with some other Members of Congress from Illinois in

a telegram to the President of the United States, urging that he take proper steps to impress upon the Government of Great Britain the profound interest of the United States in seeing that the promises of the Balfour declaration of 1917 to the Jewish people are fully carried out. At that time there were reports that the British Government was preparing to renounce its pledge of 1917 that Palestine would be the homeland of the Jewish people. And those of us who are deeply interested in that pledge being kept as Christendom's obligation to the Zionists joined in an appeal to the President to make representations to the British Government that this Government would view with disfavor any renunciation of that obligation.

I rise here to make a public appeal to the President of the United States. I urge that this Government immediately protest, in behalf of the people of the United States, against the proposal embodied in the White Paper issued last week. Great Britain proposes to make Palestine a state for both Arab and Jewish people. That amounts to a betrayal of Jewish people.

The Balfour declaration of 1917 and the establishment of the mandate for Palestine under Great Britain was clearly intended to make Palestine the homeland of the Jews. That is made evident not only from the language of the declaration itself but also by the statements of the heads of various governments made at the time.

The declaration was unreservedly endorsed by the other powers. The French Government on June 4, 1917, through its Minister, M. Cambon, committed itself to—

The renaissance of the Jewish nationality in that land from which the people of Israel were exiled so many centuries ago.

In America, President Wilson wrote at the time that—

The allied nations, with the fullest concurrence of our own Government and people, are agreed that in Palestine shall be laid the foundation of a Jewish commonwealth.

Mr. Speaker, even the statements made by the British Cabinet Ministers who played an active part in framing the Balfour declaration, indicated that it was fully intended that Palestine would be the "homeland" of the Jews. Lloyd George said:

Great Britain extended its mighty hand in friendship to the Jewish people to help it regain its ancient national home and to realize its age-long aspirations. Lord Robert Cecil stated: "Our wish is that Arabian countries shall be for Arabs, Armenia for the Armenians, and Judea for the Jews."

In short, Mr. Speaker, Great Britain and the other powers committed themselves to the pledge that Palestine would be the homeland of the Jews. That pledge must be kept. I urge that this Government impress that fact upon the Government of Great Britain.

Mr. McDOWELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. McDOWELL. Mr. Speaker, on yesterday the distinguished gentleman from Mississippi [Mr. RANKIN] in a controversy with my colleague from Pennsylvania [Mr. RICH] made this statement:

May I say to the gentleman from Pennsylvania that the CONGRESSIONAL RECORD is the one free press we have left in which both sides can be presented.

Mr. Speaker, I have given instructions that the name of the gentleman from Mississippi be placed on the mailing list of the Wilkinsburg Gazette in order that he may receive copies from two free presses.

Mr. RANKIN. Why that punishment? In the words of Christ to St. Paul, "Why persecutest thou Me?"

[Here the gavel fell.]

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my own remarks in the RECORD.

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

There was no objection.

Mr. CURTIS. Mr. Speaker, I have today introduced a bill which, if enacted, would require all imported articles to be conspicuously labeled, "Foreign goods." At the present time, imported articles are required to carry a statement as to the country of their origin. For instance, a can of Argentine beef will have in small printing on the can, "Made in Argentina." The present markings go unnoticed and so far as protecting American industry is concerned, they are ineffective.

My bill proposes to place in a conspicuous place on every imported article, a mark, stamp, brand, label, or tag of yellow color, with the words "foreign goods" printed thereon in gothic type. These labels shall be in proportion with the size of the article or package, but in no case shall be less than 1 inch square. This bill, if enacted into law, will enable the American public to detect foreign goods on the shelves of the stores and shops of our Nation.

The American market is the birthright of American agriculture and American labor. They are entitled to that market. We are happy to observe that the American public is unanimously in favor of the American market for the American farmer, laborer, and businessman. This was emphatically shown in their protest recently made when the President of the United States stated the contrary doctrine.

We should let the public know whom they are patronizing, and thus create a demand for American goods. Let us call a spade a spade, and brand imported articles as foreign goods with a conspicuous yellow tag. Let us give the American buying public a chance to decide whom they shall patronize. I, for one, firmly believe that everyone living under the Stars and Stripes should at all times possible, patronize American agriculture, American labor, and American industry. The American market is the only market we have, all others are like unto a house builded upon the sand—let us protect the American market.

EXTENSION OF REMARKS

Mr. CHIPERFIELD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and I include therein a letter on the farm problem which I received from Ira Ashby, manager of 20 tenant farms, comprising 6,050 acres, located in my district.

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

There was no objection.

A NEW REPUBLICAN CANDIDATE FOR PRESIDENT—LEADING REPUBLICANS ANSWER MR. TREADWAY ON RECIPROCAL-TRADE AGREEMENTS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. RANKIN. Mr. Speaker, from press reports we learn that there is a new candidate for President on the Republican ticket, Mr. Wendell L. Willkie, president of the Commonwealth & Southern, who has been referred to as the fashion plate of the Power Trust.

It is not surprising to find that the utilities now demand control of the Republican Party and that one of their moguls be selected as its candidate for the Presidency. It is a well-known rule of the game that he who pays the fiddler may call the tune.

Of course, if he is nominated, little will be said by the Republican press about his connection with the utilities. He will probably be heralded as a friend of the farmer—the farmers' candidate.

There is one thing about it, if he should be nominated and elected, the country would then have a President who can teach the American farmers how to water the stock and shear the sheep. [Applause.]

Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and to insert therein certain quotations on the reciprocal-trade agreements.

Mr. RICH. Reserving the right to object, Mr. Speaker, is that a free press about which the gentleman is speaking,

or is it one where the New Deal has censored everything that has gone into it?

Mr. RANKIN. I am calling attention to it now in a free press, the CONGRESSIONAL RECORD.

Mr. RICH. Who wrote the article?

Mr. RANKIN. It was written by a local columnist. I suppose he is a Republican. The article appeared in the Washington Star.

Mr. FISH. It was written by David Lawrence, who is a supporter of the President.

Mr. RANKIN. I do not suppose Wendell Willkie ever supported the President.

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

There was no objection.

Mr. RANKIN. Mr. Speaker, I desire at this time to discuss certain speeches that have been made by the gentleman from Massachusetts [Mr. TREADWAY] which indicate a flexibility that would probably qualify him as a candidate for Vice President on the Willkie ticket.

That would also be a "New Deal" ticket, from a Republican standpoint, for, as I shall show as I go along, the statements made by the gentleman from Massachusetts [Mr. TREADWAY] have not only been answered by responsible Democrats, but they have been completely answered by the leaders of his own party.

REPUBLICANS ANSWER MR. TREADWAY

In a speech in the House on April 26, 1939, Mr. TREADWAY set forth what he considered five fundamental objections to the trade-agreement program. He challenged proponents of the trade-agreements program to answer his objections without equivocation. These answers may readily be given in the words of prominent Republicans, and on yesterday he seems to have repeated that blunder.

Here are his alleged objections:

OBJECTION NO. 1. UNCONSTITUTIONAL DELEGATION OF POWER

Mr. TREADWAY listed as fundamental objection No. 1 an unconstitutional delegation of power. The Honorable William S. Culbertson, an outstanding Republican, before the Senate Committee on Finance on February 15, 1937, had the following to say regarding this phase of the Trade Agreements Act:

In the first place, I believe the law is sound from a legal point of view. Before this committee in 1921 we heard arguments against the constitutionality of the so-called flexible tariff provision. The same arguments that have been made here against this resolution were made then against the flexible tariff section. That section was enacted and finally came before the Supreme Court for consideration and its constitutionality was confirmed in the Hampton case.

In a law that involves foreign relations, as this law does, the decisions of the Court indicate that a less exact rule is required than in the case where a domestic problem is involved. That is indicated by the Curtiss-Wright decision which was recently handed down by the Supreme Court, and in quite a number of other decisions.

* * * * *

The Republicans themselves, in the Tariff Act of 1890 and the Tariff Act of 1897, established, so far as our commercial policy was concerned, the principle of systematic reciprocity; namely, a law in which Congress defines the principle on which reciprocity is to proceed and to develop, and then leaves it to the Executive to carry out the details.

It might be noted that Mr. Culbertson spent some 15 years on the Tariff Commission and in the Diplomatic Service of the United States, where he had an excellent opportunity to study at first hand the practices essential for realistic commercial policies. In 1937 he published a book on reciprocity, in which he claims Republican origin for the fundamentals of the trade-agreements program.

OBJECTION NO. 2. IMPORTATION OF COMPETITIVE PRODUCTS

Fundamental objection No. 2 relates to the importation of so-called "competitive" foreign products, which is supposed to be contrary to the basic principles of foreign trade. In connection with what constitutes a competitive product it should be remembered that if the extreme tariff philosophy of some of the Republicans had been adopted in the 1930 act we would have a duty on bananas, on the theory that

they came into competition with apples, potatoes, onions, and other domestic articles. Fortunately, however, for the good of the country not all Republicans held such extreme and ludicrous views. The Republican witness called to answer Mr. TREADWAY on his objection No. 2 is the Honorable Frank Knox, Republican candidate for Vice President in 1936. He recently toured South America and wrote a series of articles on the possibilities of expanding trade with those countries. The following appeared as part of his article in the Chicago News, March 21, 1939:

But even if farmer opposition at home suffices to prevent any modification of regulations concerning fresh beef, this does not close the door to agreement. The largest single export item of Argentina is linseed. We use far more linseed oil than we produce. We could take all of Argentina's linseed and still be short about 60 percent of our needs. We could admit linseed free from duty. It would be a great aid to Argentina and would help us.

We require large quantities of quebracho extract, the wood from which tanning extract is made. We could take most, if not all, of this from Argentina. We use far more hides than we produce. A modification of the tariff on hides is both feasible and desirable. We import wool from abroad. A part of our foreign supply might well come from the pampas of Argentina.

It is seen that Mr. Knox did not limit a hoped-for expansion of trade with South America to noncompetitive products. He is realistic in his views and knows that in order to obtain concessions we must give some.

In a speech at Pierre, S. Dak., January 12, 1939, Mr. Knox further said:

To sell American farm products abroad, we must buy some of what our foreign customers have to sell. You cannot always sell and never buy in foreign markets.

Mr. Knox's views are backed up by that section of the Republican press not jaundiced by a narrow partisan approach to great national problems. For example, the Star, Terre Haute, Ind., April 22, 1939, said, in part:

Thus far, events have to a large extent vindicated Secretary Hull and his policy of seeking more instead of less intercourse between nations.

OBJECTION NO. 3. COST OF PRODUCTION

Mr. TREADWAY's fundamental objection No. 3 was that reductions in duty were not based on the cost-of-production formula. The testimony of Robert Lincoln O'Brien, long-time Republican Chairman of the Tariff Commission, stated before the Senate Committee on Finance, May 1, 1934:

Mr. O'BRIEN. Well, the notion that you can obtain costs of production, the notion that you ought to obtain them, the notion that tariffs between countries should rest upon differences in costs of production, even if omniscience should give us the power to determine them, is all wrong. The tariff is a question of national policy; on some things you ought to have a tariff greater than the difference in the cost of production; other things, less than the difference in cost of production.

Senator COSTIGAN. As a matter of fact, Chairman O'Brien, there are many tariffs at this time which are higher than the difference in costs of production.

Mr. O'BRIEN. Oh, yes; very much higher—higher than the selling price of the article in this country in some instances. On the other hand, there are tariffs on articles which are very much less than the differences in the cost of production. I maintain that a tariff should be a matter of national policy. What do you want to do about it? What is the best thing to do? If anyone would tell us what the exact difference in the cost of production of all the commodities in the world was between this country and the chief competing country, that difference ought not to be the tariff. To start with, it would be changing all the time. It would not last 1 month in any event.

* * * * *

I dislike the law very much indeed—the idea that we are to find the difference in the cost of production here and abroad and to base a tariff on it. I believe nobody, short of omniscience, could do it and stick to it for any length of time; and if we could do it, we ought not to do it.

In a letter dated August 20, 1910, to the chairman of the National Congressional Republican Committee, President Taft wrote:

The difficulty in fixing the proper tariff rates in accord with the principle stated in the Republican platform is in securing reliable evidence as to the difference between the cost of production at home and the cost of production abroad. The bias of the manufacturer seeking protection and of the importer opposing it weakens the weight of their testimony. Moreover, when we understand that the cost of production differs in one country abroad from that in another and that it changes from year to year and from month to

month, we must realize that the precise difference in cost of production sought for is not capable of definite ascertainment, and that all that even the most scientific person can do in his investigation is, after consideration of many facts which he learns, to exercise his best judgment in reaching a conclusion.

It might be added that the Republicans, in enacting the Fordney-McCumber and Hawley-Smoot Acts did not stick to the cost-of-production formula. In the first place, rates of duty in the act of 1930 on several products were raised above costs obtained by the Tariff Commission through a careful and painstaking investigation. Examples: Butter, straw hats, print rollers, flaxseed, paint-brush handles. If these cost findings had not been disregarded in considering the Tariff Act of 1930, Mr. TREADWAY's party might be in a better face-saving position relative to the cost-of-production formula at present. Furthermore, anyone who knows anything about the Tariff Act of 1930 must know that there are hundreds of rates of duty which have no relationship to costs whatever and are far in excess of any hypothetical cost figures obtained.

OBJECTION NO. 4. THE MOST-FAVORED-NATION PRINCIPLE

Mr. TREADWAY listed the most-favored-nation principle as his fundamental objection No. 4. It so happens that several men high in the Republican Party have expressed themselves favorably and in convincing language on the most-favored-nation principle. For example, Chief Justice Hughes, when Secretary of State, in a letter to Senator H. C. Lodge, March 13, 1924, stated:

As we seek pledges from other foreign countries that they refrain from discrimination, we must give such pledges, as history has shown that these pledges can be made adequately only in terms of unconditional most-favored-nation treatment. We should seek simplicity and good will as a fundamental condition of international trade.

As late as 1932 the Republican platform stated:

The historic American policy known as the "most-favored-nation principle" has been our guiding program and we believe that policy to be the only one consistent with a full development of international trade, the only one suitable for a country that has as wide and diverse a commerce as America, and the most appropriate for us in view of the great variety of our industrial, agricultural, and mineral products, and traditions of our people.

Chairman O'Brien, in 1936, in attempting to persuade his party to support the trade-agreements program, stated:

This method, if properly employed, is an advantage which the flexible tariff law in itself did not possess in giving us a concession for our exports in exchange for any that we yield to the foreigner. By the application of the most-favored-nation principle we obtain from other countries all the advantages which they give to anybody in the way of access to their markets, while at the same time we accord them a similar relation to ours.

OBJECTION NO. 5. HEARINGS AND NEGOTIATIONS

Fundamental objection No. 5 related to hearings and methods of negotiating.

Mr. A. H. W. Stimson, who appeared before the Senate Committee on Finance in 1937, established his Republicanism by stating that he had been elected for various offices on a Republican ticket 28 different times. He indicated that he had no trouble in being heard on trade agreements, in part as follows:

I would like to say something to you on one reason why I am down here. Perhaps it won't be permissible. That is about this talk of locked doors. * * * They voted to have me go down to Washington and find out what it was all about.

So I came down here and I went right to the State Department. I didn't have to have any Senators or Congressmen to hold me up or make an appointment for me. I was a poor, impoverished farmer representing a lot of other poor, impoverished tobacco growers, made so under the so-called high protective tariff that never protected us.

Again we are able to call upon Mr. Culbertson as a witness. Mr. Culbertson said before the Senate Committee on Finance in February 1937:

I have followed the administration of this law for 3 years with a great deal of care. I have represented clients before the Committee for Reciprocity Information. In some cases I have opposed the reduction of duties in these agreements. I have observed the inner workings of the program and believe that the men back of it, the men responsible for it, are applying the principles of the law in the interest of the Nation's good.

These are merely samples of the many expressions of members of Mr. TREADWAY's own party relative to his fundamental objections to trade agreements. If these answers are not satisfactory to Mr. TREADWAY, he may wish to have the living representatives of his party, who made these appropriate replies to his objections, clarify their positions. It may be noted, however, that these Republican leaders outside of Congress seem to more nearly represent the views of more than 60 percent of the Republicans who approved the Hull program in a Gallup poll little over a year ago.

So we find the gentleman from Massachusetts [Mr. TREADWAY] in a hopeless minority even in his own party.

EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a speech recently made by the Honorable John W. Hanes, Under Secretary of the Treasury.

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

There was no objection.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1940

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5269) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1940, and for other purposes, with Senate amendments, disagree to the Senate amendments and ask for a conference with the Senate.

The Clerk read the title of the bill.

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

Mr. TABER. Mr. Speaker, reserving the right to object, this is a very important measure. Altogether there are increases of \$380,000,000 in the Senate amendments, and I feel we should at least have the right of a separate vote upon amendments 145, 146, and 147, the three largest items in the bill.

Would the gentleman from Missouri be prepared to agree that these three amendments shall be brought back to the House for a separate vote before they are agreed upon by the conferees?

Mr. CANNON of Missouri. Mr. Speaker, the conferees on the part of the House assure the gentleman from New York that we will comply in every respect with the custom and the parliamentary procedure ordinarily observed in conferences between the two Houses.

Mr. WOODRUM of Virginia. Mr. Speaker, reserving the right to object, will the gentleman from New York yield?

Mr. TABER. I yield.

Mr. WOODRUM of Virginia. Senate amendment No. 145 is the amendment which adds \$225,000,000 of parity payments to the bill, which amendment was defeated in the House.

Mr. TABER. That is correct.

Mr. WOODRUM of Virginia. And as to which the President made an adverse recommendation.

Mr. TABER. That is correct.

Mr. WOODRUM of Virginia. Amendment No. 146 added \$113,000,000 for disposal of surplus agricultural commodities, which was also defeated in the House on a vote.

Mr. TABER. That was defeated in the Committee of the Whole.

Mr. WOODRUM of Virginia. Amendment No. 147 adds an additional \$25,000,000 for farm tenancy, which was also defeated in the House, and none of the three amendments was recommended by the Budget.

Mr. TABER. That is correct.

Mr. WOODRUM of Virginia. I wish to join the gentleman in making the statement that under these circumstances the conferees agreed to give the House an opportunity to vote on these three amendments. They have been defeated in the House. They add large sums to the bill and are against the recommendations of the President, and I want to appeal to the gentleman to stand by the President

in this instance and give the House an opportunity to vote on it.

Mr. CANNON of Missouri. Mr. Speaker, in practically every appropriation bill that goes to the Senate, the Senate adds amendments increasing the amount carried by the bill. In the last 25 years I recall only one appropriation bill passed by the House which the Senate did not increase. They have invariably added items and increased appropriations, frequently by unconscionable amounts. Likewise, Mr. Speaker, there are few instances, and no recent instance, in which appropriation bills have gone to the Senate, where the Senate did not add some item that had been voted on adversely in the subcommittee, the whole committee, or on the floor during its consideration by the House.

So, Mr. Speaker, this bill differs in no respect whatever, either in content or routine, from the average appropriation bill messaged by the House to the Senate and returned to the House with Senate amendments.

In the bill now on the Speaker's table, and in the request to take it from the Speaker's table and send it to conference, we have precisely the same proposition we have here every time an appropriation bill is returned from the Senate, and the request which I have made is the stereotyped request which is always made under such circumstances, and always agreed to as a matter of routine, in the regular and orderly process of sending a bill to conference. It has never been denied before, at least not in the modern practice, and I am at a loss to understand why this particular bill should be made the exception to the practice of the House.

Mr. TARVER. Mr. Speaker, will the gentleman yield to me for a moment?

Mr. CANNON of Missouri. I yield to the gentleman from Georgia, the ranking majority member of the subcommittee.

Mr. TARVER. I desire to call attention to the fact that the gentleman from Virginia [Mr. WOODRUM] is in error in stating that the Senate amendment relating to farm-tenant loans was voted upon in the Committee of the Whole House. As I recall, there was no vote on any amendment seeking to raise the amount carried in the House bill for farm-tenant loans.

Mr. TABER. Mr. Speaker, I may say to the gentleman that the gentleman from Oklahoma [Mr. JOHNSON] did offer such an amendment and it was defeated in the Committee of the Whole House.

I have often served on conferences where the Committee of Conference made a definite and positive assurance to the House that they would bring back certain amendments of the Senate in disagreement. I may say before I object that unless the gentleman from Missouri and the conferees who are to serve tell the House definitely that unless the Senate is prepared to recede upon these three amendments, they will bring them back in disagreement, I shall be obliged to object to the bill going to conference.

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

Mr. CANNON of Missouri. I yield to the gentleman from Illinois.

Mr. SABATH. When the gentleman from Missouri appeared before the Rules Committee, he was questioned relative to whether the House would have an opportunity to have a separate vote on these amendments or whether he would agree to stand by the action of the House.

He assured us that he would stand by the action of the House and will not agree to the Senate amendment. It is upon that assurance that a rule has been granted. Now, if the same promise is made to the House at the present time, I, of course, feel that there should be no objection, and we can save time by not bringing up the rule. Otherwise, of course, the rule will be brought up making it in order to take the bill from the Speaker's table.

Mr. COX. Mr. Speaker, my friend, the gentleman from Illinois [Mr. SABATH], chairman of the Committee on Rules, is in error in the statement he just made. The committee did not exact of the gentleman from Missouri [Mr. CANNON] a promise that he would stand by the action of the House under all circumstances. The gentleman from Missouri frankly

stated to the committee that he would seek, as best he could, along with his colleagues, other House conferees, to maintain the position of the House. That is what the gentleman said, and not that he and his colleagues would not agree to the Senate amendment.

Mr. SABATH. That is what I intended to say.

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

Mr. TABER. Mr. Speaker, I further reserve the right to object.

Mr. CANNON of Missouri. Mr. Speaker, I merely wish to say that the conferees of the House are always under obligation to maintain as best they can the position of the House, and our conferees expect to do that. Of course, conference with the Senate is a conference. Under the Constitution, the Senate has as much to say about legislation as the House, and it naturally follows that conferences are in effect compromises.

Neither House can expect to always have its own way about everything. It is a matter of give and take. In the pending bill there is a difference between the two Houses on 157 items. I am certain the House does not expect the Senate to yield on all 157 amendments. All that I can say is that the conferees will consider themselves bound under this resolution to maintain as best they may the provisions of the bill as it passed the House. They expect to represent the House faithfully and as effectively as possible in the conference, and will get the best agreement practical under the circumstances.

That is true of any committee of conference appointed by the House, and there is no occasion to expect that the managers on the part of the House will follow any other course in this conference.

In fact, Mr. Speaker, this is an unprecedented objection. The agricultural appropriation bill has always been sent to conference by unanimous consent. A search of the records reveals no objection to such a request since 1891, and on that occasion the objection was subsequently withdrawn. There is no difference between this bill and hundreds of other appropriation bills which have been sent to conference by consent. All of the circumstances enumerated in the objections advanced here this afternoon are to be found in the progress of every other appropriation bill through the House. The only distinguishing difference which can be drawn is that the appropriations objected to here are for the benefit of agriculture. I see no reason why the farmer should be picked out as the sacrificial goat. We have spent millions above the Budget in other bills and nobody has objected to such bills going to conference, but when the farmer comes up, of course, that is different. [Applause.] I trust, however, that in view of the low wage received by the farmer in comparison with all other wage scales, and in view of the low price received by the farmer for his products in comparison with his cost of production, the objection will be withdrawn and the bill will be permitted to follow the usual course followed by other appropriation bills, and always followed heretofore by the agricultural appropriation bill.

Mr. TABER. Mr. Speaker, I object.

The SPEAKER. The gentleman from New York objects to the unanimous-consent request of the gentleman from Missouri.

The Chair recognizes the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Speaker, by the direction of the Committee on Rules, I call up House Joint Resolution 201, which I send to the desk and ask to have read for immediate consideration.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House Resolution 201

Resolved, That immediately upon the adoption of this resolution the bill (H. R. 5269) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1940, and for other purposes, with Senate amendments thereto, be, and the same hereby is, taken from the Speaker's table, to the end that all Senate amendments be, and

the same are, disagreed to and a conference is requested with the Senate upon the disagreeing votes of the two Houses, and the Speaker shall immediately appoint conferees on the part of the House without intervening motion.

Mr. COX. Mr. Speaker, I yield 30 minutes to the gentleman from Michigan [Mr. MAPES] to dispose of as he sees fit, and may I inquire of the gentleman from Michigan whether he will be prepared to yield time to those for and against the resolution? My reason for asking that question is that I would like to determine as to how I shall yield on this side.

Mr. MAPES. Mr. Speaker, I am not able to answer that definitely at the present time, but I shall try to ascertain and let the gentleman know in a short time.

Mr. COX. Mr. Speaker, the controversy which arises over this resolution has already been made pretty definite and clear to the membership of the House. The gentleman from Missouri [Mr. CANNON] who is probably as good a parliamentarian as has served in this body in its entire history, has called the attention of the House to the fact that this objection is most unusual, it not having been made since 1891. Frankly, Mr. Speaker, I think that the bill should be sent to conference and that this House should manifest its complete confidence in the gentleman from Missouri [Mr. CANNON], and the gentleman from Georgia [Mr. TARVER], and the others who will be the representatives of the House in the conference, to make effective to the best of their ability the will of this House as has been heretofore expressed by votes taken upon the amendments around which the controversy revolves.

Mr. Speaker, I reserve the remainder of my time.

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

Mr. COX. Yes.

Mr. COCHRAN. A vote to send this bill to conference by no means binds those who vote to send it to conference to the conference report.

Mr. COX. Not at all.

Mr. COCHRAN. In other words, if the conference report is not suitable to some of us, we still have the right to vote against the conference report and the Senate increases.

Mr. COX. Of course, I think it well that it be understood that there is no thought that those voting for the resolution now pending would be in any wise committed to support the report of the conferees.

Mr. MAPES. Mr. Speaker, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, we are confronted today not with the merits of the farm bill, but with a question of procedure. We are confronted with the question of whether the agricultural appropriation bill should go to conference without instructions, or whether some strings ought to be tied to the conferees before they sit in conference, or perhaps, failing in all that, whether it ought to go back to the full Appropriations Committee for further deliberation.

I want to get at the very heart of the matter by submitting what I think is an uncontrovertible statement of fact to show the difficulties that will probably ensue with respect to some items in this bill.

This bill was considered for 4 or 5 weeks in the Subcommittee on Agriculture. Then it was considered in the full Appropriations Committee. Then it came to the floor of the House for 4 days and finally went to the Senate. When they finished they had written in \$381,000,000 over and above the amount carried in the House bill. That represents \$374,000,000 over the Budget and \$258,000,000 over the appropriation for 1939.

Some of those amendments are very, very substantial, but it is not my idea that everything ought to have a string tied to it, but only those that are necessary to protect the integrity of this body. They include, for instance, an amendment to increase the amount for Bang's disease over \$2,600,000. They include an amendment for forest acquisition, increasing the amount by \$3,000,000. They put in \$920,000 for the pink bollworm; \$2,417,000 more than the House bill carried on plant quarantine; \$225,000,000 for parity adjustment payments, after it had been defeated by a record vote upon the floor of this House by a majority

of 13 votes. That happened on the 28th day of March and you will find it recorded in roll call No. 44.

They included another item that was not carried in the House bill of an additional \$113,000,000 for the disposal of surplus farm commodities. Finally they added an additional \$25,000,000 for farm tenancy and an additional \$4,000,000 for forest roads and trails.

I think I see eye to eye with the chairman of my subcommittee in respect to a great many of these amendments, but this situation arises: When the farm price-adjustment payments were considered on the floor of this House it was defeated by a record vote of 13 votes. Four of the six members of the subcommittee who may serve as members of the conference were recorded in favor of price-adjustment payments. Having committed themselves by record vote, without seeking to do injury to the gentlemen or to prophesy what their attitude in conference would be, yet they are recorded on that item in favor of it. When you have the Members of the other body sitting on the other side of the conference table fully pledged to that item, and you have four of the six House conferees who voted for that item, it is a pretty fair assumption, without aspersing the integrity of any member of the conference committee, that there is a likelihood that they will yield on that point, and in spite of the House action it will not be brought back in disagreement.

Now, if it is not brought back in disagreement, there is no opportunity for a separate vote. We vote the conference report up, we vote it down, or we can recommit it with instructions; but unless you instruct the conferees today or send this bill to the House Agricultural Appropriations Subcommittee and then the full committee, there will be no opportunity to get a separate vote upon the item on which the House is already recorded, and no separate vote on other important items.

I have a farming community, six counties. I have telegrams galore on my desk in the office from officers of the local Farm Bureau Federation, asking me to support the price-adjustment payments. If I were only mindful of my own political future, I would not think anything about it and I would not be in the Well of this House today, but must I remind you on that item, gentlemen, that 3 weeks ago the President of the United States, in a press conference, addressed to us informally this reproach when he said, "Congress welched on parity taxes." He says that we, the Congress, owe him \$212,000,000 for the price-adjustment payments last year, and we found no taxes in order to offset that item.

Secondly, here is the statement of the Secretary of Agriculture before the Senate Appropriations Committee on the 13th of April 1939. When he was responding to a question from the Republican leader in that body, Secretary Wallace said:

I would merely say, answering you in the same spirit in which you ask the question, I would say that I would feel it would be exceedingly unsound to take out of the Treasury of the United States the additional parity payments above the soil-conservation payments as a permanent proposition, and it seems to me that there would have to be a very unusual emergency, indeed, to warrant taking it out of the Treasury without finding some method of financing that would bring what is going on home to the industries involved, both from the farm side and also from where the taxes come.

Then the Senator said:

Well, in your mind, does that unusual emergency exist at the present time?

The Secretary of Agriculture said:

I do not think anyone can say whether it is right now.

I have for my authority the President of the United States. I have the Secretary of Agriculture on my side. I have the Budget Bureau on my side.

Neither in this session nor in the last session of Congress has a single suggestion been made to devise taxes to offset this item. No suggestion to that effect has come from the Ways and Means Committee. No such suggestion has come from the chairman of the subcommittee handling this bill. No bill has been introduced. Instead, the Congress

flaunts the President, the Secretary of Agriculture, the Secretary of the Treasury, and the Budget Bureau by voting borrowed funds without so much as an effort to provide the revenues to balance such an expenditure. I am sure that while all farmers, including those in my district are interested in parity payments so long as loose fiscal policies continue, they are also interested in the ever-expanding national debt as a result of these borrowings, the ever-increasing interest on the debt, and in the steady march of the Nation toward fiscal degeneracy. There is small virtue in paying parity payments to farmers and then taking away from them twice that amount in direct and indirect taxes.

In view of the speech that the President of the United States made to the Retail Federation last night—and I was present to hear it—I feel it is my duty to protect the integrity of this House. The fact that at least four of the members of the subcommittee out of a total of six who may sit with the Senators in conference and who are already at least pledged in principle by a record vote on the 28th day of March of this year may augur against the possibility of this House getting a separate vote on that item in spite of the fact that the President says we still owe parity payments from last year and the Secretary of Agriculture has not yet discerned the emergency unless we can first find the offsetting taxes. Having in mind the interest of the fiscal solidarity of this country, I think there is nothing for me to do at the present time, than to take this stand and to see that we get a separate vote, that the integrity of the House may be preserved.

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

Mr. DIRKSEN. I yield.

Mr. CRAWFORD. If I understand the gentleman correctly, four of the Members who will probably serve on the conference committee have voted in favor of the principle involved in the \$225,000,000 amendment as well as the \$113,000,000 amendment. Will the gentleman correct me in this if I am in error? If these two items of \$338,000,000 stay in the bill as here presented this money could be used in connection with cotton, and those who receive the benefits of those cotton payments could still put the cotton in the loan similar to that now held by the Commodity Credit Corporation. Am I correct?

Mr. DIRKSEN. That may be correct, but I would rather not open up the substantive provisions of the bill since a procedural matter is pending before the House at the present time. This deals entirely with the feasibility of letting the conferees of the House go into conference without instructions. Mr. Speaker, this can be done, you can vote down the previous question and the rule; and that, of course, will open it up for amendments. Then we can submit three amendments covering the \$113,000,000 for commodity disposal, the \$225,000,000 for parity payments and the \$25,000,000 additional for the Farm Security Administration for farm tenant loans. In view of the action that was taken in the Committee of the Whole House on the state of the Union and also by this House on a record vote, it is only fair to the Members that this kind of instruction should go along with the bill to conference so that there will be no agreement on these matters and that they will be brought back for a separate record vote.

[Here the gavel fell.]

Mr. MAPES. Mr. Speaker, I yield 2 additional minutes to the gentleman from Illinois.

Mr. DIRKSEN. I do not want to be in the position of reflecting upon the chairman of the subcommittee. He is absolutely right when he states that this is a rather unusual procedure, but these are rather unusual times, and these are unusual circumstances; so unusual proceedings are constantly at hand. I would not reflect upon him for anything because we stood shoulder to shoulder for weeks in the committee and then on this floor seeking to protect the bill and hold the appropriation somewhere close to the Budget; but the \$225,000,000 item came up and there was a record vote on it. You can do your own assuming and inferring as to what might happen in the conference committee on this

particular item. I think it is only fair in view of the action taken in this House when the bill was originally under consideration, that the conferees be instructed. There is one way to do it, that is to vote down the previous question and offer these suggestions in the form of amendments; then the conferees can go into conference with the Senate under the instructions of the House.

In response to the statement that a vote against the previous question constitutes a vote against parity payments, that is the sheerest nonsense. If that amendment is brought back in disagreement, the membership stands in precisely the same position that it did when the appropriation bill first came before the House in March, and each Member will have an opportunity to vote for or against the retention of this item.

Oddly enough, most attention has centered on parity payments and very little on the other large item of \$113,000,000 for the disposal of surplus farm commodities by means of export subsidies, diversion of relief, and diversion to other than normal channels of trade. As the bill left the House, it contained \$90,000,000 for this item. That \$90,000,000 equals 30 percent of the customs duties for the previous calendar year. The Senate wrote in an additional \$113,000,000, making a total of \$203,000,000 for that purpose. The \$90,000,000, of course, is assured because it is authorized by section 32 of the Agricultural Adjustment Act. The \$103,000,000 will be borrowed funds, since revenues are infinitely less than the expenditures and no additional taxes have been provided for this purpose.

In connection with this item, let me point out that under this program for the years 1936, 1937, 1938, and 1939, such a staple item as lard was not included, either in that part of the program relating to encouragement of exports, diversion to byproducts, or diversion to relief. Now, very recently as every Member knows, the experiment to dispose of surpluses through regular food stores has been undertaken by means of special orange and blue stamps, to families that are on relief. I note that the items which may be obtained for these special food stamps embrace butter, shell eggs, dry edible beans, dried prunes, oranges, fresh grapefruit, wheat flour, graham flour, and corn meal.

Now the amazing thing is that while the program for which funds are made available in the bill, calls for adjustment payments on corn, yet there is no indication of assistance in finding outlet for the lard into which that corn will be converted. The Department of Rural Economics of Ohio State University estimates that 700,000,000 pounds of lard will be waiting for a market outside of the United States and yet there is no hint that lard will figure in the export subsidy plan or in the surplus-food disposal plan now being conducted experimentally at Rochester and Dayton. This is a matter of highest importance, and I am of the opinion that that item should be separately handled. If, however, it is agreed to in conference, all hope of putting that program on a basis more equitable to all sections of the country will be definitely foreclosed.

I believe the House is sufficiently informed on the issues involved and if you believe that the conferees should be instructed, your course is to vote down the previous question and open the rule for the necessary amendments.

Mr. COX. Mr. Speaker, I yield 7 minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Speaker, there has already been pointed out to you the incongruity of our economy-minded friends' undertaking to effect drastic economies by pursuing unusual tactics of the character which they are now pursuing in this House only when a measure is reached which vitally affects the agricultural population of this country. The chairman of our subcommittee, the gentleman from Missouri [Mr. CANNON] has pointed out that the procedure of this character with reference to an agricultural appropriation bill has not been followed in this House since 1891.

No man is justified in assuming that because four members of the subcommittee as Members of this House voted upon the passage of this bill through the House in favor of

parity payments that those members of the subcommittee in the event of a conference with the Senate will not as best they can reflect the attitude of the House in an endeavor to bring about an agreement with the Senate which will be satisfactory to the membership of the House. The past record, if I may mention the fact, of our subcommittee justifies my saying that there are no Members of the House who have been more earnest in their endeavors to effect economies than the members of this particular subcommittee. Year after year we have brought back to you here in the House a conference report on the agricultural appropriation bill running many millions of dollars below the figures which were placed in these bills by the Senate; and there is no reason why under the circumstances which exist today the House should not have sufficient confidence in the membership of our subcommittee to anticipate that they will endeavor to bring back to the House a conference report which will merit and receive its approval.

As the gentleman from Missouri [Mr. COCHRAN] pointed out, the conferees have no authority to enter into any agreement which will make effective this legislation. Whatever they do must in the last eventuality receive the approval of this House before it can become effective, and there is no reason other than the unfounded fears of certain gentlemen who are perhaps making some political capital out of this particular issue to anticipate that your subcommittee is going to endeavor to put anything over on the House. It could not do it if it had the intention to do it.

Let me say that I am in absolute accord with the President of the United States in his views that the Congress ought to provide revenue with which these farm benefits shall be paid. I have frequently expressed this viewpoint not only on the floor but in communications with my constituents. The statement has been made that the President has evidenced his opposition to the parity-payment provision of the bill as written in the Senate. This in my judgment is not correct. The President of the United States, in my judgment, is in favor of the provision of parity payments, but he insists in connection with that position that Congress ought to make provision for raising the revenue with which those payments are paid; and in doing that I think his position is absolutely sound.

If a mistake has been made with reference to this farm program when was it made? It was made when you passed the Agricultural Adjustment Act in 1938 and inferentially, at least, promised the farmers of the country that you would provide parity payments if they would subject themselves to the restrictions on agriculture provided in that act. I voted against the Agricultural Adjustment Act of 1938 on its passage through this body.

The gentleman from Virginia, who it appears is one of the persons in the House who is interested in this very unusual procedure, voted for that act; the gentleman from Virginia was the chairman of the subcommittee handling a bill which during the last session finally passed with a Senate amendment providing \$212,000,000 in parity payments for the year 1938. The gentleman from Virginia, in my judgment, is not in position to object to the procedure which the Senate has sought to institute in the making of these parity payments, although I do not wish that statement to be understood by you as indicating that I, as a Member, would not do what I could to sustain the position which has been evidenced by the House on this particular issue, or at least to reach an agreement with the Senate conferees satisfactory to the House.

There certainly appears to me no reason why the House, so far as this bill is concerned, should make a distinction against the agricultural interests of the country by insisting that the bill should not go to conference in the usual way, with the liberty on the part of the conferees, as a matter of give and take with the Senate, to work out, if they can, some agreement with the Senate which will be satisfactory to the membership of both bodies. [Applause.]

[Here the gavel fell.]

Mr. MAPES. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa [Mr. GILCHRIST].

Mr. GILCHRIST. Mr. Speaker, a fact is a thing that admits of no doubt. It is a thing that corresponds perfectly with everything that is or has been or shall be.

As a Republican and on the admitted facts, I speak for the appropriations contained in this bill. The statement is made that the present vote affects simply a question of procedure; but we know that this is not true. Criticism of this procedure is, after all, merely a pretext. The real question is whether we are going to support these appropriations or not. Why should a quibble about procedure be brought into this House now, being a procedure that has not been invoked before for nearly a half century. Why is this strange procedure now called out to beat the just cause of the farmers? It is a fact that the platform of my party in 1932 promised control of acreage of land under cultivation as an aid to the efforts of the farmer to balance production. That is what this appropriation will do. It is a fact that the platform of the Republican Party in 1936 promised to protect land resources, which is soil conservation as contained in this bill, and also to provide in the case of agricultural products of which there is an exportable surplus, payment of reasonable benefits for certain uses. That, Mr. Speaker, is a fact which cannot be controverted. And that is what this bill will do.

It is also true that the Democratic platform of 1936 promised parity for farmers. It promised to raise farm income to pre-war purchasing power. The appropriations in this bill are the only things before this House or the only things that can come before the House which will restore parity, promised by both of the parties. Averaging the situation now, the farmer does not have parity. Everybody knows that. It has been proven over and over again that he stands in the relation of about 66 or 72 as compared to 120 for other industries. These things are facts.

Mr. HOPE. Will the gentleman yield?

Mr. GILCHRIST. I yield to the gentleman from Kansas for a question.

Mr. HOPE. It is a fact also that even with the passage of this bill the farmer will still fall short of parity?

Mr. GILCHRIST. Certainly. This bill will not give the farmer parity. It will give him only about 75 percent of parity.

Mr. Speaker, the question before us today is, Shall you keep your promise? Is your promise a mere scrap of paper? Is that what either or both of the parties is going to say here today? Will you say to the farmer, "Oh, well, we love you very much indeed, but we love others still better and we have decided to give you up; we will break the promise we made to you?"

If that is the purpose, I say to you that this innovation in procedure will not be allowed to fool the farmers all the time. Republicans are now here arguing that the President and the Secretary of Agriculture are against this appropriation. If this be so, then I must add that I do not know just when this side of the aisle became convinced that it should come into such complete agreement with the President and the Secretary of Agriculture. But I doubt that it is so. It may not be. Anyway the farmers are entitled to this money. [Applause.]

[Here the gavel fell.]

Mr. COX. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, I was hoping that politics would not enter into this debate; therefore, I regret that the gentleman from Iowa has brought the charge that the Democratic Party is not keeping its pledges and promises to the farmers of the country. No administration in the history of our Nation has done as much for the farmers as has the present one. As to the objection made today with reference to this bill, it comes from the Republicans, and not from the Democrats. I am always desirous of giving the membership the right and privilege to vote on every question. As chairman of the Rules Committee, I called a meeting of that committee yesterday at 2 o'clock so that a rule could be brought in to take this bill from the Speaker's table and have it sent to conference. It therefore grieves

me that the gentleman from Missouri [Mr. CANNON], for whom I have the highest regard, should state that only when an agricultural bill is under consideration are objections raised. I say that objections are raised to the unreasonable increase inserted in this bill by the Senate which were voted down by the House. As the bill comes to us from the other side it carries \$391,000,000 more than the House bill and \$258,000,000 more than the 1938 appropriation, although in that year we had drought-stricken and flood-ravaged sections to consider, and agricultural prices were lower than they are today. This bill now carries \$376,000,000 more than the sum recommended by the Director of the Budget.

Mr. Speaker, in years gone by I have known of occasions, and I think the gentleman from Missouri has, too, when the House instructed or secured a pledge from its conferees as to carrying out the wishes of the House. That is a question I asked him yesterday, and that is what he repeated on the floor of the House. I may not have used the same language, but, as the gentleman from Georgia [Mr. COX] stated later on, that is virtually the fact. I believe that we can assure the House that its will is going to be carried out to the best of our ability.

I think it would be well to take this bill from the Speaker's table and send it to conference. We can trust the conferees, in my opinion, because they are men in whom we have the utmost confidence, notwithstanding the fact that they have voted perhaps for these particular appropriations as inserted by the Senate, which increase the appropriations contained in the bill by over \$380,000,000. In the interest of the gentlemen from Georgia and of some of my Republican friends, may I say that this bill as it left the House carried appropriations totaling nearly \$900,000,000 for the agricultural industry of this country. I feel that we have again demonstrated our desire to help the farmers with deeds and not with empty promises, as the Republicans have done in years gone by.

Mr. Speaker, while I favor the passage of the rule, I do so with the understanding that the assurances of the gentleman from Missouri will be kept, in that the House conferees will not yield on the Senate amendments, especially on the three largest items. Further, that the conferees will report to the House should the Senate refuse to yield so that the membership may be afforded the opportunity of a record vote on the amendments. It has been and will always be my aim to give the membership the right to vote on any important legislation.

[Here the gavel fell.]

Mr. MAPES. Mr. Speaker, I yield 2 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Speaker, I am for sending this bill to conference. [Applause.] I know that the \$225,000,000 for parity payments is only a drop in the bucket. I know that agriculture has been double-crossed, criss-crossed, bisected, and quartered here in this Congress. It comes with poor grace for my friends to object to this bill, especially when I know that some of them were elected to Congress because their predecessors told the farmers they did not know what they wanted.

The time has come when we should pay more attention to the 32,000,000 men, women, and children on the farms than to the few supposed imaginary enemies in foreign lands. [Applause.] We have voted millions and billions for so-called foreign aggression, which you called national defense, but we refuse to vote \$225,000,000 for the farmer, who is the real national defense. If you put the farmer where he belongs, on an equality with industry, and give him cost of production, then you will not have to be fooling each year with these appropriations.

I appeal to you, my conservative friends on both sides of the aisle, to get busy and give us cost of production, and we will take care of ourselves and will not come back here and beg for \$225,000,000 where we ought to ask for \$7,500,000,000 to balance the farmers' budget. The promised parity that we gave to the farmer in the 1934 and 1938 Farm Acts was a fraud and a deception to begin with. It did not give him cost

of production. Now we refuse even to comply with that fraud and deception. We made the farmer believe that we were going to subsidize him and then we fleeced him.

This situation cannot be laughed at; it cannot be joked at. You promised the farmer parity and you have not given him parity. It is a hallucination to say that \$225,000,000 will give him parity. It will do nothing of the kind. The Secretary of Agriculture has testified over on the Senate side that if the farmer got cost of production he would get an increase in his income of \$7,500,000,000. That would give him real parity and not make-believe "Alice in Wonderland" parity. [Applause.]

[Here the gavel fell.]

Mr. COX. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. WOODRUM].

Mr. CLASON. Mr. Speaker, I make the point of order there is not a quorum present.

The SPEAKER. The gentleman from Massachusetts makes the point of order that there is no quorum present. The Chair will count. [After counting.] Two hundred and thirteen Members are present, not a quorum.

Mr. CLASON and Mr. WOODRUM of Virginia rose.

Mr. CLASON. Mr. Speaker, I withdraw the point of order in view of the large number that are present.

The SPEAKER. Under the circumstances, the Chair is not authorized to recognize the gentleman inasmuch as the Chair had already announced no quorum present. A constitutional question is raised.

Mr. WOODRUM of Virginia. Mr. Speaker, five or six more came in over here.

The SPEAKER. Were these gentlemen here present when the Chair was counting?

Were the gentlemen in the rear of the hall who are holding up their hands not present when the Chair counted a moment ago?

The Chair will count the present membership again. [After counting.] Two hundred and twenty-seven Members are present, a quorum.

Mr. MAPES. Mr. Speaker, I yield 5 additional minutes to the gentleman from Virginia [Mr. WOODRUM].

The SPEAKER. The gentleman from Virginia is recognized for 10 minutes.

Mr. WOODRUM of Virginia. Mr. Speaker, I wish to comment on the suggestion that has been made that there are many unusual things about this procedure. In the first place let us recall for a moment what the general rules of the House provide when a House bill such as this is returned to the House from the Senate. The general rules of the House provide that the bill with the amendments shall go to the Appropriations Committee for the Appropriations Committee to consider the amendments and then report the bill back to the House with amendments and with their recommendations as to the amendments, in which event the House has an opportunity to go into the Committee of the Whole and consider the Senate amendments, the bill then being reported to the House and considered in the House. This is the general rules of the House. This practice of asking unanimous consent to send a bill to conference, while it is very generally indulged in, is an exception to the rules of the House and is done only by unanimous consent. There is absolutely nothing unusual about undertaking to bind conferees, especially when it is known that the individual opinions of the conferees are perhaps not what a majority of the House thinks about the given subject, and it is no reflection upon the conferees to take that sort of a position.

What is the unusual part of this procedure? The unusual thing is that the Appropriations Committee brought to the House in the beginning an appropriation bill with \$225,000,000 in it more than the Budget and the President had recommended. That was defeated in the House. The Senate then added that amount to the bill over and above the Budget estimates.

These gentlemen say that never before has objection been made to sending an agricultural bill to conference. Perhaps not. Never before has there been such an agricultural bill, never before has there been such a procedure, and never be-

fore in my 16 years of service has the Appropriations Committee of the House undertaken to raise Budget estimates \$225,000,000 over the specific protest of the President of the United States.

If you are interested in agriculture and the farmer, certainly no one here and certainly none of my colleagues on this side will say that the President is not interested in agriculture. Certainly you will not say that President Roosevelt is not interested in trying to help agriculture. He has specifically withheld his approval of parity payments. When the President signed the agricultural bill of 1938, he did so with the statement that if it were sought to make parity payments, then the funds should be raised by taxes. Since the bill passed the Senate, the President and the Secretary of the Treasury have protested against the action of the Congress in raising the bill by this terrific amount above the Budget estimates.

Now, what is the parliamentary situation? The parliamentary situation is that you will have only one opportunity to express yourselves on this matter, and that is on the vote on ordering the previous question on the rule. Mind you, this rule not only sends the bill to conference but takes away the right of the House to instruct its conferees. I do not object to that. I have never been of the temperament that objected to "gag" rules. Listen! This House can always do what a majority of the Members of the House want to do. That is fundamentally true under our rules. There is never any situation here where a majority of the Members of the House cannot do what they want to do. If a majority of the Members of the House want these excessive increases made in the agricultural bill without having a right to vote upon them individually, you can do that today by voting down the previous question. But remember, if the previous question is voted down and the bill is sent to conference under this rule, then just as surely as the sun rises and sets the House conferees will agree to these parity payments in conference. I do not say this as a reflection upon those gentlemen. They certainly have a right to their opinion upon this matter and I respect their opinion; I do not share their opinion, but I respect it, but they are committed to this. They brought the bill in here over the protest of the Budget. It was defeated on the floor. It was put on in the Senate, and I do not see how it would be humanly possible for these gentlemen to maintain the position they have taken before the country unless they are for these parity payments.

So what will happen? They will agree to this conference and you will have one vote, either for the agricultural appropriation bill or against it, and you know what that means.

Of course, the bill should go to conference. There are over 100 amendments in it. The amount carried in the bill has been increased. It was already the largest appropriation in the history of the Government, \$835,000,000, and they added \$330,000,000 over the Budget estimate. If this bill passes the Congress and the President signs it, there is no use for anybody to get up in this House or anywhere else and talk about economy or trying to balance the Budget or trying to have any sort of sane, sensible budgetary control of Federal finances. This is the whole issue.

There is \$500,000,000 in here for the farmers for benefit payments under the Soil Conservation Act, \$25,000,000 for farm tenancy that the President recommended; \$835,000,000 altogether that the President recommended, but the President has not recommended these increases and since it passed the Senate he has specifically placed his disapproval upon them.

Now, I ask you only that you make it possible for this House to vote individually on whether or not it wishes to agree to these large increases.

If the previous question is voted down, a motion will be made to amend the rule, sending the bill to conference, giving the conferees the right to negotiate with the Senate on all of these other amendments, but asking them merely to bring back these three amendments—parity payments, \$225,000,000; surplus crop disposal, \$113,000,000; and farm tenancy, \$25,000,000—in order that the House, after consideration, may say whether or not it wishes to accept them.

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

Mr. WOODRUM of Virginia. I yield to the gentleman from Georgia.

Mr. PACE. The gentleman has stated the enormous amount in this bill, when the facts are that when the items for agriculture in the last Congress are added and compared with those in this bill, it carries less than was appropriated at the last session of the Congress. The parity provision was carried in the relief bill and not in an appropriation bill. Does the gentleman agree with that statement?

Mr. MARTIN J. KENNEDY. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from New York.

Mr. DIRKSEN. Mr. Speaker, in order that there may be no misunderstanding, if the gentleman from Georgia means that the total amount is below the amount appropriated in 1939, I will say to the gentleman that the bill is \$258,000,000 over the 1939 appropriation act for agriculture.

Mr. PACE. If the gentleman will yield, the figures are in the Record showing that all of the items appropriated by the last Congress for the farming interests are less than what are carried in this bill, including the other items appropriated for.

Mr. MARTIN J. KENNEDY. Did I understand the gentleman to say that the items he is referring to have been specifically objected to by the President of the United States?

Mr. WOODRUM of Virginia. The item of parity payments was not approved by the President in a Budget estimate, and since the bill passed the Senate, in a press conference the President and the Secretary of the Treasury expressed their disapproval of the item.

Mr. MARTIN J. KENNEDY. In the event we vote down the previous question and the rule is amended, do I understand there are to be some hearings on these additional appropriations?

Mr. WOODRUM of Virginia. No; the bill will go to conference, and the conferees will have to come back to the House for separate votes on these three amendments before they can be agreed to in conference.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Montana.

Mr. O'CONNOR. I may be wrong about this, but who knows more about the conditions and the necessities of their respective districts throughout the United States, the Congressmen who represent those districts, the President of the United States, the Director of the Budget, or the Secretary of Agriculture? I would like to have the gentleman's opinion upon that.

Mr. WOODRUM of Virginia. Mr. Speaker, I think the gentleman can answer that as well as I can, but I say to the gentleman that if we are going to have any sort of sensible and logical budgetary control of our finances, we must have some criterion or yardstick; and Congress has set up in the law the Budget and the recommendations of the President, and I think they should have some sort of standing in the House.

I yield back the remainder of my time.

Mr. MAPES. Mr. Speaker, I yield such time as he desires to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Speaker, I have been amazed and chagrined to see some of our Republican leaders lead the fight against sending this farm bill to conference. The Republican Party evidently has made up its mind that it does not need the support of the Farm Belt. This bill does not do the job of bringing to our farmers anywhere near the measure of relief that is necessary to maintain farm homes, but it at least provides \$225,000,000 parity payments, which was written in there by the Senate since this House acted upon the bill. Is there a Member of this Congress who can conscientiously say we are going too far when we provide a part of the losses which the farmers suffer annually because of the disparity between farm prices and other commodities?

No; this angle is not touched. The objectors say that this question on the floor is merely a question of procedure. They are more interested in procedure and the integrity of the House than they are in the plight of the farmers. I have always held the gentleman from Illinois [Mr. DIRKSEN] in the very highest esteem, but when he says we must preserve the integrity of the House at all cost, no matter what condition the farmer is in, I am not only amazed but completely disappointed. When the gentleman from New York [Mr. TABER] voiced his opposition to sending this bill to conference, I was not surprised, because his philosophy as demonstrated in this House has always been to keep down expenses when it comes to agricultural questions.

The gentleman from Virginia [Mr. WOODRUM], a Democrat, can always be depended upon to follow the leadership of the reactionary Republicans, and today he reechoed the arguments of the gentleman from New York [Mr. TABER] and opposed this measure with not only Democratic time of the House but with 5 additional minutes granted by the Republicans.

All of these gentlemen, who seem to wring their hands and weep over large appropriations, voted for appropriation bills providing two and one-fourth billion dollars for the national defense at a time when we are at peace with all nations and could not possibly get into war unless we insisted on it. Has anyone in the House ever heard either of the gentlemen ever offer opposition to any bill providing relief to big business? Never. But when relief for labor, relief for agriculture come up, they all embrace each other, regardless of party, and vote with a common, united front against the classes of our citizens who are actually in distress. The foreclosure of 2,000,000 farm homes during this depression, the foreclosure of 1,500,000 city homes in the last 3 years, does not seem to appeal to them. On these questions they are determined to preserve the procedure of the House and the integrity of the House. Philosophy of this sort, if long enough indulged in, can only lead to the destruction of the Republic. [Applause.]

Mr. MAPES. Mr. Speaker, I yield 1 minute to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Speaker, I yield 2 minutes to the gentleman from Nebraska [Mr. COFFEE].

Mr. COFFEE of Nebraska. Mr. Speaker, in the 2 minutes allotted to me I want to call to the attention of the Members of the House and of the conferees, whoever they may be, the restriction in the Senate amendment providing for parity payments. Under this amendment, parity payments to corn producers will be restricted to those in the commercial corn-

producing areas only. In other words, it will restrict payments to the commercial areas in 586 counties in 12 States. There is nothing in the substantive law of the Agricultural Adjustment Act of 1938 which would restrict these payments to corn producers in the commercial areas only. Parity payments are authorized under the provisions of section 303 of that act. The language in parentheses in the Senate amendment "in the commercial corn-producing area" should be eliminated. Corn loans under the law permit those not in the commercial area to borrow only 75 percent as much as those in the commercial area. As a consequence last year corn producers in the favored commercial areas were able to borrow 57 cents per bushel, and those outside of the commercial area could only borrow 43 cents per bushel. Unless the restrictive language in the Senate amendment is eliminated, parity payments on corn will be confined to those who can now borrow 57 cents per bushel on their corn, and those who can only borrow 43 cents per bushel on their corn will be denied any parity payments whatever.

In 1938 there were 42,815,500 acres of corn in the commercial corn-producing area. The noncommercial area harvested 49,330,500 acres of corn. The total production of corn in the commercial corn-producing area in 1938 was 1,553,713,000 bushels, and in the noncommercial area it totaled 1,012,508,000.

I hope the conferees will eliminate the discriminatory language in the Senate parity payment amendment and make it conform to the amendment on which we voted in the House and which I supported.

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

Mr. COX. Mr. Speaker, I yield one-half minute to the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Speaker, I made a statement a moment ago and I want to confirm it.

On page 5493 of the CONGRESSIONAL RECORD is an itemized statement of the appropriations of the last Congress for the farmers, including \$200,000,000 for roads, which they charge to the farmers; \$1,529,000,000 was appropriated at the last session for this year. The present appropriation for next year is \$1,387,000,000. The statement was made here just now that this was an enormous, unprecedented amount, when it is \$142,000,000 less than was appropriated by the last Congress, and includes enormous items which are not fairly chargeable to the farmer. [Applause.]

Here is the summary, prepared by the finance officer of the Department of Agriculture, and placed in the CONGRESSIONAL RECORD on May 12 by Senator RUSSELL, of Georgia:

SUMMARY

Regular funds, Department of Agriculture, according to group classification units, showing appropriations, 1939; Budget estimates, 1940; House bill, 1940; and as reported to Senate, 1940

Bureau and item	Appropriation, 1939	Budget estimate, 1940	House bill, 1940	As reported to Senate, 1940
A. Ordinary activities.....	\$94,326,426	\$98,144,448	\$90,689,251	\$98,638,539
B. Special items.....	14,906,185	4,071,185	2,996,185	7,338,185
C. Receipt and contributed funds.....	7,631,835	7,837,635	7,837,635	7,837,635
D. Payments to States (for extension work, experiment stations, and cooperative forestry and wildlife activities).....	27,558,833	28,497,583	28,661,912	30,680,583
E. Farm Tenant Act.....	40,739,797	32,000,000	31,950,230	56,950,230
F. Loans, relief, and rural rehabilitation.....	197,804,714			
G. Agricultural adjustment and related funds.....	912,324,893	623,000,000	637,535,000	975,535,000
H. Federal Crop Insurance Act.....	25,500,000	6,000,000	5,923,200	5,923,200
I. Road Funds.....	201,500,000	213,000,000	201,000,000	205,000,000
Total, Department of Agriculture (including flood-control transfer).....	1,522,292,683	1,012,550,851	1,006,593,413	1,387,903,372
J. Flood control (transfer from War Department).....	7,000,000	3,000,000		
Grand total, Department of Agriculture.....	1,529,292,683	1,015,550,851	1,006,593,413	1,387,903,372

Mr. MAPES. Mr. Speaker, I yield the balance of my time to the gentleman from New York [Mr. TABER].

The SPEAKER pro tempore (Mr. DEMPSEY). The gentleman from New York, is recognized for 7 minutes.

Mr. TABER. Mr. Speaker, I have in my district a preponderance of agriculture. I am as much interested in the welfare of the American farmer as any man in America. I have opposed large appropriations of funds for almost every purpose. I have voted against large appropriations for the

Army and for the Navy. I have voted against what I believed to be unconscionable appropriations for the W. P. A. I have found, as I have followed the situation from day to day in this House, that the more money we appropriate the more distress we create in America. The only possible salvation for the people of America is for this Congress to wake up and to realize that we cannot go on with a spending program without bringing greater and greater distress to the farmer and to those who are in industry. [Applause.]

Now, the idea with reference to this is not hostile to the farmer, but the idea with reference to this is to try to keep things within reasonable bounds. As this bill passed the House it carried \$70,000,000 more for soil-conservation payments than will be made by the Department of Agriculture this year. Unless we begin now to realize our responsibilities to the people, we are leaving the people of this country in worse shape than we found them when the Congress met in January.

Now, it is not an unusual thing to ask a committee of conference to agree to bring back for a separate vote certain amendments. I have served on at least a dozen conferences since I have been a member of the Committee on Appropriations where the conferees agreed to bring back certain provisions for a separate vote. There is no such thing as putting this up on a farm measure first. It is the regular procedure that has been followed for years and years, one that is followed where a large number in the House feel that they should have an opportunity to vote. The question here presented is this: If we vote down the previous question, then we vote to give the Members of the House a fair opportunity to vote on each of these amendments. If we do not vote down the previous question, then we tell the membership of the House that they cannot have an opportunity to vote separately upon the three amendments that are in this bill that have been put in by the Senate, totaling \$360,000,000.

Is it not time that we should begin to economize? I am not asking to begin on the farmer. I have spoken here in the Well on many occasions, asking this House to economize. I shall, just so long as I can, continue to ask the House to vote intelligently and fairly to the people of the United States on these measures.

I hope that the membership will realize their responsibility and will vote down the previous question when it is reached, so that we can have a square opportunity to vote on each of these amendments by themselves, square-toed.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. JENKINS of Ohio. As I understand it, after this debate is concluded, the matter will come before us for a vote on the previous question. Then, if the previous question is voted down, someone will move to amend this resolution?

Mr. TABER. So that we may have a separate vote on each amendment—each of the three amendments.

Mr. JENKINS of Ohio. The purpose, then, will be to give the conferees authority to go back to conference and dispose of the small amendments that are not in controversy and that the House has never acted upon before?

Mr. TABER. If the Senate will yield on the three large ones so that they can dispose of the whole thing.

Mr. JENKINS of Ohio. Yes; and if the Senate does not yield on the three large ones, then the conferees will be instructed that they must bring these matters back to us.

Mr. TABER. That is right.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. H. CARL ANDERSEN. For purposes of clarification, is it not a fact that a vote against this rule means a vote against parity? Is not the farmer entitled to this parity appropriation, when every other line of industry, labor, and all major groups have already been subsidized or had millions appropriated for them by this or previous Congresses? [Applause.]

Mr. TABER. It is not because there would be a separate vote and an opportunity to vote squarely on the parity question. If you vote against the previous question it is a vote against a combination of the items that many of us want an opportunity to vote on separately.

Mr. H. CARL ANDERSEN. I still think I am right.

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

Mr. TABER. I yield.

Mr. MARCANTONIO. As a matter of fact, unless this rule is amended we shall have no choice except to take everything or leave everything.

Mr. TABER. That is just the situation. The question is whether or not you want a fair opportunity to vote on each of these three large amendments.

Mr. SCHAFFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. SCHAFFER of Wisconsin. And if we vote for the previous question, and then vote for the rule and it is brought in, we put a vote of approval on the passage of these amendments as specified in the rules.

Mr. TABER. Yes.

Mr. Speaker, I hope the House will vote down the motion to order the previous question.

[Here the gavel fell.]

Mr. COX. Mr. Speaker, I yield the remainder of my time to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Speaker, this is the most remarkable rule reported by the Committee on Rules during this Congress—remarkable because it does not change in one iota the custom of the House—because it does not deviate by the dotting of an “i” or the crossing of a “t” the procedure the House customarily follows under such circumstances.

Ordinarily special orders are reported from the Committee on Rules for the purpose of varying procedure, for the purpose of setting aside the routine of the House, but this resolution is submitted merely to prevent an objection raised by a Member from displacing the routine of the House and disorganizing the procedure usually followed in sending a bill to conference. So, in voting for this rule you are voting to do what the House has always done, and in the way that the House has always handled it.

It is extraordinary in another respect in that it has driven back under the sheltering arms of the President my distinguished friend from Virginia, who consistently, emphatically and implacably has been challenging the recommendations of the President on W. P. A. and work-relief unemployment. Here this afternoon he appeals to us to follow the President and repeatedly reiterates his devotion to the Presidential admonition. We are glad to see the lost lamb coming back to the administration fold. However, I must remind you that neither the President nor the Secretary of Agriculture are opposed to parity payments. What they have insisted on is that revenue be provided by Congress for the purpose and when this subject was last before the House, I inserted in the RECORD a letter from the President approving parity payments.

Mr. Speaker, if this resolution were voted down where would it leave us? We would be in the same position as if we had adopted the resolution.

The Senate has put this amendment in the bill, and they insist that it stay in the bill. This resolution insists that the amendments be rejected. If this resolution should be defeated and the bill comes back from the committee, you will find yourself just where we are now. All you can do if this resolution is defeated and the bill comes back will be to vote to disagree. This resolution votes to disagree. So, if you vote this resolution down and go through the entire, detailed, circuitous performance, you come right back to where you started, and you will then be just where you are now, and you will still have to go over and deal with the Senate just as this resolution proposes that you now go over and deal with the Senate. In other words, Mr. Speaker, the results to be secured by defeat of this resolution are so inconsequential as to lead to the conclusion that there must be something else back of this extraordinary opposition to the usual method of sending a bill to conference.

What extraordinary consideration prevails upon the gentleman from New York to raise an objection when he has not made such an objection in any session of Congress to any other appropriation bill? Why should this particular bill be selected for the objection? The only explanation of

the purpose of the objection is the character of the amendments cited by the gentleman. He mentions three amendments, the amendment appropriating money for parity payments, the amendment providing funds for surplus commodity purchases, and the amendment for the relief of farm tenancy. There are more than 150 Senate amendments to the bill. But the gentleman singles out amendments which raise the price of farm products. He picks three amendments designed to carry out the pledges of both political parties in their national conventions. He selects three amendments redeeming commitments legislatively made to the farmers of the country by act of Congress. The inevitable conclusion, the only tenable explanation is that the purpose of the objection is to nullify the program to give the farmer his share of the national income and to make the present disproportionate return to agriculture, labor, and industry the permanent agricultural policy of the United States.

Unless some other explanation can be given by those who object to this bill going to conference in its present status, the line seems to be drawn between those who favor increased prices for farm products and those who wish the farmer to continue to feed and clothe the world at less than the cost of production.

[Here the gavel fell.]

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

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 143, noes 122.

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

The yeas and nays were ordered.

The question was taken; and there were—yeas 192, nays 181, answered "present" 1, not voting 56, as follows:

[Roll No. 79]

YEAS—192

Alexander	Curtis	Johnson, Lyndon	Peterson, Fla.
Allen, Ill.	Darden	Johnson, Okla.	Peterson, Ga.
Allen, La.	Delaney	Jones, Tex.	Pierce, N. Y.
Andersen, H. Carl	Dempsey	Keller	Pierce, Oreg.
Anderson, Mo.	DeRouen	Kilday	Pittenger
Andresen, A. H.	Dies	Kirwan	Poage
Arends	Doughton	Kitchens	Ramspeck
Arnold	Douglas	Kleberg	Randolph
Barden	Dowell	Kociajkowski	Rankin
Barnes	Doxey	Landis	Rayburn
Bates, Ky.	Duncan	Lanham	Richards
Beckworth	Dunn	Larrabee	Robinson, Utah
Bell	Elliot	Lea	Rogers, Okla.
Bland	Ellis	Leavy	Romjue
Bloom	Ferguson	LeCompte	Schaefer, Ill.
Boland	Fitzpatrick	Lemke	Schulte
Boykin	Flannagan	Lewis, Colo.	Secrest
Brooks	Flannery	McAndrews	Shannon
Brown, Ga.	Ford, Miss.	McCormack	Sirovich
Bryson	Ford, Thomas F.	McGehee	Smith, Va.
Buck	Fries	McLaughlin	Smith, Wash.
Buckler, Minn.	Fulmer	McMillan, John L.	Snyder
Burdick	Garrett	Mahon	South
Burkin	Germann	Mansfield	Sparkman
Byrne, N. Y.	Geyer, Calif.	Martin, Colo.	Steagall
Byrns, Tenn.	Gibbs	Martin, Ill.	Stefan
Byron	Gilchrist	Martin, Iowa	Summer, Ill.
Caldwell	Gore	Massingale	Supthip
Cannon, Fla.	Gossett	Mills, Ark.	Sweeney
Cannon, Mo.	Grant, Ala.	Mills, La.	Talle
Carlson	Gregory	Monrone	Tarver
Casey, Mass.	Griffith	Mouton	Taylor, Colo.
Celler	Guyer, Kans.	Mundt	Tenerowicz
Chandler	Gwynne	Murdock, Ariz.	Terry
Clark	Harrington	Murdock, Utah	Thomas, Tex.
Claypool	Hart	Nelson	Thomason
Cochran	Hendricks	Nichols	Thorkelson
Coffee, Nebr.	Hill	Norrell	Tolan
Collins	Hobbs	Norton	Vincent, Ky.
Colmer	Hook	O'Connor	Voorhis, Calif.
Cookey	Hope	O'Day	Walter
Cooper	Hull	Owen	Warren
Cox	Hunter	Pace	Weaver
Creel	Izac	Parsons	West
Crowe	Jacobsen	Patman	Wheelchel
Culkin	Jarman	Patrick	Whittington
Cullen	Jensen	Patton	Williams, Mo.
Cummings	Johnson, Ind.	Pearson	Zimmerman

NAYS—181

Allen, Pa.	Ball	Blackney	Brown, Ohio
Anderson, Calif.	Barry	Boehne	Bulwinkle
Andrews	Barton	Boiles	Case, S. Dak.
Angell	Bates, Mass.	Bolton	Chapman
Ashbrook	Beam	Bradley, Mich.	Chipfield
Austin	Bender	Brewster	Church

Clason	Hall	McKeough	Schafer, Wis.
Clevenger	Halleck	McLean	Schiffler
Coffee, Wash.	Hancock	McLeod	Schwert
Cole, Md.	Harness	Maas	Secombe
Cole, N. Y.	Harter, N. Y.	Maciejewski	Seger
Connery	Harter, Ohio	Magnuson	Shafer, Mich.
Corbett	Hawks	Mapes	Sheppard
Costello	Healey	Marcantonio	Short
Crawford	Heinke	Marshall	Simpson
Crosser	Hess	Martin, Mass.	Smith, Conn.
Crowther	Hinshaw	Merritt	Smith, Ohio
D'Alesandro	Hoffman	Michener	Spence
Darrow	Holmes	Miller	Springer
Dickstein	Horton	Monkiewicz	Stearns, N. H.
Dingell	Houston	Moser	Tabor
Dirksen	Jarrett	Mott	Taylor, Tenn.
Dondero	Jeffries	Murray	Thill
Drewry	Jenkins, Ohio	Myers	Thomas, N. J.
Durham	Jenks, N. H.	O'Brien	Tibbott
Dworshak	Johns	O'Leary	Tinkham
Eaton, Calif.	Johnson, Ill.	Oliver	Treadaway
Eaton, N. J.	Johnson, W. Va.	O'Neal	Van Zandt
Eberharder	Jones, Ohio	Osmers	Vorys, Ohio
Edmiston	Kean	O'Toole	Vreeland
Eiston	Kelly	Plumley	Wadsworth
Engel	Kennedy, Martin	Powers	Welch
Englebright	Kennedy, Md.	Rabaut	Wheat
Fay	Kennedy, Michael	Reece, Tenn.	White, Ohio
Fenton	Keogh	Reed, Ill.	Wigglesworth
Fish	Kinzer	Reed, N. Y.	Williams, Del.
Flaherty	Knutson	Rees, Kans.	Winter
Gamble	Kramer	Rich	Wolcott
Gavagan	Kunkel	Robertson	Wolfenden, Pa.
Gearhart	Lambertson	Rodgers, Pa.	Wolverton, N. J.
Gerlach	Lesinski	Rogers, Mass.	Woodruff, Mich.
Gillie	Lewis, Ohio	Routzohn	Woodrum, Va.
Graham	Luce	Rutherford	Youngdahl
Grant, Ind.	Ludlow	Sandager	
Griswold	McArdle	Sasscer	
Gross	McDowell	Satterfield	

ANSWERED "PRESENT"—1

Scrugham

NOT VOTING—56

Boren	Ford, Leland M.	McGranery	Sacks
Bradley, Pa.	Gartner	McMillan, Thos.	S.Schuetz
Buckley, N. Y.	Gathings	McReynolds	Shanley
Burch	Gifford	Maloney	Smith, Ill.
Carter	Green	Mason	Smith, Maine
Cartwright	Hare	May	Smith, W. Va.
Cluett	Hartley	Mitchell	Somers, N. Y.
Curley	Havener	Pfeifer	Starnes, Ala.
Disney	Hennings	Polk	Sullivan
Ditter	Johnson, Luther A.	Risk	Sumners, Tex.
Evans	Kee	Robson, Ky.	Vinson, Ga.
Faddis	Keefe	Rockefeller	Wallgren
Fernandez	Kerr	Ryan	White, Idaho
Folger	Lord	Sabath	Wood

So the previous question was ordered.

The Clerk announced the following pairs:

On the vote:

Mr. Scrugham (for) with Mr. Ditter (against).
 Mr. Vinson of Georgia (for) with Mr. Bradley of Pennsylvania (against).
 Mr. Havener (for) with Mr. Robson of Kentucky (against).
 Mr. Luther A. Johnson (for) with Mr. Gartner (against).
 Mr. Green (for) with Mr. Gifford (against).
 Mr. Gathings (for) with Mr. Carter (against).
 Mr. May (for) with Mr. Risk (against).
 Mr. Starnes of Alabama (for) with Mr. Hartley (against).

General pairs until further notice:

Mr. Hare with Mr. Cluett.
 Mr. Kerr with Mr. Lord.
 Mr. Sumners of Texas with Mr. Mason.
 Mr. Fernandez with Mr. Risk.
 Mr. Burch with Mr. Rockefeller.
 Mr. Cartwright with Mr. Leland M. Ford.
 Mr. Maloney with Mr. Smith of Maine.
 Mr. Disney with Mr. Buckley of New York.
 Mr. Smith of West Virginia with Mr. Sullivan.
 Mr. Schuetz with Mr. Kee.
 Mr. Folger with Mr. Evans.
 Mr. Sabath with Mr. Boren.
 Mr. Somers of New York with Mr. Mitchell.
 Mr. Walgren with Mr. Pfeifer.
 Mr. Shanley with Mr. Faddis.
 Mr. Ryan with Mr. Smith of Illinois.
 Mr. McReynolds with Mr. White of Idaho.
 Mr. Hennings with Mr. McGranery.
 Mr. Wood with Mr. Polk.
 Mr. Thomas S. McMillan with Mr. Sacks.

Mr. GEARHART, Mr. KRAMER, and Mr. FISH changed their votes from "yea" to "nay."

Mr. SCRUGHAM. Mr. Speaker, I have a pair with the gentleman from Pennsylvania [Mr. DITTER]. If he were present he would vote "nay." I, therefore, change my vote from "yea" to "present."

The result of the vote was announced as above recorded.
The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to; and the Chair appointed the following conferees: Mr. CANNON of Missouri, Mr. TARVER, and Mr. LAMBERTSON.

AMENDMENT OF SECOND LIBERTY BOND ACT, AS AMENDED

Mr. SABATH. Mr. Speaker, I call up House Resolution 200 and ask for its immediate consideration.

The Clerk read the resolution as follows:

House Resolution 200

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 5748, a bill to amend the Second Liberty Loan Act, as amended. That after general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. SABATH. Mr. Speaker, I yield 30 minutes to the gentleman from New York [Mr. FISH].

Mr. Speaker, this rule provides for the consideration of the bill, H. R. 5748, to amend the Second Liberty Bond Act. All it aims to do and will do is eliminate certain restrictions on bond issues. It does not in any way increase or authorize an increase in the indebtedness of the Government.

The purpose of this bill, and it has the unanimous support of the committee, is to provide greater flexibility in the management of the public debt. Under the present law, as amended, the limit of the public-debt obligation is \$45,000,000, subject, however, to a limitation in the amount of bonds which may be outstanding at one time, namely, \$30,000,000,000.

Mr. COX. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Georgia.

Mr. COX. May I say to the membership, that if the Members will pay close attention to the gentleman who is now addressing the House, it will materially speed up the program for the day. The question the gentleman is now discussing is one about which there is no controversy; however, the committee reporting the bill felt that it ought to come in and make an explanation to the House. This is a measure which the House has heretofore passed upon by unanimous consent.

Mr. SABATH. Mr. Speaker, my object in rising at this time is to familiarize the Members with the provisions of this bill, because many Members have asked whether the bill would increase or authorize an increase in the national debt of the United States. As I stated previously, the limit is now \$45,000,000,000 and only \$30,000,000,000 may be issued in bonds.

At this time we have outstanding nearly \$24,000,000,000 in bonds, permitting only an approximate \$1,000,000,000 that can be issued. In addition to that we have \$9,000,000 outstanding in short-term notes and this bill, as I have stated and repeat, will permit the issuance of an additional \$15,000,000,000 worth of bonds, part of which can be used to take up short-term notes, although I hope this will not be necessary.

Mr. REES of Kansas. Will the gentleman yield.

Mr. SABATH. I yield to the gentleman from Kansas.

Mr. REES of Kansas. Will the gentleman explain to the House what he means by short-term bonds as distinguished from long-time obligations?

Mr. SABATH. I said short-term notes.

Mr. REES of Kansas. What is meant by "short term"?

Mr. SABATH. Oh, 90 days or so.

Mr. REES of Kansas. Is it 1 month, a year, 5 years, or what?

Mr. SABATH. Ninety days, 6 months, sometimes 1 year, even as long as 2 years.

Mr. PATMAN. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Texas.

Mr. PATMAN. Is it not a fact that the Government on short-term obligations today is only paying about 11 cents for the use of \$100 for 1 year?

Mr. SABATH. That is true, and according to the last report I noted in the newspapers it is only about 5 cents on \$100, the cheapest rate of interest in the history of America.

Mr. REES of Kansas. In view of that statement, is it not a fact that the Government can borrow money cheaper on short-term notes than on long-time obligations?

Mr. SABATH. I believe it can and does obtain money at a much lower rate of interest on the short-term obligations, but we have now approximately \$9,000,000,000 worth of these short-term obligations outstanding, and I feel that the Secretary of the Treasury, who recommends this legislation, has a good reason for it. With the confidence I have in him I know he will not issue any long-term bonds unless it is absolutely necessary, as his aim has been to obtain money for the Government at the lowest possible rate of interest. I have heard it said by many well-informed economists and even bankers that he has, to put it tersely, accomplished wonders. I remember there was a great fear in the minds of some Americans as to how we would finance the payment of the soldiers' bonus, and then the financing of W. P. A. and other agencies, but it was accomplished at the lowest rate of interest in the history of our Government.

Indeed, it is a great achievement, but we never hear of that. All we hear is criticism and fault-finding. The great record of the Secretary of the Treasury, instead of being attacked, should be heartily commended. He is entitled to the thanks of the Nation for his achievements. I feel that a unanimous vote should be had on the resolution and on the bill, which in effect would be a vote of confidence.

Were it not for the confidence I have in the Secretary and the administration I would be tempted to introduce an amendment to the bill providing that no tax-exempt bonds be issued under the power of this bill. As it is I feel sure that only in extreme necessity will that power be utilized in issuing such bonds, and before too long a time passes I hope that legislation will be enacted that will make possible the withdrawal of tax-exempt bonds now outstanding. Of course that cannot be done until the same thing is done with State and municipal securities and bonds.

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

Mr. SABATH. I yield to the gentleman from New York.

Mr. WADSWORTH. As I understand, this bill will authorize the issuance of long-term bonds in excess of \$30,000,000,000. This excess takes the place, as it were, of an equivalent amount of short-term notes?

Mr. SABATH. If necessary.

Mr. WADSWORTH. Will the long-term bonds be tax-exempt as contrasted with non-tax-exempt notes?

Mr. SABATH. That is the point I have just now made. I have always believed we should not issue additional tax-exempt bonds, but in view of the recommendation of the Secretary of the Treasury and having in mind his splendid record and his achievements I am willing to trust him to carry on as he has the last 6 years, believing that he is familiar with the situation and desires to do what is best for the country and its credit and for the taxpayers of the Nation.

I know the chairman of the Committee on Ways and Means is eager to explain the bill more fully, so I shall conclude by asking for as near unanimous support for the resolution as possibly can be had, especially in view of the fact that the gentleman from New York [Mr. FISH], who likes to oppose anything in which the administration is interested, is going to take the floor in opposition to the rule after I have concluded.

Mr. FISH. Mr. Speaker, I yield myself 15 minutes.

Mr. Speaker, I do not believe there is any opposition to this proposal on the minority side. This is merely permissive legislation to enable the Secretary of the Treasury

to lift the limit now set at \$30,000,000,000 for bond issues and issue them up, if he so desires, to the national debt limit of \$45,000,000,000. As it is today, the Secretary can float bond issues only up to \$30,000,000,000 and he has already issued \$29,000,000,000 of bonds. The rest of the obligations are in short-term notes and certificates.

This is really a matter of procedure, but, encouraged by the chairman of the Rules Committee, my good friend, Mr. SABATH, who desires that I make some remarks about the administration and their financial capacity, about the Budget, and particularly about the national debt and taxation, I believe in 15 minutes or a half hour I can cover at least some of these subjects.

The President of the United States the other day issued a direct challenge to the American people, to the businessmen, and to the Congress. He wanted to know why it was that idle capital and idle wealth in the banks in the big cities of America could not join up with idle manpower and with idle wage earners. This challenge was submitted by the President, I assume, primarily to the Members of Congress and to the businessmen. I happen to be a businessman and for the time being a Member of Congress, and therefore I accept that challenge without any reservations whatever and will take some of my time under the rule to answer as to why it is that all this idle capital and idle wealth cannot get together with idle manpower in the United States to promote prosperity, turn the wheels of industry, and get our people back to work.

It must be self-evident that there is one main reason, and that answer is fear; fear pervades the land. Back in 1933 the President said in his inaugural address:

All we have to fear is fear itself.

That is exactly the trouble with the country today. There is nothing wrong with the United States of America. We have the same resources and the same manpower we had back in 1929. The only trouble is that there is fear all over the country, not only in the North and the West but in the South as well.

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

Mr. FISH. I yield to the gentleman from Texas.

Mr. PATMAN. Is it not a fact that the people have complete confidence in their Government when they are willing to let the Government have money for one-twentieth of 1 percent interest?

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

Mr. FISH. I yield to the gentleman from Minnesota.

Mr. KNUTSON. Does not that show the people are afraid to invest their money in any other enterprise except Government bonds?

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

Mr. FISH. I yield to the gentleman from New York.

Mr. SIROVICH. Is there not also fear in the hearts of the gentleman and the Republican Party that the President is likely to run for a third term?

Mr. KNUTSON. No; we hope he will.

Mr. FISH. The gentleman has asked me a question and I will be glad to answer it. It really is not included in the remarks I had expected to make. I believe, honestly and sincerely, that the easiest man for the Republicans to defeat on a third-term issue and the record of economic failures he has made, unless there is a war, is Franklin Delano Roosevelt, and I am for your nominating him in order to find this out. [Applause.]

Now let me proceed, and perhaps discuss the gentleman whose name has just been mentioned, Franklin D. Roosevelt.

What is the trouble? I use the words of President Roosevelt just before his first election. Out of his own mouth he shall be judged. This is what he had to say back in 1932 when speaking on the very subject we are now discussing, that of deficits and debts:

I regard reduction in Federal spending as one of the most important issues in this campaign. In my opinion it is the most direct and effective contribution that government can make to business.

If that were true 7 years ago, it is doubly and trebly true today. Then he goes on to say this:

Our Federal extravagance and improvidence bears a double evil; our whole people and our business cannot carry on its excessive burdens of taxation; second, our credit structure is impaired by the unorthodox Federal financing made necessary by the unprecedented magnitude of these deficits.

If anyone, my friend from New York [Mr. SIROVICH], or anyone else, would ask me what is the reason for this fear that pervades the land, I would say there are three reasons. There are probably many more reasons, but there are three important reasons.

First, I would say there was fear because of lack of confidence. Second, I would say there was fear because of the deficits. Third, I would say there was fear because of Roosevelt. Putting it in other words, I would say the three reasons could be expressed like this: Substitute the word "fear" for "Franklin," "deficits" for "Delano," and leave Roosevelt, and you have the complete answer. [Applause.]

Business seems to be a little bit worried when the President says we planned it that way, and why not when we have 12,000,000 unemployed, a \$40,000,000,000 national debt, and an interest payment of \$1,000,000,000—mark that—\$1,000,000,000 and more, annually.

Back in 1916—and there are some Members of the House who were serving here at that time—the total appropriation of the Congress was \$1,000,000,000 and the total national debt was \$1,000,000,000, while today the interest payment alone is \$1,000,000,000, and I submit that we were a much richer country and a much wealthier people back in 1916 than we are today with a national debt of \$40,000,000,000.

Mr. PATMAN. Mr. Speaker, will the gentleman yield for a question?

Mr. FISH. Certainly.

Mr. PATMAN. The per capita national debt on January 1, 1938, was less than it was after the war, and when there was an effort made after 1920 to reduce the debt, many people in this country objected to it being reduced quicker or being reduced very much because insurance companies and banks and trust companies wanted to invest their funds in Government bonds.

Mr. FISH. I do not agree that it is less than after the World War.

Mr. PATMAN. Per capita.

Mr. FISH. I do not agree that it is less per capita. It is now about \$300, and I do not believe it ever got up to that amount even after the war, but what the gentleman means is that in 1 year, to win the war, we appropriated \$27,000,000,000, and naturally immediately after that there was a big national debt, and the following year we appropriated \$18,000,000,000 and thereafter it got up pretty high, but not as high as it is today.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes; I yield to the chairman of the Republican Committee on Taxation.

Mr. REED of New York. I simply want to say that at the close of the World War, or in other words, at the close of the Wilson administration, the per capita Federal debt was \$200 and for 12 years the per capita debt was reduced until the present party came into power, and every year since they have been in power the per capita debt has increased.

Mr. FISH. The gentleman is quite right. The national debt after the war got up to \$26,000,000,000 and under Republican administrations it was reduced to \$16,000,000,000, and then it went back to \$20,000,000,000 just before 1932, and now, of course, it is up to \$40,000,000,000.

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. SCHAFER of Wisconsin. In 1932, at the time that President Roosevelt complained about excessive Government expenditures, and promised a reduction in Government expenditures of 25 percent, the annual expenditures of the

Federal Government were less than four and a half billion dollars. Instead of reducing expenditures of Government 25 percent, President Roosevelt and his New Deal tribe increased them 100 percent. It will not be long, if the New Deal continues its spending spree, before the American dollar and American Government bonds will be as worthless as the Camco slot-machine stock or the German marks, which President Franklin D. Roosevelt bought and sold prior to the time he entered the White House.

Mr. FISH. The gentleman is quite correct in that the President has repudiated practically every promise he made to the American people.

Yesterday, he made another promise when he virtually said, "My program is more spending, more taxes, and more debt." That is apparently the Democratic campaign slogan for 1940. I believe on this side of the House we will accept the issue and will fight against any such program of more spending, more taxes, and more debts. That is literally what the President said last night in his speech.

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

Mr. FISH. Does not the gentleman agree with that?

Mr. DOUGHTON. No; I do not agree with that at all or anything like that. You quote what he did say and see if it represents that at all.

Mr. FISH. I just read it—more spending, more deficit spending, and more debts—did he not say that?

Mr. DOUGHTON. No; he did not say a word of it, and I challenge that statement and ask the gentleman to produce what he did say.

Mr. FISH. I read his speech and my memory is still good.

Mr. DOUGHTON. That is your interpretation, but it is not what he said at all.

Mr. FISH. I am quite confident it is what he said.

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

Mr. FISH. I yield.

Mr. KNUTSON. Just for the information of the gentleman from Texas [Mr. PATMAN], I would like to call his attention to the fact that at the close of the war the per capita national debt was \$216; today it is \$307. If the gentleman from Texas can get any satisfaction out of that situation, he is welcome.

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

Mr. FISH. I yield.

Mr. KITCHENS. Some gentlemen claim that we have only a 59-cent dollar, and that we owe \$40,000,000,000. If that is true, we really owe 59 percent of \$40,000,000,000, which would be about twenty-odd billion dollars. Does not the gentleman think that would be a fair way to figure it? [Laughter.]

Mr. FISH. Well, that is higher mathematics, with which I am not conversant.

There is plenty of money in the banks, billions of money in the banks. Business, if given the chance, would like to invest and would if they had any confidence whatever, but they are afraid. They are fearful that if they invest they will not be able to make any profits, and if they do make any profits that they will be taken away from them by punitive laws and punitive taxation. The result is that as long as this fear exists there will be no way of getting this idle capital and wealth together with idle manpower. Unless confidence is restored and fear done away with, we will be at a standstill with more and more unemployment all the time. The President wants to know the answer. He wants to know why business fears him. Let me see if I can put it in the terms of an old melodramatic story. It was called the "Perils of Pauline."

The villain tied poor helpless Pauline down on the bed and set fire to the bed. Miraculously, however, she escaped. Then again he lashed her to the railroad tracks, and again she miraculously escaped. Once again he met her and threw her off the cliff, but she fell in a tree and was miraculously saved. A few days later the villain met the heroine Pauline and he said to her, "Pauline, why is it that you try to avoid me? Why is it you are afraid of me?" [Laughter.] The President is repeatedly holding out the olive branch to business and wondering why there is no confidence when in the next breath he abuses and vilifies businessmen and opposes modification of any of the punitive statutes; he is against

modification of the Wagner Labor Relations Act, the capital-gains tax, and the undistributed-profits tax, and he is against doing anything to encourage business or to dissipate fear or to restore confidence.

That is the trouble with America today. It is nothing but fear. Until that is done away with, either by Congress or by the President himself, these unfortunate and deplorable conditions will continue with 12,000,000 Americans unemployed in the greatest and richest nation in the world after 6 years of the New Deal experiments.

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

Mr. FISH. Yes.

Mr. KNUTSON. The gentleman from Arkansas [Mr. KITCHENS] called attention to the fact that we now have a 50-cent dollar and \$40,000,000,000 of debt, and thought that possibly it would be a good idea, a practical thing to cut the dollar in two and thus reduce the debt. I wonder if it has occurred to the New Dealers that if they would reduce the dollar to 25 cents, they would cut the debt further in two, and again that if they would cut it down to 12½ cents, they would cut the debt in two again and finally wipe out all of the debt, leaving the insurance companies and the savings banks to hold the bag.

Mr. FISH. I think that is what many of the new dealers have in mind. One gentleman asked what the rate of per capita taxation is at the present time, including national, State, and local taxation. It is \$22.50 per capita—double that of 6 years ago. The per capita debt is around \$300.

The real issue behind this bill is what this administration proposes to do about the \$45,000,000,000 national debt limitation. That is not changed in this bill, but that is perhaps the greatest single issue before the Congress of the United States today. The President himself said about 3 months ago that our national debt would be at the end of next June \$44,500,000,000. We in the Congress have repeatedly gone above the Budget estimates, so that it may be above \$45,000,000,000. I submit there is not a member of this House who knows what our national debt is today, that there is not a Member of this House or any committee that knows whether we have exceeded that \$45,000,000,000 or not, including appropriations and authorizations, or whether we will by the 30th of June of this year.

I have introduced, and I hope that the Committee on Rules will adopt it, a strictly nonpartisan resolution, and it reads in this way:

House Resolution 195

Resolved, That a committee of five Members be appointed by the Speaker to make a recapitulation and a complete survey of the authorizations and appropriations of the first session of the Seventy-sixth Congress, to ascertain whether or not the limitation on the national debt established by law at \$45,000,000,000 has been exceeded.

Said committee, or any subcommittee thereof, is hereby empowered to send for persons and papers, to administer oaths to witnesses, to sit during the sessions of the House, to have such printing and binding done, and to employ such clerical and stenographic services as it may deem necessary.

All executive departments, agencies, and independent establishments are requested to cooperate with the committee hereby created by furnishing all information the committee may require in its investigation.

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

Mr. FISH. Yes.

Mr. COCHRAN. The gentleman certainly would not include an authorization as part of the public debt until the appropriations had actually been made and expended?

Mr. FISH. The public debt is not based on authorizations or appropriations. The public debt is computed only when they issue bonds, certificates, or short-time notes.

Mr. COCHRAN. The public debt is reflected in money spent. The fact that you make an authorization does not mean that you have made an appropriation or spent any money.

Mr. FISH. That is quite right.

Mr. COCHRAN. And until you make the appropriation and spend the money you are not increasing the expenditures of the Government.

Mr. FISH. That is correct.

Mr. COCHRAN. For instance, you may provide for a project that will take 10 years to complete, and while it is authorized to be completed, yet the money is appropriated only from year to year as construction work proceeds.

Mr. FISH. The so-called daily Treasury statement you read is not based either on authorizations or appropriations. That is based on bonds issued, short-term notes, and other certificates of indebtedness. So I am only interested in finding out what the appropriations will be as of June 30, this year, and what the authorizations will be. Suppose we have exceeded the \$45,000,000,000, you cannot impeach the Congress of the United States; you cannot impeach the President if we have violated the law, because we do the appropriating. I want to find out exactly where we stand. I want a complete survey of our authorizations and appropriations. I think every Member is entitled to it.

We have adopted by law a debt limitation of \$45,000,000,000. I, for one, and I think most Members, are against raising that limit. If you once begin to raise that limit from 45 to 50 billion, there is no end. Next time they will come back and ask to raise it to 55 and 60, and so on, ad infinitum. What we should have is a complete survey of both authorizations and appropriations made in this session of Congress, so that we know precisely where we are. If we are exceeding that limit, we ought to know it and take some course either to cut down the appropriations, or other appropriate action. That is why I say this is a nonpartisan resolution. The committee is appointed by the Speaker. It is for the benefit of all Members, to find out where we stand and act accordingly.

I repeat, not a single Member can definitely state what our appropriations are today, what our authorizations are, or what they will be on June 30. We want to get these facts and determine our action in Congress on the facts and not on guess work.

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

Mr. FISH. I yield.

Mr. COCHRAN. How can anybody advise the gentleman now what our authorizations and appropriations are going to be on June 30? If the gentleman will go to the document room and secure every public and private law that has been passed in this Congress up to this moment, he can make a recapitulation of what we have authorized and likewise what we have appropriated.

Mr. FISH. The gentleman knows it takes a little time to get resolutions passed, in the first place. In the second place, after the committee is appointed, they will be working through June 30, so that they will have a complete recapitulation including June 30, and until the end of this session of Congress.

Of course, we can go to the library, but if the gentleman himself went there and worked for a week he might ascertain the facts. What we want is a committee with power to subpna and power to have stenographic help and clerks to do this work. If the gentleman wants to take a few weeks' time and look over every law and every authorization that has been passed, we could get the same answer, probably.

Mr. COCHRAN. That is all you are asking for here.

Mr. FISH. That is all we are asking for, but nobody has it.

Mr. COCHRAN. No Member of this House, nor the gentleman himself, can tell us now where he will stand on June 30. He changes every day.

Mr. FISH. Well, that is my privilege, but I am interested in knowing where the national debt stands on June 30 and when this session adjourns.

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

Mr. FISH. I yield.

Mr. MAY. The gentleman is aware of the fact, is he not, that the United States Treasury issues every day a statement showing the amount of the public debt?

Mr. FISH. I referred to that already.

Mr. MAY. Why not get at it in that way?

Mr. FISH. I referred to that twice, and that means absolutely nothing as far as this is concerned. That has nothing to do with appropriations made by Congress. It has

nothing to do with authorizations. That simply has to do with the Federal indebtedness computed on bond issues, short-term notes, and certificates of indebtedness.

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. SCHAFER of Wisconsin. If you went down to the document room, as the gentleman from Missouri [Mr. COCHRAN] suggests, you would not be able to get the correct figures, because the congressional appropriation bills do not include hundreds of millions of dollars handed to foreign-dictator countries by the New Deal Export-Import Bank and the billions of dollars handed to foreign owners and speculators under the New Deal gold- and silver-steal legislation.

Mr. FISH. The contingent liabilities are not included. If the gentleman from Missouri [Mr. COCHRAN] would delegate himself to spend a week either in the Library or wherever it is necessary to get these figures, he would be rendering a service to the country; but there is no Member who can give up a week's time to get this information for himself. It might take more than a week. The purpose of this resolution is to have a committee, empowered with stenographic help and clerks, to get all the necessary data, either through subpna or otherwise.

Mr. COCHRAN. Will the gentleman yield further?

Mr. FISH. I yield.

Mr. COCHRAN. The gentleman can go to the Committee on Appropriations and he can get from the clerks of that committee in 5 minutes the amount of money which that committee has appropriated up to this hour, in this session where the President has signed the bills. They can likewise give you the amounts carried in every appropriation bill that has passed this House, and it will only take 5 minutes to get it. Insofar as authorizations are concerned, go and get the public laws and see for yourself.

Mr. FISH. That is exactly the situation. When an authorization is passed it is expected that the Appropriations Committee will include that in its deficiency bill. That is the reason it is passed. If you have got to find every bill that has passed Congress carrying an authorization before it is in the deficiency bill, then it will take some time.

Mr. COCHRAN. For instance, let me show the gentleman where he is wrong. Every year we pass a River and Harbor Authorization Act. It may be 20 years or more before the engineers of the Army will carry out all the projects that have been authorized. Congress appropriates a certain amount every year, in a lump sum, for river and harbor improvements. The engineers of the Army select the projects which they feel should be taken care of at the moment, confining the projects to those previously authorized. But the fact that we passed a river and harbor bill the other day authorizing projects which will require a tremendous amount of money, does not mean that those projects will be taken care of in 1 year, 2 years, 5 years, or 10 years. Some of it may never be spent.

Mr. FISH. Let me call the gentleman's attention to the action of the House today. Suppose we add \$300,000,000 to the Agriculture Department appropriation bill, and suppose we are within \$200,000,000 of the \$45,000,000,000 debt limitation. I do not know whether we are or whether we are not, nor does the gentleman. I want to get a complete summation of all these authorizations and appropriations, so that we will know where we are, and so that if we pass this appropriation we will be under the \$45,000,000,000 limitation, or if we pass a Navy bill we will be within the debt limitation fixed by law.

Mr. COCHRAN. Let us assume that the debt now amounts to \$44,800,000,000. We have not as yet passed the relief bill. If the figures did show, when we take up the relief bill for next year, that the public debt amounted to \$44,800,000,000, would the gentleman be in favor of throwing the relief bill into the wastebasket?

Mr. FISH. I want to find out whether that is the purpose the gentleman has in mind in order to exceed the \$45,000,000,000. I am trying to keep it down. I want to get a direct vote on this by the House, if necessary; and if the Democrats

want to take the responsibility, let them take it; they are in charge of the House.

Mr. COCHRAN. I will tell the gentleman this—that if we discover we have already spent \$44,800,000,000, I will still vote for the relief bill, even if it carries the deficit over the \$45,000,000,000.

Mr. FISH. Is the gentleman in favor of lifting the debt limit above \$45,000,000,000?

Mr. COCHRAN. If I found the debt already amounted to \$44,800,000,000, which is within \$200,000,000 of the limit, in voting for the relief bill I would be voting for an expenditure that would increase the debt over \$45,000,000,000.

Mr. FISH. Is the gentleman in favor of raising the debt limit over \$45,000,000,000?

Mr. COCHRAN. I just told the gentleman what I would do.

Mr. FISH. Is the gentleman speaking for his party?

Mr. COCHRAN. I should say I am not. I always speak for myself alone.

Mr. FISH. Is the gentleman speaking for the President?

Mr. COCHRAN. I certainly am not, and the gentleman knows it.

Mr. FISH. Certainly I do not.

Mr. COCHRAN. Now let me ask if the gentleman is speaking for the President as the representative of the President's congressional district? The gentleman is the representative of the President's congressional district, is he not?

Mr. FISH. I am speaking for the people of my district; and that is more than the President can claim. [Applause.]

Mr. COCHRAN. I know, but the gentleman is not speaking for the President, he will never say he is and we know he is not, even though he represents the congressional district which is the legal residence of the President.

[Here the gavel fell.]

The SPEAKER. The gentleman from New York has consumed 30 minutes.

Mr. SABATH. Mr. Speaker, I yield to the gentleman from Georgia to submit a unanimous-consent request.

EXTENSION OF REMARKS

Mr. PACE. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a table showing the appropriations for agriculture.

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

There was no objection.

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks and to include therein certain statistics with reference to appropriations.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SIROVICH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech I delivered on the floor of the House.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. THOMAS F. FORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a short article from the Evening Star.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. COFFEE of Nebraska and Mr. SABATH asked and were given permission to revise and extend their own remarks.

PERMISSION TO ADDRESS THE HOUSE

Mr. SHANNON. Mr. Speaker, I ask unanimous consent that on tomorrow, May 24, after the conclusion of the legislative program for the day and such other special orders as may have been entered that I may address the House for 10 minutes.

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

There was no objection.

THE LATE CHARLES BENNETT SMITH

Mr. SCHWERT. Mr. Speaker, having just received news of the death of the Honorable Charles Bennett Smith, who

served for four terms as a Democratic Member of the House of Representatives, I desire to call this item to the attention of the Members of the Seventy-sixth Congress. Mr. Smith first ran for Congress in 1910, the district then being the thirty-sixth New York, and he won an election believed unequalled in the annals of congressional contests. He defeated the veteran incumbent, Col. De Alva Stanwood Alexander, by one vote. A bitter post-election battle was carried on for several weeks, Colonel Alexander finally conceding defeat. An unusual angle of the election was that Colonel Alexander carried the city portion of the district by more than 400 votes but lost the towns, which are usually Republican. Mr. Smith was reelected in 1912, 1914, and 1916, but was defeated by 34 votes in 1918 by the Honorable Clarence MacGregor, who is now a supreme court justice.

In the House of Representatives, Mr. Smith served as chairman of the Committee on Patents. He was on the Tolls Committee that visited the Panama Canal and determined the tolls. A member of the Committee on Foreign Affairs which drew up the declaration of war, he came to know President Woodrow Wilson very well. One of the most dramatic conferences which Mr. Smith attended at the White House was that at which he heard President Wilson's report on the drafting of the League of Nations Covenant. Before entry of the United States into the World War, Mr. Smith consistently supported Mr. Wilson's efforts to keep the Nation from becoming involved. He also witnessed the vote that adopted the Prohibition Amendment.

His interests in Washington continued after his service in Congress. He was a staunch opponent of the St. Lawrence seaway development project and represented the city of Buffalo and the chamber of commerce in the capital combating ratification of the treaty. Mr. Smith served as chairman of the upstate Democratic campaign for the election of Gov. Alfred E. Smith as President. In 1934 he was appointed City Budget Director of the city of Buffalo by Mayor George J. Zimmerman, serving in that capacity until September 1, 1935, when he was appointed State superintendent of standards and purchase by Governor Lehman, the position he held at the time of his death last Sunday, May 21, 1939.

Early in Mr. Smith's life he was a telegraph operator, branching from that into the field of newspaper work, where he worked himself up to the position of managing editor of the Buffalo Times. He left the Times at the age of 28 and became managing editor of the Courier and the old Enquirer, keeping that position for 12 years—when he was elected to Congress.

During his life Mr. Smith became prominent in the affairs of his city, State, and Nation, and won much merit and praise in each and every position held by him. His death at the age of 68 is a severe loss to the State of New York, his death representing the loss of one of Buffalo's foremost contributors to the service of good government.

AMENDMENT OF SECOND LIBERTY BOND ACT AS AMENDED

Mr. SABATH. Mr. Speaker, I yield 7 minutes to the gentleman from Texas [Mr. PATMAN].

ECONOMIC SYSTEM BASED ON DEBT

Mr. PATMAN. Mr. Speaker, the success of our economic system, whether we like it or not, depends upon debt—someone must go into debt. Comparing 1939 with 1929 we find that the total debt today is less than it was in 1929; that is, the total debts of this country owed by the people. As private business has been decreasing its debt, and as loans and discounts have decreased \$20,000,000,000 from 1929 to 1936, someone had to spend money, because our system is based upon debt. It was therefore absolutely necessary that the Government go in debt. As the Government's debt has increased private debts have decreased, or I should say as private debts decreased the Government debt necessarily increased.

The total private and Government debt today is \$155,000,000,000, whereas in 1929 it was \$159,000,000,000. So our total debts have actually decreased.

GOVERNMENT DEBTS, PRIVATE LONG-TERM DEBTS, AND BANK LOANS AND DISCOUNTS, UNITED STATES, 1921-38

It is interesting to note that the grand total of the Government and private debts is at least five and one-half billion dollars less in 1938 than it was in 1929. The following table is self-explanatory:

[In millions of dollars]

	U. S. Government ¹	Federal agencies ²	State and local ³	Total Government	Private long term ⁴	Loans and discounts all active banks ⁵	Total private long-term and bank loans	Grand total, Government and private
	<i>June 30</i>	<i>June 30</i>	<i>June 30</i>		<i>Dec. 31</i>	<i>June 30</i>		
1921	23,737	450	8,476	32,663	48,682	28,776	77,458	110,121
1922	22,711	730	9,893	33,334	51,200	27,759	78,559	112,293
1923	22,008	1,062	10,598	55,234	30,287	85,521	119,180	
1924	20,982	1,231	11,633	33,846	60,156	31,348	91,504	125,350
1925	20,211	1,506	12,830	34,547	64,895	33,757	98,652	133,199
1926	19,384	1,659	13,664	34,707	69,861	36,051	105,912	140,619
1927	18,251	1,789	14,735	34,775	75,156	37,314	112,470	147,245
1928	17,318	1,866	15,699	34,883	80,121	39,592	119,713	154,596
1929	16,639	1,867	16,760	35,266	83,224	41,433	124,657	159,928
1930	15,922	1,871	17,985	35,778	84,500	40,510	125,010	160,788
1931	16,520	1,885	19,060	37,465	83,131	35,211	118,342	155,807
1932	19,161	2,130	19,330	40,621	80,192	28,090	108,282	148,903
1933	22,158	3,279	19,517	44,954	75,594	22,388	97,982	142,936
1934	26,480	6,735	18,823	52,038	74,300	21,431	95,731	147,769
1935	27,645	10,177	18,972	56,794	72,831	20,419	93,250	150,044
1936	32,758	11,066	19,212	63,034	71,459	20,839	92,298	155,332
1937	35,803	10,547	19,152	65,502	70,335	22,698	93,033	158,535
1938	36,576	7,989	19,170	63,735	70,000	21,380	91,390	155,115

¹ Interest-bearing debt of the U. S. Government (p. 410, 1937 Report of the Secretary of the Treasury), except that data for 1938 were taken from U. S. Department of the Treasury.

² Total amount of outstanding securities wholly or partially exempt from Federal income taxes of the (1) Federal Farm Loan System; (2) Federal Home Loan System; and the (3) Reconstruction Finance Corporation as reported on p. 466 of the Annual Report of the Secretary of the Treasury for 1937, except that data for 1938 are from U. S. Department of the Treasury and include debt of the newly created agencies, Commodity Credit Corporation and Federal National Mortgage Association.

³ Includes both long- and short-term issues. Annual Report of the Secretary of the Treasury for year ended June 30, 1937 (p. 466), except that data for 1938 are from U. S. Department of the Treasury.

⁴ Total private long-term debt in the United States; 1922, 1930, and 1934-37, inclusive, are Department of Commerce estimates, Long-Term Debts in the United States, 1937, and Survey of Current Business, January 1939; estimates for 1921 from Private Long-Term Debt in United States, National Conference Industrial Board. All other years prior to 1938 based on National Industrial Conference Board data (same source) with adjustments by Agricultural Adjustment Administration to bring into agreement with the Department of Commerce series. 1938 is preliminary Agricultural Adjustment Administration estimate.

⁵ Loans and discounts all active banks, Comptroller of Currency reports (1938 is preliminary).

Source: Agricultural Adjustment Administration, Division of Program Planning, Agricultural Industrial Relations Section.

If private business continues to fail to go into debt and do business as it should, the Government must continue to put money out, because money must be spent either by private business or by the Government. Let me tell you the difference in the cost of carrying this debt in 1929 as compared with now. In 1929 it cost us \$6,222,000,000 a year to pay the interest on these enormous debts, whereas today the interest burden is only \$5,419,000,000.

HOW INTEREST RATES HAVE REDUCED SINCE 1933

The private rate of interest has decreased considerably since 1933; so has the interest rate on long-term Government obligations. The following table is self-explanatory:

Private long-term and Government debt and interest charges, United States, 1921-38

[Million dollars]

	Private ¹			Government			Total Government and private long-term	
	Long-term debt	Interest	Rate of interest	Debt ²	Interest	Rate of interest	Debt	Interest
			<i>Percent</i>			<i>Percent</i>		
1921	48,682	2,770	5.68	32,213	1,410	4.38	80,895	4,180
1922	51,200	2,976	5.81	32,604	1,415	4.34	83,804	4,391
1923	55,234	3,187	5.77	32,606	1,411	4.33	87,840	4,598
1924	60,156	3,471	5.77	32,615	1,409	4.32	92,771	4,880
1925	64,895	3,725	5.74	33,041	1,415	4.28	97,936	5,140
1926	69,861	4,017	5.75	33,048	1,416	4.28	102,909	5,433

See footnotes at end of table.

Private long-term and Government debt and interest charges, United States, 1921-38—Continued

	Private			Government			Total Government and private long-term	
	Long-term debt	Interest	Rate of interest	Debt	Interest	Rate of interest	Debt	Interest
			<i>Percent</i>			<i>Percent</i>		
1927	75,156	4,329	5.76	32,986	1,395	4.23	108,142	5,724
1928	80,121	4,623	5.77	33,017	1,387	4.20	113,138	6,010
1929	83,224	4,802	5.77	33,399	1,420	4.25	116,623	6,222
1930	84,500	4,882	5.78	33,907	1,424	4.20	118,407	6,306
1931	83,131	4,805	5.78	35,580	1,452	4.08	118,711	6,257
1932	80,192	4,603	5.74	38,491	1,546	4.02	118,683	6,149
1933	75,594	4,324	5.72	41,675	1,620	3.89	117,269	5,944
1934	74,300	4,185	5.63	45,303	1,688	3.72	119,603	5,871
1935	72,831	3,987	5.47	46,617	1,584	3.40	119,448	5,571
1936	71,459	3,838	5.37	51,968	1,656	3.19	123,427	5,494
1937	70,335	3,713	5.28	54,955	1,721	3.13	125,290	5,434
1938	70,000	3,675	5.25	55,746	1,744	3.13	125,746	5,419

¹ Data in all columns for the years 1922, 1930, and 1934 to 1937, inclusive, are Department of Commerce estimates (as of Dec. 31). Data for other years based on estimates contained in Long-Term Debts in the United States, 1937, and Survey of Current Business, January 1939; the estimate for 1921 was taken from Private Long-Term Debt in United States, National Industrial Conference Board. The National Industrial Conference Board, debt estimates are: 1922, \$60,694,000,000; 1930, \$85,774,000,000, and 1934, \$76,575,000,000.

² Debt of Federal and State and local governments, interest on which is exempt from Federal income taxes, 1937 Annual Report of the Secretary of the Treasury p. 466. For details concerning interest charges and rates see table III (Government Debt and Interest Charges, United States, 1921-38).

Source: Agricultural Adjustment Administration, Division of Program Planning, Agricultural Industrial Relations Section.

PRESIDENT WILSON WANTED PROFITS TAKEN OUT OF LAST WAR

Much has been said about the war debt and about the reduction of the debt under the 12 years of Republican administration. Permit me to invite your attention to the fact that in 1917 President Woodrow Wilson and a Democratic Congress were determined to take the profits out of war and passed tax bills which had they remained upon the statute books of this country would have entirely liquidated the national debt by 1927. When the Republicans came into power, however, in 1921 they said, "No; we do not want these heavy taxes paid; we do not want this debt liquidated quickly. We believe that a large national debt is a wholesome and constructive thing for the country." They openly argued that we needed Government bonds for insurance companies to invest in, for banks to invest in to carry their reserves, and for trust companies to invest in. They said, "Therefore, we need and must have a large Government debt." It could have been entirely paid through those years, but the Republicans preferred not to pay it.

President Wilson during the World War said that those who profited by the war should pay the cost of the war, and he persuaded the Congress to pass the tax laws I have mentioned which, if they had remained upon the statute books, would have caused the entire payment, the complete liquidation of the national debt, by June 30, 1927; but when the Republicans came into power March 4, 1921, they did not see fit to keep these war taxes in effect. They did not want to liquidate that national debt so quickly; in fact, many of them argued that a pretty good-sized national debt is a sound thing for the country and that we should have a pretty good-sized national debt.

WAR DEBT COULD HAVE BEEN PAID BY JUNE 30, 1927

In connection with the public debt I desire to invite your attention to a statement prepared by Mr. L. H. Parker, chief of staff of the Joint Committee on Internal Revenue Taxation. This statement discloses that if the Woodrow Wilson taxes had continued the national debt would have been entirely paid by June 30, 1927, and there would have been a surplus at that time in the Treasury after the payment of the debt of \$1,542,000,000.

The statement I refer to is contained in volume 79, part 3, of the CONGRESSIONAL RECORD for the Seventy-fourth Congress, first session, page 2687, and is as follows:

Estimate of additional revenue that would have been derived under the income and excess-profits tax rates of the year 1918 continued in subsequent years, with effect upon the public debt by the application of such additional revenue thereto

INDIVIDUAL—INCOME TAX

Year	Actual net income	Actual tax	Theoretical tax	Excess
1918.....	\$15,924,639,000	\$1,127,722,000	\$1,127,722,000	-----
1919.....	19,859,491,000	1,269,630,000	1,406,052,000	\$136,422,000
1920.....	23,735,629,000	1,075,054,000	1,680,483,000	605,429,000
1921.....	19,577,213,000	719,387,000	1,386,067,000	666,680,000
1922.....	21,336,213,000	861,057,000	1,510,604,000	649,547,000
1923.....	24,777,466,000	661,666,000	1,754,245,000	1,592,579,000
1924.....	25,655,153,000	704,265,000	1,816,456,000	1,112,191,000
1925.....	21,894,576,000	734,555,000	1,550,136,000	815,581,000
1926.....	21,958,506,000	732,471,000	1,554,662,000	822,191,000
Total.....	178,795,247,000	6,758,085,000	12,658,705,000	6,400,620,000
1927.....	22,545,091,000	830,639,000	1,596,192,000	765,553,000
Total.....	201,340,338,000	7,588,724,000	14,254,897,000	7,166,173,000

CORPORATIONS—INCOME AND EXCESS-PROFITS TAXES

Year	Actual net income	Theoretical net income	Actual tax	Theoretical tax	Excess
1918.....	\$8,361,511,000	-----	\$3,158,764,000	-----	-----
1919.....	9,411,418,000	\$8,031,704,000	2,175,342,000	\$3,034,137,000	\$858,795,000
1920.....	7,902,655,000	6,542,608,000	1,625,235,000	2,471,601,000	846,366,000
1921.....	4,336,048,000	3,399,895,000	701,576,000	1,284,378,000	582,802,000
1922.....	6,963,811,000	5,222,858,000	783,776,000	1,973,060,000	1,189,284,000
1923.....	8,321,529,000	6,241,147,000	937,106,000	2,357,743,000	1,420,637,000
1924.....	7,586,652,000	5,689,989,000	881,550,000	2,149,530,000	1,267,980,000
1925.....	9,583,684,000	7,187,763,000	1,170,331,000	2,715,350,000	1,545,019,000
1926.....	9,673,403,000	7,255,052,000	1,229,797,000	2,740,770,000	1,510,973,000
Total.....	63,779,200,000	49,571,016,000	9,504,713,000	18,726,569,000	9,221,856,000
1927.....	8,981,884,000	6,736,413,000	1,130,674,000	2,544,842,000	1,414,168,000
Total.....	72,761,084,000	56,307,429,000	10,635,387,000	21,271,411,000	10,636,024,000

Public debt June 30, 1926.....	\$19,643,000,000
Additional revenue if rates continued through 1926.....	\$15,122,476,000
Probable saving in interest by annual payment of such additional revenue on public debt.....	2,450,000,000
	17,572,476,000
Balance of debt, 1926.....	2,070,524,000
Public debt June 30, 1927.....	18,510,000,000
Additional revenue if rates continued through 1927.....	\$17,302,197,000
Probable saving of interest by annual payment of such additional revenue on public debt.....	2,750,000,000
	20,052,197,000

Surplus after complete payment of public debt.....	1,542,197,000
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NOTE.—It is assumed that business profits (net income) would not have been depressed by the high tax.

(This statement prepared by the Joint Committee on Internal Revenue Taxation. Mr. L. H. Parker, chief of staff.)

I was in Congress in 1929, when, at one time, \$190,000,000 was given to the income-tax payers just as an absolute gift, as a subsidy, in order to prevent the payment of the national debt so quickly. Naturally, there was more money coming in under those tax laws than was being paid out. The above statement does not take into consideration the billions of dollars illegally refunded in income-tax payments.

Now in regard to fear.

ARE PEOPLE AFRAID OF THEIR GOVERNMENT?

It is said the people are afraid of their Government; you hear that every day here on the floor of the House. Are the people afraid of this administration? Are they afraid of the President of the United States? Are they afraid of the Congress? Let us see. If people will put their money into this Government they are not afraid; and when people will hire their money to the Government, or let the Government have their money for one-twentieth of 1 percent interest, they certainly have confidence in this Government; and this is what the Government is now paying on short-term

obligations and is the lowest rate of interest that has ever been paid by this Government in the history of the country. [Applause.] Incidentally, it is cheaper than printing money. It would cost much more than that to print it.

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

Mr. PATMAN. I yield.

Mr. SIROVICH. I call the gentleman's attention to the fact that in the year 1929, in September, when the Republican Party, through its President, had promised two chickens in every pot and two automobiles in every garage, the value of all the stocks, bonds, and debentures of the public utilities alone was about \$20,000,000,000; but when Herbert Hoover retired from the Presidency, these values had fallen to \$1,756,000,000.

Mr. PATMAN. I thank the gentleman.

Mr. HOFFMAN. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Was that because the people were afraid of what was coming?

Mr. PATMAN. They were afraid of what was happening. That is what they were afraid of. If the gentleman wants to compare 1932 under Mr. Hoover with 1939 under Mr. Roosevelt, I will yield the gentleman the remainder of my time. He is certainly not bragging about what happened in 1932.

Mr. HOFFMAN. I am thinking of what we have now.

Mr. PATMAN. We had something pretty bad at that time. It was much worse then. If the gentleman will look at the Evening Star of last night and read the article written by Jay Franklin, which compares conditions in 1932 with 1939, citing official records which the gentleman cannot dispute or deny, I think he will be convinced without any effort on my part.

Mr. HOFFMAN. At least, we had a President then. Now you have a man down there who listens to John Lewis.

Mr. PATMAN. He did not shoot any World War veterans.

Mr. HOFFMAN. No; he is starving them to death.

Mr. PATMAN. He did not shoot any World War veterans, but treated them kindly when they came to Washington. No one has starved during Mr. Roosevelt's time, while Mr. Hoover refused to feed the starving or assist the needy. He said it was unconstitutional and unorthodox.

Mr. MURRAY. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Wisconsin.

Mr. MURRAY. How much was corn worth in that same article?

Mr. PATMAN. I do not recall.

Mr. MURRAY. I do, sir.

Mr. PATMAN. I believe the gentleman will admit that the prices of commodities are much higher today than they were in 1932. I am sure he will not deny that.

Mr. HOFFMAN. How about cotton?

Mr. PATMAN. It is much higher.

Mr. HOFFMAN. It was 17 cents then. It is now about 8 or 9 cents.

Mr. PATMAN. The gentleman has his figures mixed up. I will not say "as usual," but at least this time.

Mr. GEYER of California. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from California.

Mr. GEYER of California. I may say I will put those very figures in the RECORD this evening.

Mr. PATMAN. I thank the gentleman.

So, some one must go into debt and the best way to keep the Government out of debt is for private business to go into debt. Somebody must borrow money. Someone must spend, because the success of our economic system is based upon debt. If it is necessary for the Government to go into debt, we must continue to spend until private business comes back and goes into debt for itself. [Applause.]

[Here the gavel fell.]

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks and to include therein certain tables bearing upon the statements I have made.

The SPEAKER pro tempore [Mr. PAGE]. Is there objection to the request of the gentleman from Texas [Mr. PATMAN]?

There was no objection.

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

The previous question was ordered.

The resolution was agreed to.

EXTENSION OF REMARKS

Mr. DISNEY. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include therein an editorial taken from the Tulsa (Okla.) World of May 16, 1939.

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

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, yesterday I secured unanimous consent to extend my own remarks in the RECORD and to include an address, which runs one page over the usual amount. I ask unanimous consent to include the entire address notwithstanding the fact it runs over the limit.

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

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the bill passed today.

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

There was no objection.

Mr. GEYER of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an article from the Washington Evening Star.

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

There was no objection.

Mr. PATRICK. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include therein an article by John Temple Graves on the troubles of King Cotton.

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

There was no objection.

AMENDMENT OF SECOND LIBERTY BOND ACT, AS AMENDED

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5748, to amend the Second Liberty Loan Act, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5748, with Mr. GAVAGAN in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. DOUGHTON. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, this bill, H. R. 5748, comes to you with a unanimous favorable report from the Committee on Ways and Means, so I take it there is no objection to the bill. It provides greater flexibility in financing the needs and requirements of the Government. Under the Second Liberty Loan Act, as amended, there is a limitation of \$45,000,000,000 on the Government indebtedness that may be outstanding at any one time. This bill does not increase or change that amount, but leaves the law just as it is at present.

There is also a limitation of \$30,000,000,000 in the present law on the amount of Government bonds that may be outstanding at one time, leaving \$15,000,000,000 that may be outstanding in other forms of Government obligations. This bill has for its purpose the giving of greater latitude to the Secretary of the Treasury and providing more flexibility in financing the obligations of the Government authorized by the

Congress. The bill gives him the power to finance these public obligations more efficiently and economically and leaves entirely to the discretion of the Secretary of the Treasury the form in which he will issue the obligations of the Government, whether bonds, or Treasury notes, or certificates of indebtedness of any type he may deem desirable and which the condition of the money market at the time he refinances these obligations may indicate it will be most favorable to the Government for him to adopt.

The gentleman from New York [Mr. FISH] is never happier than when he is criticizing the present administration and he never lets an opportunity pass to do so. He is always in his glory when an opportunity presents itself to take the floor and inveigh—and he does it quite eloquently as he is a good talker—against the policy of the administration. The gentleman from New York decided that the President's speech last night indicated he was in favor of higher taxes and bigger deficits and all that kind of thing, not a word of which I heard, and I listened to the President's speech very attentively. His speech speaks for itself; it is not necessary for me to make any explanation of it, and I am certain I would make no apology for the speech made by the President.

The gentleman from New York emphasizes at great length the matter of deficit financing and the large increase in the public debt under this administration, but I would remind the gentleman from New York and those whose views are similar to his that this administration and the Democratic Party have no monopoly on deficit financing. When this administration came into control of the affairs of this Government on March 4, 1933, we had been running a deficit for a number of years. We inherited not only the policy of deficit financing but an empty Treasury and an almost bankrupt country. Everyone knows that. During the last years of the previous administration the national income had dropped to approximately \$40,000,000,000. You never hear that fact referred to by our Republican friends. The national income had fallen to something like \$40,000,000,000. In 1937 the national income increased to \$65,000,000,000 and went down last year a little, although it still was \$60,000,000,000 or above—\$20,000,000,000 more than it was during the last years of the previous administration—and this year it will be about \$65,000,000,000; \$65,000,000,000 contrasted with \$40,000,000,000 makes a difference, according to my arithmetic, of \$25,000,000,000 between the national income this year and the national income of the last year of the Republican administration. This \$25,000,000,000 increase in the national income in 1 year would more than pay off every dollar of the increase in the national debt over a period of 6 years.

Further, the amount of Government obligations outstanding on the 30th of April was thirty-nine billion and some hundreds of millions, leaving \$5,000,000,000 of obligations that may yet be issued before the limit of \$45,000,000,000 is reached. I know that \$39,000,000,000 or \$40,000,000,000 or \$45,000,000,000 looks large, and it is quite a large sum, but today we have in the Treasury of the United States—I have just phoned the Treasury to find out—a working balance as of May 20th of \$2,329,307,554 in cash. We have this much cash that we could use tomorrow if we were balancing the books to pay on the public debt, whereas at the inception of President Roosevelt's administration there was not over \$200,000,000 in the Treasury. The Treasury was practically empty. Yet we never get credit for that, and that is a comparison our friends never think of, let alone being willing to make.

Mr. Chairman, let us give credit where credit is due. We have paid off and added to the public debt the soldiers' bonus, for which the President was in no way responsible. Congress was responsible for that payment, which increased the public debt of the Nation more than \$1,000,000,000. We are entitled to credit for that. We should charge that increase up to the Congress, not to the President of the United States.

Mr. PATMAN. Mr. Chairman, will the gentleman yield? Mr. DOUGHTON. I yield to the gentleman from Texas.

Mr. PATMAN. The gentleman can also add the \$1,800,000,000 in the stabilization fund to the \$3,200,000,000 in the general fund.

Mr. DOUGHTON. They can twist that around and say that is sleight-of-hand business, but the gentleman is correct.

Again, Mr. Chairman, you will recall that not only did this administration inherit the greatest economic depression in all the history of this country but after it came into power we had 2 years of the most serious and disastrous drought ever known in our history. The present administration and the Democratic Party are not responsible for that. If anyone is responsible, it is Providence, not the Democratic Party.

We were compelled, as a matter of duty, of course, but not as a matter of law, to spend several hundred millions of dollars to relieve the distress of the suffering in the sections of the country in the West and Midwest. We are entitled to some credit for that. The previous administration had no such catastrophe and no such calamity to deal with.

Then, in addition, we are entitled to a further credit against this \$39,000,000,000 for the money we have in good loans and recoverable assets. This represents money we have loaned through the R. F. C. and through farm organizations, principally to farmers, and also money loaned through the Home Owners' Loan Corporation and other various lending agencies of the Government, represented in good securities in the Treasury of the United States, good as gold, and will be collected and applied to the discharge of our national debt, and they amount to something like \$5,000,000,000.

So, after all, Mr. Chairman, when you contrast the picture and get right down to the truth and state the facts, you can realize that this administration, although on the books the public debt is enormously increased, if you give it the credit to which it is entitled, the national debt is not so colossal as our Republican friends would have you believe.

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

Mr. DOUGHTON. I yield to the gentleman from New York.

Mr. WADSWORTH. I am very much interested in the reassuring statement of the gentleman from North Carolina and, indeed, his rosy picture of this situation, but I want to ask him a question for information. Reference was made a little while ago in this debate—

Mr. DOUGHTON. As great a premium as I put on the gentleman's intelligence, I do not believe he needs much information.

Mr. WADSWORTH. Yes; I do.

Mr. DOUGHTON. But if I can give him any information, I shall be pleased to do it.

Mr. WADSWORTH. Reference was made in the debate on the rule a short time ago to what might happen as we come within, we will say, \$1,000,000,000 of the \$45,000,000,000 limit of the national debt, and I would like to know whether it would be within the power of the President under existing law, in the event we found ourselves within \$2,000,000,000 or \$3,000,000,000 of the national debt limit, a part of which would be short-term notes, to retire those notes by the issuance of all or a part of the \$3,000,000,000 which he may issue under the famous agricultural law of 1933. By issuing that currency, speaking of sleight of hand, could he retire two or three billion dollars of short-term notes and thus put the debt down to \$42,000,000,000?

Mr. DOUGHTON. I regret that I do not feel able to give the gentleman the information, but I do feel that under the present law or under the Second Liberty Loan Bond Act, as amended, there is no authority vested in any governmental agency, the Secretary of the Treasury or anyone else to exceed or have in excess of \$45,000,000,000, at any one time, of outstanding Government obligations.

Mr. WADSWORTH. The gentleman from North Carolina would not contend that the \$3,000,000,000 of paper currency which the President may issue at any time is to be computed, if issued, as a part of the national debt.

Mr. DOUGHTON. I would not contend that. I would not contend anything that the law did not provide, and as I am

not a lawyer, and I assume the gentleman from New York is—

Mr. WADSWORTH. No; I am not.

Mr. DOUGHTON. Well, there are able lawyers in the House—

Mr. WADSWORTH. I am not even a member of the bar. [Laughter.]

Mr. DOUGHTON. And I respectfully submit that that matter should be submitted to the Department of Justice or the Committee on the Judiciary or some person that knows more law than I do.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield myself 5 additional minutes.

Mr. PATMAN. May I suggest to the gentleman that under the Agricultural Act of 1933 and the Thomas amendment, providing that \$3,000,000,000 could be issued in so-called greenbacks, I believe the law is very plain, and the President could use that money to retire existing obligations.

Mr. WADSWORTH. That is the matter I would like to pursue further, because we must all realize we are approaching pretty steadily the \$45,000,000,000 debt limit.

The CHAIRMAN. Does the gentleman from North Carolina yield; and, if so, to whom?

Mr. DOUGHTON. I yield further to my colleague and friend the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Apparently, therefore, if the gentleman from Texas [Mr. PATMAN] is correct, the President may reduce the national debt by \$3,000,000,000 by simply issuing that amount of currency, paper money. I want to pursue that inquiry.

Mr. DOUGHTON. Oh, the President has never been accused of entertaining inflationary views.

Mr. WADSWORTH. For reducing the debt—that is true.

Mr. DOUGHTON. But I say he believes in sound finance.

Mr. WADSWORTH. Perhaps the gentleman will inform me on this question; and I need the information, because I am not an authority on the Silver Purchase Act. I understand that the hoard of silver which we have accumulated under the Silver Purchase Act can be converted into currency in whole or in part.

Mr. DOUGHTON. The gentleman does not understand there is any intention to do that?

Mr. WADSWORTH. I understand that it would be legal to do it.

Mr. DOUGHTON. All things lawful may not be expedient.

Mr. WADSWORTH. May I ask if the President has the power to do that by Executive order?

Mr. DOUGHTON. I could not tell the gentleman.

Mr. WADSWORTH. If so he could reduce the national debt on a paper basis several billion dollars.

Mr. PATMAN. And would the gentleman be in favor of the President doing that?

Mr. WADSWORTH. No; I would not.

Mr. DOUGHTON. I have no fear that he will embark on any such program, knowing his reputation for sound finance.

Mr. WADSWORTH. His reputation for what?

Mr. DOUGHTON. For sound finance, as proven today by the way the Government bonds are selling, all above par, whereas when he came into power the Government bonds were selling at 80 or 81. Oh, the gentleman need not shake his head, because that is the fact, and that demonstrates that the people of the country have confidence in the President's financial policy.

Something has been said about the financial condition of the country, and if our friends of the minority wish to go before the country on that issue, no matter who is their candidate, or who is our candidate, and have a showdown on the records of the two administrations for the welfare of all of the people, for business, for industry, for the farmer, for labor, for those engaged in every walk or calling of life we will welcome it. They talk about Hoover's time when there were two cars in every garage and a chicken in every pot. If there were two cars in every garage, they were in there

because the people could not afford to buy gasoline to operate them. My country was full of cars that had been converted into Hoovercarts, but I have not seen one around there in 3 or 4 years; and now as you go out into the streets and highways of this country you will see them filled with new, up-to-date, modern automobiles. People must have money to purchase them, or, if they buy them on credit, they have money to buy gasoline and oil to run them. The theaters are filled with people, and the people must have money or they could not attend. Misery and distress existing under the Hoover administration has been supplanted in millions of cases by happiness and contentment. [Applause.]

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. TREADWAY. Mr. Chairman, I had not supposed there was going to be much debate upon this bill, but I now have requests from several gentlemen on this side, and I think some of them have been actuated by the argument of the gentleman from North Carolina [Mr. DOUGHTON]. For a man with as good common sense and ability as he has shown over a period of years in connection with his own finances, it seems strange to me to hear him defend the President's speech of last night. It was my privilege also to be in the audience, and I saw the gentleman from North Carolina there, dressed to perfection. He certainly got a very different impression from that speech than I did. I thought it was an exhibition of high finance on the part of the Democratic President, when the theme of his speech was practically more spending—let us keep spending, and the further we get into debt the richer we will be. That was about the argument made by the President. If I sense the ideas of the Members on this side of the House, they are all to the contrary. The day will come sometime when we will have to stop spending and when we will have to pay our indebtedness, and we certainly are not going to do it if we follow the advice of the President of the United States in his speech last night. Instead of spending, spending, spending as he recommends, the Republicans of this House and the people of the country believe in saving, saving, saving and paying, paying, paying—

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. No; I have not the time. That is the theme of the address last night, which the gentleman from North Carolina is defending on the floor today. Its theme is contrary to any intention on the part of the Republican minority, so far as the next election is concerned, and while there is no politics in this measure, and we did report it unanimously from the Committee on Ways and Means, I say that in addition to the reciprocal-trade agreements and certain other details that we are going to take up next year, we will be glad to meet opposition on the question of thrift, such as the gentleman from North Carolina has exhibited in his own behalf, but certainly not in behalf of the Treasury of the United States when he defends such a speech he heard made last night.

Now, Mr. Chairman, the reason this bill is here today is that the administration now fears getting beyond the \$45,000,000,000 limit that the law provides at the present time. We could not answer the Rules Committee yesterday as to why \$45,000,000,000 was the original ceiling figure. It was an unthinkable indebtedness when it was voted into law—to think that this country would eventually get into an indebtedness of \$45,000,000,000. Yet the majority side stand here today and defend that amount and fears the expectation of increasing the amount in the near future. That is the reason you are asked to change this ceiling. Of course, it is only a matter of manipulation as to the kind of investment that you have. So let us pass the bill, but we cannot pass over the statements made that we should continue this spending spree such as is being advocated here this afternoon.

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

Mr. TREADWAY. I yield to the chairman of the committee.

Mr. DOUGHTON. I know my friend always desires to be correct.

Mr. TREADWAY. I am correct this time, too, both as to what the gentleman said and what the President said last night.

Mr. DOUGHTON. I think the gentleman knows there is no possibility here of changing the ceiling.

Mr. TREADWAY. Well, you are going to change the ceiling in the near future.

Mr. DOUGHTON. But not in this bill.

Mr. TREADWAY. Just as certain as gospel you are going to come in here and ask to change the ceiling. You are not doing it in this bill, but this is a forerunner of what you will be obliged to do, because you admit you are going to continue spending, and if you do, you will overreach the \$45,000,000,000.

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

Mr. TREADWAY. I yield.

Mr. WOLCOTT. Was there any consideration given as to the reason why the limitation of \$25,000,000,000 was originally put in here against the limitation put on the issuance of bonds, and why that was only raised \$5,000,000,000 to \$30,000,000,000 in the limitation of bonds? Was there any consideration given in the Ways and Means Committee to that subject?

Mr. TREADWAY. I think those are just arbitrary figures. At the time those figures were made there was no expectation of reaching them.

Mr. WOLCOTT. May I make this observation: That limitation on the bonded indebtedness of the United States was put on to prevent inflation. That is why we want to keep the ceiling on bonded indebtedness proportionately below the ceiling today, to prevent inflation, because this does raise the ceiling by about \$11,000,000,000, and if I can get 5 minutes I will prove it.

Mr. TREADWAY. I am going to yield the gentleman 5 minutes in a very short time. I first agreed to yield 5 minutes to the gentleman from Wyoming [Mr. HORTON].

Mr. Chairman, I yield 5 minutes to the gentleman from Wyoming [Mr. HORTON].

Mr. HORTON. Mr. Chairman, the bill which we have before us today will pass. I do not rise in opposition to the bill so much as I do in protest against present policies, which not only make a bill of this kind necessary but which, if they are not stopped dead in their tracks, will shortly make similar action regarding the public debt mandatory.

One could be critical and put the blame for this stupendous increase in the public debt here or there, but that would not be helpful. I only know that we have this great debt and that it must not be permitted to increase.

The fact is that we have a public debt in excess of \$40,000,000,000 and that four and one-fourth billion dollars have been spent during the present fiscal year in excess of the receipts for the same period.

With a public debt increase during the past 6 years of more than \$20,000,000,000, with A. F. of L. figures showing 10,000,000 men out of jobs and governmental figures indicating 21,000,000 individuals depending upon relief payments—many of them apparently content to remain so—it is high time that each of us asked of himself the question, "Why should these conditions exist, when we live in a country blessed with natural resources in excess of those of any other country and blessed with a home market for all of our products of every kind above the combined markets of all other countries?"

Something is radically wrong, and it is your job, Mr. Cotton Grower of the South, and your job, Mr. Industrialist of the North, and the job of the various representatives of the East and West, North and South, to solve this problem.

You know that I never knew before I came down here that there was an aisle in this Chamber which was supposed to separate the sheep from the goats, and, frankly, if we were all shuffled together, you could not pick out the goats from the sheep, and sometimes when we permit that aisle to separate us distinctly I think that we are all goats.

What I am trying to say is that we are all in the same boat and that we are rapidly approaching the rapids. There is no such thing as lasting prosperity for any single group, we all go up or we all come down together. There are industrial problems, farm and ranch problems, and labor problems. There is your way, my way, and the right way to solve these problems. But until we find that right way, we cannot anticipate a happy country.

What about this Federal debt of more than forty billions and what about all debts—private, State, municipal, business, and Federal—that approach the stupendous total of two hundred and fifty billions, one-fourth of a trillion dollars, if my memory for big words is correct. Not to pay your debts has, through all the ages, been nothing but fraud, but since the World War a new theory that nonpayment of debt is a possible way out seems to have prevailed in European countries, and even has raised its ugly head in this country.

Either it is going to be paid or we are going to follow the lead of Germany and repudiate all debts. But we will not stop there any more than Germany did. We will follow her lead to the bitter end. Thank God, we are not that kind of people, either as individuals or as a nation. All of this loose talk of drinking ourselves sober, spending ourselves rich, is but the dream of the opium pipe smoker, and again, thank Heaven, we won't follow that kind of leadership in this country; at least not very long.

All right then, we are going to pay our debts, and when we have definitely decided upon that course, the battle is already half won. I know that when I say that, I have the approval of most men in this House. But how? Of course, there is bound to be honest differences of opinion here. But here are my suggestions. Certainly we are going to remove fear from industry and reestablish confidence, and give business a chance to make an honest dollar by removing killing and stifling taxes.

Second. We are going to give the American market to American labor, American ranchers and farmers, and American industries.

Third. Certainly we are going to cut expenses of government to the bone.

Fourth. Increase national income? Well, yes; but if the three things that I have mentioned above do not increase the national income, then there will just not be any increase in the national income.

First. Taxes: It is not necessary for me to go into this question; not so long as we have such able men as dozens that I am looking at in this body and not so long as we have such men as Vice President GARNER, Senator HARRISON, Senator VANDENBERG, and Senator TAFT in the other body. When you add to these Mr. Haynes, of the Treasury Department, you have a composite intelligence and group knowledge of sane taxes that I, for one—and I believe most every other man in this body—is willing to follow.

Second. Give the American market to American labor, farmer-rancher, and industries.

When I say this I do not mean lip service; I am deadly in earnest. Labor must be kept free and must in return for an honest day's labor receive an honest wage, which will permit of the continuation of the highest living standards on the face of the earth. To do this his jobs must not be given to South America nor to any other part of the world; neither must government encourage or permit the importation of goods from foreign countries with a lower price level and inferior living standards, except with a tariff that overcomes these differentials. The farmers and ranchers, for one thing, are entitled to produce the sugar requirement of this country. This is the greatest cash crop which the American farmer enjoys. Revise your sugar-allotment plan, and when you do that be sure that you word any agreement as to the share which producer and refiner is to receive in such a manner as to insure the producer his fair proportion. Be sure that reciprocal-trade agreements—and they are agreements, not treaties, because if they were treaties they would have to be confirmed by a two-thirds vote of the Senate, and that has not been done—I say, be sure that reciprocal-trade agreements

are reciprocal; and if they are not reciprocal, repeal them and be sure that the farmers and ranchers are not paying heavily for any benefit the automobile or other industry is receiving. Give the American farmer the American market and he will never miss the parity payments which, after all, are but sugar-coated pills fed him as pacifiers while robbing him of the only thing that will correct his plight—namely, the American market.

It was stated recently before a Senate Appropriations Committee that if the yearly income of 9,000,000 American families could be increased substantially above the \$1,500 which they are now receiving that they would use twice as much cotton, wheat, meat, woolen goods, and what not as they are now using.

If this is true, and it was excepted as such by this committee, then not only would all surplus disappear but every man out of employment would have a job, and every industrial wheel would hum. Surely this "America for Americans" is the key that will cause the national debt to dissolve like snow in the sun.

Third. Cut expenses of Government. If we can regain the American market we will, as indicated above, have put every man to work—that means that all relief and semirelief agencies are out. Since we have spent fifteen and one-half billions for these purposes during the last 6 years, this means a saving of two and one-half billions a year. With men at work, on their own, and with their old fighting morale going strong, these terribly expensive, semiscialistic experiments, which are instilling in the minds of once free men the idea that the Government owes them a living, are likewise out—and I hope forever.

If we are going to stop these huge Government expenses we are going to start at home, and that means in Wyoming just the same as it does in Mississippi and every other State. I know just how popular that will make each of us back home; but after all that is the only way to save America.

I got up about milking time this morning to try and collect my thoughts so as to present to you something that I thought might prove constructive.

I thought I was getting along fine. Just then a paper boy threw the Washington Post in my door, and here is what I saw:

New Deal won't yield on spending, taxes, or relief, says Roosevelt.

If that is the attitude of this administration, we had better ask ourselves whether we are mice or men. The responsibility is yours, Mr. Majority Leaders. I can only pledge you the support of every minority member in any sane program of tax revision and in any program of stopping wild, unnecessary spending that you will inaugurate.

The choice is yours—will you save America, or will you permit America to be dragged over the cliff to destruction? [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Chairman, it is rather difficult for anyone to cover this subject in 5 minutes and to answer many of the general statements which have been made here today. I hope that this House will not take for granted the accuracy of the general statements made. I hope that this House will not pass this bill in its present form. I do not believe that there are 10 percent of the Members of this House who are in favor of inflation, yet I believe this bill is as inflationary as any bill which has ever been brought before this House for consideration.

The reason why the original limitation of \$25,000,000,000 of Government bonds was put in the original act was to prevent inflation. The reason why it was only raised \$5,000,000,000 when it was last amended was to prevent inflation. Now we take the ceiling off entirely and we authorize the issuance of \$45,000,000,000 of bonds.

The general axiom is this, that the danger of inflation from an increase in the volume of currency increases in the same proportion as the differential between long-term obligations and short-term indebtedness decreases within the

legal limit of the aggregate. We are wiping out all legal differentials between short- and long-term obligations. I do not think the Ways and Means Committee has given adequate consideration to this bill, and if I am given opportunity, at the proper time I am going to ask that this bill be returned to the Ways and Means Committee for further consideration, after which I shall ask the indulgence of the chairman of the Ways and Means Committee for a few of us who have given at least a little thought to the subject to appear before the committee and to express our views.

We have given the President of the United States, directly and indirectly, authority to issue about \$11,000,000,000 in currency, which is not within the limitation provided in this act. If we raise the bonded indebtedness of this Nation to \$45,000,000,000, every dollar of short-term indebtedness may be replaced by United States notes, silver certificates, Federal Reserve notes, or if we wanted to go back to the practice, we could issue Federal Reserve bank notes, all of which do not come within this limitation, but all are obligations of the Federal Government. I think this House has been lulled into a condition of lethargy by believing the statements this \$45,000,000,000 does not raise the debt limitation. This raising of the authority to issue up to \$45,000,000,000 in long-term bonds of the Federal Government increases the debt limitation by the same amount that we have authorized the President to issue currency. [Applause.]

I think that we should not vote on this with the limited knowledge we have.

My first effort will be to try to amend this bill by raising the limitation \$3,000,000,000. At the present time according to the report, and I assume that the Treasury gave the Ways and Means Committee the correct figures, the Treasury can still issue \$1,697,026,819 and be within the limitation of \$30,000,000,000. By raising this authorization to \$33,000,000,000 we shall give them a leeway of \$4,697,026,819 which at least should be sufficient for the coming year. So, I have two proposals: The one is to introduce an amendment authorizing the increase in the authority to issue long-term obligations of the Government up to \$33,000,000,000; that failing I expect, if I am given the opportunity, to move to recommit the bill to the Committee on Ways and Means in order that more intelligent consideration may be given to the bill. I am very sincere in the statement that this bill is one of the most inflationary bills ever brought to the floor, and I think you should be very cautious in considering it.

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

Mr. WOLCOTT. I yield.

Mr. McCORMACK. Does the gentleman think there is any constitutional question involved in this bill?

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 1 additional minute to the gentleman from Michigan.

Mr. WOLCOTT. I may say to the gentleman from Massachusetts that I have never posed as a constitutional lawyer. I have the satisfaction, however, of being able to tell the gentleman today that when I stood on this floor and contended that the reciprocal-tax bill was unconstitutional the Supreme Court later confirmed my position. It had to reverse itself to find me wrong.

Mr. McCORMACK. The Supreme Court did not find the gentleman's views to be correct.

Mr. TREADWAY. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. HOFFMAN].

THE INCONSISTENCY AND THE ABSURDITY OF THE PRESIDENT'S POSITION

Mr. HOFFMAN. Mr. Chairman, from the day he became a candidate down to the present moment, Franklin Delano Roosevelt, as candidate and President, has repeatedly expressed himself as deeply concerned with the welfare of those he chose to designate as the underprivileged, presumably meaning that fraction or one-third of our population which makes up the lowest income group.

His sympathy for those in this class is commendable, but he has no monopoly on sympathy, charitable impulses, ear-

nest desire to help, although oftentimes he talks as though he had. Every true Christian American desires to aid those less fortunate than himself.

Again the President has correctly expressed the thought that this Government is maintained by a system of taxation and that taxes are paid in the sweat of the man who labors.

Every student of our Government, familiar with the history of our country and its present condition, knows that the tax money which is spent so lavishly by this administration is taken in the main from the wage earner—not from the rich nor from the great corporations.

The President was right when he said that taxes are paid in the sweat of the man who works and that, if taxes are excessive, unemployment will increase, breadlines will either lengthen or relief expenditures will mount.

Already this administration has piled up a debt that is appalling; but last night the President made this statement. Listen to it, please—consider it and weigh it:

Our national debt, after all, is an internal debt, owed not only by the Nation but to the Nation. If our children have to pay interest on it, they will pay that interest to themselves.

This statement would be true did our Nation consist of but one person, one creditor, one debtor. Physical facts being what they are, the statement is absurd on its face.

On our national debt, now mounting toward the forty-five billion limitation, we have an annual interest charge of more than a billion dollars. That interest charge can be paid either by borrowing, which of necessity means an increased interest charge, or it can be paid, as it will in the end be paid—if paid at all—by taxation.

The taxes to pay that billion dollars a year will be levied in large part upon, and collected from, the man who works. The man who toils in factory, mill, or mine, under summer's scorching sun or winter's freezing cold, will pay and pay and pay and pay.

The same is true as to the payment of the principal of that debt. And to whom will that debt be paid? To the holders of tax-exempt, interest-bearing bonds.

The indirect taxes collected from the poor on the food they eat; the taxes collected from the man who works day in and day out to earn by physical toil his livelihood, are the sources of revenue from which the debt must be paid. And the worker will pay—and he will pay not to himself, not to his wife, not to his children—he will pay to those wealthy who buy the bonds of the Federal Government which are put out to borrow the money which this administration is spending.

Yes, as the President told us, our children and our children's children will pay interest on this debt, and they will pay the debt and they will pay it through toil and hardship and privation; by denying themselves not only the luxuries but probably some of the necessities of life, in order to meet their tax payments; and they will pay it not to your children nor to mine but to the children of the economic royalists that the President so bitterly has condemned throughout his administration.

The President said last night that the big corporations should be taxed. True, they should; but after all has been said, after all has been done, the fact still remains that upon the man who toils, upon the small-business man, rests the greater portion of the burden of paying the taxes to operate our Government.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. SCHAFER of Wisconsin. And the children of the working people of America unto the third and fourth generations will sweat and toil to pay the principle and interest on the gigantic Roosevelt national debt. Yes; pay to the multimillionaire dollar-royalists like President Roosevelt, who was born with a gold and silver spoon in his mouth.

Mr. HOFFMAN. Certainly and to his associates, for he is an aristocrat, one of the privileged few, and so are his friends; and the children of the working class, yea, unto the third and the fourth generations, will continue to toil, to

pay for vacation after vacation, trip after trip, which he has been taking at Government expense; to pay for that visit to London when he and his wife next fall return, in all the pomp and splendor with which he can surround himself, the visit which the King and Queen are now making to this country.

Oh, sure, sure. Smile if you want to, but you know it is true. You economic royalists, you politicians with golden crowns, are not going to pay it. The man who works, the farmer who trudges day after day behind his plow, his harrow or his drill, from early morn until late at night; the man who goes down into the darkness of the mine day after day; the man who sweats and toils in factory or in mill—he and his children are the ones who will pay; while in the Nation's Capital the President and his followers live like kings and spend and spend and spend. [Applause.]

Oh, the President may express his solicitude for the poor man, but he knows that it is the poor man, the worker, who furnishes the money to sustain our Government and, disregarding that knowledge, repudiating his expressions of sympathy, sneering at business, he goes laughingly, joyously, on his vacations, spends and spends and tells us that the debts we create we owe to ourselves.

Not only is his statement absurd—it is an insult to the intelligence of those who heard or read it.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. VREELAND].

Mr. VREELAND. Mr. Chairman, I would like to propound a question to which I do not expect an answer because I believe it is like some of the unanswerable riddles such as "how long is a piece of string?" What I would like to ask is: just where are we going in this country and how are we going to get there? I am really sincere when I say that I have wondered about this ever since I arrived here in January, and day by day it becomes more perplexing. I am not an economist or a theorist, just a lawyer looking for a conclusion out of a maze of events.

We spend millions of dollars for reclamation to fertilize barren wastes of land so that the farmer can raise crops on what was formerly useless ground. We spend millions of dollars to show the farmer how to sow and till soil so that he may grow two blades of grass where he could only grow one before. Then we turn around and by reciprocal-trade agreements and lowered tariff allow foreign products, produced under labor conditions and standards of living much lower than ours, to be imported and sold for less than our farmers can produce them. We, because our own people cannot compete with the price of the imports and over-production results, restrict the growth of home products and order the farmer to plow under his crops or refrain from planting on the land we just spent money to reclaim. Oh, yes, even our Chief Executive stimulates the purchase of foreign goods rather than home-grown when he orders Argentine beef because it is cheaper and better than American beef. But what is our farmer going to do with his idle land that he cannot use and how is he going to live with no income? That is easy. We must not hazard the good-neighbor policy abroad, and we must stimulate the humanitarianism of our administration so a bill is drafted and presented with much oratory, dramatics, and shedding of tears about the poor farmer who has no market for his products and we need millions of dollars to pay him for the nonproductive land. Pay him for not growing on land made fertile by the Government and ordered not to be used by the same authority. But then, to use the expression of the gentleman from Pennsylvania [Mr. RICH], "Where are you going to get the money?" Well, that is easy, too. The Government still has credit so we will just float a few more bonds or perhaps we could let the national debt go up a little more. The people are kicking now, so a few more billions of debt will not make it any worse. Still we have overlooked two more sources where we can get it. There are still one or two large companies left that might have some money left so we can get some from them. Then, too, we just paid the farmer some money for not producing and, after all, the Government has

to be supported, so we take back, through taxes, a good portion of the money we just paid him. Again I ask, Where are we going?

Seven years ago, there was raised by the candidate for Presidency and now incumbent the cry that it was time the spenders were taken out of office and much was made of the public debt. A promise was made that the Budget would be balanced in less time than it took to say it, if we only had a change and the country would be given a "new deal." It was the depression then, and prosperity was only around the corner with a new hand of cards. After 7 years, we no longer have the well-known depression, but we now have a recession. There are still 12,000,000 unemployed, there are more on relief now than ever before; the Government is still spending more than it ever did before; there is more labor unrest than ever before; and business is worse than ever before. Maybe the New Deal was four jokers and a deuce, with deuces wild.

If I recall history correctly, this country grew to be the largest and richest in less time than any other country in the world. Our people have always enjoyed a higher standard of living with more comforts and conveniences than any other country in the world. Why? Because industry, capital, and labor worked together, without governmental interference, for their mutual good. There was incentive to go forward, to produce better and finer articles, to invent new things. Where there is incentive, there is prosperity. What has become of that prosperity? Could it be that the incentive is lacking? Certainly the Government has done nothing to destroy the desire to invest and produce. If anything, the Government has tried to help business. Had it not tried to assist by legislation regulating the business so that the company officials cannot make any mistakes in a business that the Government knows more about than those brought up in it? Then too much money is bad for anyone so, to prevent any mistakes by the officers, the Government takes the capital away by calling it excess profits. Then, to make sure that the consumer does not have the company put over anything on them, foreign products produced with cheap labor are allowed in at a price too low for local industry to compete with. And then, because the company cannot carry on, the Government loans it money upon the understanding that the company sign its life away. Then the Government builds and operates a similar business in competition to show how it should be done. To be sure the help to the company is complete we have the Labor Board. But where does the Government get the money? Taxes is one way. Where are they derived from? Individuals and business. The individuals must work for, or are, business; so, when business is deterred, the individual suffers, and when both suffer the Government has killed its source of revenue. Where is the incentive to go ahead? And again I ask, Where are we going?

Could it be at all possible that somewhere someone has the thought that the easiest and most subtle way to reduce a free people to that of servitude is by debt? I know of no more conclusive way to control a person than by having him reduced to a position of a sustaining financial obligation. Our present trend of increased Government expenditures means a greater national debt which can only be paid by confiscation, taxes, or inflation. Any of those methods, if carried too far, mean a destruction of capital and industry. A destruction of capital or industry means unemployment. Unemployment means a greater burden to the Government without source of income. So, to survive, the Government must operate business and place the people on Government employment. When the people have reached that point, they have no resources and are reliant upon the Government for their daily bread, and consequently are subservient to the Government. It is then no longer a Government by the people or of the people, and we have lost all that our forefathers fought for for years to build up. Could this be possible?

Mr. Chairman, I ask again, in all sincerity, Where are we going?

Mr. TREADWAY. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. BENDER].

A LOST GENERATION—OUR YOUTH OF TOMORROW

Mr. BENDER. Mr. Chairman, after listening to the distinguished gentleman from North Carolina [Mr. DOUGHTON], chairman of the Ways and Means Committee, I feel very much like singing that hymn, Oh, Paradise, Sweet Paradise, because he has put me in a frame of mind where I feel everything is glorious and fine and what is it all about anyhow?

As far as I am personally concerned, I must be all wrong when I go back home week ends and find hundreds of people storming the gates looking for jobs, looking for any kind of work; young men and women just out of school trying to find a job. Before Mr. Roosevelt's time they could look forward to going into a shop or factory or getting into a business career and finding some work to do. The old people today are simply driftwood, wondering where in the world they are going, how they may find employment, looking for some place to get help as a result of our present conditions.

Since Mr. Roosevelt has been President you cannot find a man or woman over 45 years of age who can get a job in this country. The young people are in as bad shape as the old people. You wonder why we have all these new political movements. You wonder why we have all sorts of panaceas and all sorts of plans and programs presented to the people. It is because the people are desperate. They are wondering where they are going from here. I do not know anything about this high financing and all these big figures, involving millions and billions of dollars. All I know is the actual experience I have with my people back home, the people who are in misery, in trouble, and looking for relief. Those are the people who tell me what is happening in this country.

The United States has created a lost generation. There are 20,000,000 young men and women in this country between the ages of 20 and 29, a great many of whom have never had a regular job, and many, many thousands of them will never be able to find such a job. In the city of New York alone, there are 400,000 boys and girls—high-school graduates everyone of them—who have never had work.

The New Deal has paved the way for this hopeless future. It has created a national condition which denies to this legion of youth the opportunity to make use of their abilities, their talents, their fine bodies, their good minds.

The men and women who spend their lives in social work tell us that regularly every day they see children of all ages who are undernourished, poorly clothed, sallow-faced. School teachers are constantly discovering among their classes youngsters who should be sent home on cold days because they are inadequately protected against the weather. In many places the school teachers themselves have used their own earnings to feed and clothe these extreme cases. But perhaps even worse than this intermittent condition of exposure and slow starvation is the psychological handicap these school children inevitably must undergo.

They see their fathers and mothers in constant want. Breakfast and dinner in their homes are equally meager; rent is a problem; necessary clothing hard to get. Most of them come to believe all too soon that there lies ahead only a barren, desolate youth, and a shabby, pleasureless maturity. Thousands of them are mentally trained for college, but they know that in spite of the New Deal's fine promises, in spite of the oft-praised N. Y. A., they will never see the inside of a college. In some fashion, they may be able to get together enough money to pay the tuition for a State school. But they know that they can never burden their folks with the additional expenses of clothes, books, and whatever else goes to make up even a bare college existence.

Below these discouraged graduates, we have an army of youngsters who find it next to impossible even to go through high school. There are many among them already so discouraged that they say, "What's the use of going to school?" even if they can get through. All they can see ahead of them after high school is a remote, disheartening W. P. A. job.

The New Deal depression has blighted the lives of these children of this great land of opportunity. It has created a mental barrier to hope; it has made it impossible for them to look forward to the future with any degree of security or confidence.

Did the New Dealers "plan it this way"?

Harry Hopkins, former chief overlord of W. P. A., declared it his official opinion that unemployment relief is a permanent problem in America. He made it clear on dozens of occasions that he considered W. P. A. a permanent institution in the American system. He wanted it to be stamped and sealed as "Here to stay."

Is this what our millions of mothers are content to accept? Are we training our children to be graduated to pick-and-shovel lives under the banner of W. P. A.? Are we willing to accept a system which prompted a high school graduating class to adopt as its class motto, "W. P. A., here we come"?

We are not saying this in opposition to W. P. A. We know that public employment for the time being is necessary. We feel that the New Deal's C. C. C. camps are performing a service. But we object to any government which falls into the attitude of considering this a normal standard of existence to which people must resign themselves. We object because this Government is willing to accept this unsatisfactory temporary device as a permanent condition. We object because the Republican Party believes a positive solution lies in the restoration of private enterprise. The Republican Party says to these discouraged young people of our Nation, "There still exists in this great land of ours plenty for all. Give private business a chance to offer it."

The Republican Party finds support for its attitude in the reactions of our young people themselves. They have already learned that the promise of Federal aid is an illusion.

Right in Cleveland, when a recent C. C. C. enrollment opened, the relief agencies found it impossible to induce young men of relief families to volunteer for this New Deal substitute for a private job. It was necessary to throw open C. C. C. registration to the children of folks not on relief to fill the quota prescribed.

We can understand why young men decline the offer to spend 6 months as a guest of Uncle Sam. They are rewarded for hard, physical work with \$30 a month—and \$25 of this is sent back to their parents. Five dollars a month with room and board for disciplined labor. Is it any wonder that millions of young fellows choose to loaf, to roam the country like wild boys of Russia at the beginning of the Soviet regime?

The New Deal has made no place whatsoever for the development of our rising generation in its scheme of things. The assistance offered to youth has been ill-planned without regard to future effects. Our youngsters have frequently become wards of the Government, regimented in camps, with their work, their hours, their food, their clothing, even their shelter regulated by Army officers. Now we reluctantly realize they already bear the impress of this experience.

No young man or woman can look forward under our New Deal program as it now exists to the wholesome development of his personality. Marriage has become one of those things that our young people either deny themselves or enter into recklessly or reluctantly afraid of what may happen. The emphasis on a stable family life has vanished because who can possibly consider the bringing up of children on \$65 a month? And when family life is destroyed in America our national stability is threatened.

The Republican Party knows that relief for the unemployed is necessary. No party can ask people to suffer. We shall never let our people starve; we have always protected them in the past. When the depression hit us in 1930 and 1931, the Republican Party mobilized the Nation's resources quietly—but effectively. We took care of our people in those trying days without the creation of dozens of overlapping P. W. A. and W. P. A. bureaus.

Relief is necessary. But re-employment of our unemployed is even more necessary. It is vital to the citizens of America of every age. It is crucial for our young people if they are

to grow up to decent, honorable citizenship; if they are to be spared the deterioration of a dependent existence.

We in America know today that the contradictory policies of the present administration, its harsh attitude and the increasing burdens of taxation, have driven industry into the storm cellars. Businessmen are afraid of the fireside chat over the radio, the tax collector, the letter with a governmental frank on it. They have learned only too well that every New Deal statement may contain a dagger for them. It is not surprising that the steel furnaces have operated at a small fraction of their capacity; that our railroads are now so reduced that they buy neither necessary equipment nor pay willing wages.

All this vanishing opportunity becomes a sinking weight around the necks of our youth. They cannot get jobs today merely to live. And tomorrow, these same men and women are going to be asked to pay off the debts which have been piled up in the process of dragging them down to poverty. This is something which haunts the future ahead, this \$41,000,000,000 national debt.

In 1933, the New Deal Chief told our people, "For 3 long years, the Federal Government has been on the road to bankruptcy." If that was true in 1933, by this time we certainly have arrived. For we now owe to our creditors \$20,000,000,000 more than we owed then. And we have accomplished nothing by the spending; we have just as many people out of work today as we had, the 13,000,000 or more. In addition, we have built up a vast machinery of Federal bureaus. We have created a "standing" army of 3,000,000 W. P. A. workers, existing on a submarginal standard of living.

This is the picture which faces our youth.

Today they have nothing, not even hope. Tomorrow they shall have increased taxes—and continuing despair.

The conscience of America cannot tolerate a continuation of this program. We do not wish to rear a generation of dependents. We want our children to grow into upright, stalwart, proud, self-reliant men and women.

The Democratic New Deal has betrayed our youth. It has taken them to the top of the mountain and pointed out the Valley of the Promised Land—only to dash them from the cliff to the ground below.

N. Y. A., C. C. C., W. P. A.—is this to be the highway of youth? Is this to be the new system replacing a job, marriage, family?

The Republican Party declares that we cannot accept this New Deal philosophy and survive as a Nation. We must challenge the present procedure. We must insist that our young people be given an opportunity to live their lives as we know Americans can.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. JOHNS].

Mr. JOHNS. Mr. Chairman, I rise at this time to issue a warning to those of you who may be desirous of borrowing money and raising the debt limit of this country. I was very much interested in what the President had to say last night about this being an internal debt and that our children would pay the interest.

Mr. Chairman, that is the great danger in the present situation, as I see it. These bonds are now being held by the banks of the country. If we ever reach the point, Mr. Chairman, where the people cannot have confidence in our Government and these obligations have to be paid, if the people go to the banks and find out that they cannot get their money, I want to tell you it will be a dangerous thing for the country, because when they go there and are not able to get their money there will be trouble.

Today the banks have 25 percent of their deposits and 60 percent of their total assets invested in Government obligations, while the insurance companies hold approximately four and one-half billion dollars of this debt. When we reach the point where the people lose confidence in our Government being able to pay these obligations, it will mean the end of our present form of government. That is the danger as I see

it. It does not make very much difference whether our children have to pay or not. It will have to be paid anyway. It would be much better, of course, if we owed this money to a foreign government and could at some future date repudiate it like they have done with us. But that is not the case. We are furnishing this money out of our own bank deposits, out of the savings and deposits of our old people, widows, and orphans. That is the danger as I see it in this whole thing. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield the balance of my time to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, I would like to propound a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. REED of New York. Is there anything in the rule to prevent a Member from discussing this particular bill?

The CHAIRMAN. Under the rule, a discussion of the bill under consideration is in order.

Mr. REED of New York. Mr. Chairman, I am not going to take very much time and I shall confine myself for a few minutes at least to the pending bill.

In the first place, under the Second Liberty Bond Act the amount of bonds having 5 years or more to run which may be outstanding at any time was limited to \$30,000,000,000. The rest of the fifteen billion, up to \$45,000,000,000, would be in the form of short-term notes.

Mr. Chairman, I just want to offer a thought right here, because it is a matter which, in my opinion, has been overlooked.

I am not opposed to this bill, but may I say that when it is passed the Secretary of the Treasury may issue \$15,000,000,000 worth of long-term bonds, tax-exempt. We have heard a great deal from the President of the United States in regard to the evils of these tax-exempt bonds. He has sent two messages to the Congress on this subject, one in 1938 and one in January of the present year, urging the Congress to correct the situation. No action has been taken. There never was a better time to meet that issue than by this present bill, but nothing has been done about it.

When this measure goes over to the Senate, I am not sure that under the parliamentary situation that body can amend the bill to tax Government bonds; but assuming it can, this is not a revenue bill; consequently, it cannot attach an amendment to this bill that will tax State and municipal bonds. As a result we are foreclosed from meeting the issue that has been presented by the President of the United States. We have the particular inconsistency of the President, in season and out of season, over the radio and in the press, speaking against these people who are hiding their money in tax-exempt securities. Yet if we pass this bill today, in a Congress under the President's own control, the Secretary of the Treasury can issue \$15,000,000,000 of tax-exempt securities. I want it distinctly understood by the Members of this House that I am opposed to granting authority to the Federal Government to tax State and municipal bonds, because it will interfere with their necessary borrowing power and increase the cost of local government.

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

Mr. REED of New York. I have only a very few minutes, and there are other matters I wish to discuss.

It was not my purpose when I took the floor to say one word that had any political significance. This was a unanimous report on the part of the committee. The idea was to pass this bill without any vote or any difficulties whatever. However, we have heard a great deal today about the year of 1929 and the Hoover administration. I just want to remind this House and the country that the Republican Party inherited something many years ago. After the Democratic Party had kept us out of war long enough to win an election, we inherited a debt of \$26,000,000,000. We also inherited 7,000,000 men unemployed and walking the streets. We inherited 4,000,000 veterans out of work and 67,000 mental cases resulting from the war. We inherited a situation where no

provision had been made for their hospitalization or care. We inherited a bankrupt railroad system and a marine organization equipped with boats that would sink when they were tied to the docks; they would not even float. We inherited thousands of planes that never could be taken off the ground because they simply would not fly.

We inherited all that, yet within 2 years we put 7,000,000 men back to work, we reduced the debt \$1,000,000,000 every year for over 10 years until the national debt was down to approximately \$16,000,000,000, and we went through an experience then that is quite new to some of us now: we reduced taxes five times until less than 2 percent of the people paid any income tax at all.

That was the situation, and now, of course, you would like to charge us with responsibility for a world-wide catastrophe, the backwash of the war, which was met more heroically than any emergency of such character and devastating effect, than had ever risen before throughout the history of mankind. This catastrophe was the result of a Democratic administration interfering in European affairs.

I have heard something said about the deficit incurred by Hoover. You claim it was over \$3,558,485,637. Let me tell you that \$2,397,267,363 of that sum was in recoverable loans, which were recovered and which this administration has spent. All you inherited as a debt was \$1,161,218,274, and that is all.

Mr. McCORMACK and Mr. SHORT rose.

Mr. REED of New York. No; I cannot yield. I have a limited time.

That is all you inherited from the Republican administration. If you subtract what we paid of the bonds of Grover Cleveland, we almost gave you a surplus when you went into office. You have incurred obligations that will plague and distress this and future generations of the United States, actual and contingent, of \$54,000,000,000, and you cannot charge a cent of that to the Republican administration. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Chairman, it is indeed amazing to listen to the gentlemen on the left, my Republican friends, tell how much they are interested in the wage earners. For instance, my beloved friend from Michigan [Mr. HOFFMAN], who day in and day out assails anything and everything that may help the wage earner, today is fearful that this bill, unanimously reported by the committee and conceded by all to be legislation in the right direction, might result in the poor wage earner having to pay the interest on this bonded indebtedness. The gentleman from Wisconsin and the gentleman from Ohio said the same thing. I was tempted to congratulate the gentleman from New York, hoping he would speak along the same lines as the gentleman from Michigan [Mr. WOLCOTT], but lo and behold, he followed in the footsteps of the other Republicans who are trying in every conceivable far-fetched way to mislead the American people and deny the great good that has been accomplished by President Roosevelt and the Democratic administration.

Let me say to the gentleman from New York [Mr. REED], that we all remember the great and glorious times that were given us by Hoover and his administration. Everyone was happy, contented, and prosperous during the years from 1929 to 1933 if Republican speeches were to be believed. Well, you might make people believe that such was the case. You can fool them sometimes, but you cannot fool them all the time. You are good at it. I know you are trying hard, but all your efforts will be in vain, because people today understand, appreciate, and recognize the great efforts that are being made for the Nation, for the people, for the wage earners, for the farmers, and for the businessmen of America by this great President of ours, Franklin D. Roosevelt. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the remainder of my time to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK rose.

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

Mr. McCORMACK. I yield to the gentleman from Illinois.

Mr. PARSONS. Is the gentleman going to talk about the bill?

Mr. McCORMACK. Briefly; yes.

Mr. Chairman, I think the little political flurry that has happened this afternoon is very interesting. I like to see a flurry of this kind. It puts a little pep in us.

I was rather interested and pleased to notice that my friend from Michigan, the distinguished Republican ranking member of the Committee on Banking and Currency [Mr. WOLCOTT], spoke on the bill, but he expressed a fear—and I can assure you there is no necessity for any such fear existing in our minds—the fear of inflation. There is absolutely no question of inflation involved in this bill. Of course, my distinguished friend is so enveloped in the atmosphere of banking and currency that he sees the specter of danger in every bill that comes before the House which is remotely connected with the question of banking and currency; and bond issues, I suppose, have some remote connection with matters which relate to banking and currency. At least, bond issues have some relation to banking, but not so much to currency.

I can assure my friends on both sides of the aisle that if the gentleman from Michigan offers his amendment there is no justification for adopting it. This bill came out of the committee by the unanimous vote of 15 Democratic members and 10 Republican members.

I think the membership of the House can give some of us Members on Ways and Means—and I speak without regard to party—some credit for giving the question of inflation consideration, if there is any fear about that being involved in the pending bill.

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

Mr. McCORMACK. I yield.

Mr. COOPER. The gentleman will agree, I am sure, that this same bill was also unanimously reported by the Ways and Means Committee last year and passed the House by unanimous consent. All in the world the bill does is simply to remove the partition. Under existing law there is a \$45,000,000,000 limit as to our national debt. A partition exists there limiting that to \$30,000,000,000 in long-term bonds and the balance in short term notes. This bill leaves the ceiling or the maximum just as it is now and just takes out that partition so as to enable the Treasury Department to be able to meet situations as they arise from day to day in the money markets of the world.

Mr. McCORMACK. I thank the gentleman for his observations, which are correct.

Like the other Members I enjoyed the various remarks that were made today. One Member talked about there being no opportunity for employment of those over 45 years of age. One thing is certain, you cannot blame President Roosevelt for that. That condition exists in business, if it exists at all.

My distinguished friend from New York [Mr. REED] apparently, tried to intimate that the President was inconsistent in not having the bonds that might be issued subject to taxation.

I am not saying how I shall vote on the question of subjecting bonds issued by State and municipal governments, as well as the Federal Government, to the income tax, but, certainly, without regard to how we may feel on that question, few of us would want to have the Federal Government issue its bonds subject to the income-tax laws of the States, and on the other hand not have State or municipal bonds subject to the income-tax laws of the Federal Government.

I want to correct my friend from New York [Mr. REED], who made the statement that when President Hoover ended his term there was only a deficit of a little over \$3,000,000,000. Not for the purpose of controversy, because I admire President Hoover as well as I do President Roosevelt, because he

was my President when in office just the same as President Roosevelt is my President today; but I did not agree with all of Mr. Hoover's policies. That is no reason, however, why I should not respect him. There is no reason why I should hate him because he is a Republican. No more than a Republican should hate President Roosevelt because he is a Democrat. Certainly my views are entirely different than those of the gentleman from New York [Mr. REED]. When President Hoover left office the deficit during his last 3 years was not a little over \$3,000,000,000 but slightly over \$6,000,000,000.

Now, coming back to the bill. The bill is unanimously reported by the committee. The only opposition is that expressed by my distinguished friend from Michigan, who expressed a fear of inflation. Without regard to what your views may be in any other respect on this bill, there is absolutely no justification for that argument, and there is equally no justification for any such fear.

I hope no amendment to the bill will be offered; but if one is offered, I hope, without regard to the middle aisle, the bill being reported out unanimously—10 Republicans and 15 Democrats—that any such amendment will be defeated. [Applause.]

[Here the gavel fell.]

The clerk read as follows:

Be it enacted, etc., That section 21 of the Second Liberty Bond Act (49 Stat. 21, as amended; U. S. C., Supp. IV, title 31, sec. 757b), is amended by striking out the following proviso: "Provided, That the face amount of bonds issued under the authority of this act shall not exceed in the aggregate \$30,000,000,000 outstanding at any one time."

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

The clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 1, strike out all after the enacting clause and insert in lieu thereof the following: "That section 21 of the Second Liberty Bond Act (49 Stat. 21, as amended; U. S. C. Supp. IV, title 31, sec. 757b), is amended to read as follows: The face amount of bonds, certificates of indebtedness, Treasury bills, and notes issued under the authority of this act, and certificates of indebtedness issued under the authority of section 6 of the First Liberty Bond Act, shall not exceed in the aggregate \$45,000,000,000 outstanding at any one time: Provided, That the face amount of bonds issued under the authority of this act shall not exceed in the aggregate \$33,000,000,000 outstanding at any one time."

Mr. WOLCOTT. Mr. Chairman, this merely increases the authorization for the issuance of Government bonds by \$3,000,000,000 within the present total limitation. According to the report of the committee, the Treasury can at the present time, within the present limitation of \$30,000,000, issue \$1,697,026,819 of long-time bonds. If the amendment which I have introduced is adopted, the Treasury may issue the amount which I have just stated, plus \$3,000,000,000, making the aggregate within the present authorization, or within the authorization if the amendment is agreed to, of \$4,697,026,819. For all purposes, even though the deficit for the next year greatly exceeds the estimate, that will be an extremely high ceiling, and will cause no embarrassment whatsoever to the Treasury Department, and to their financing program. There is a certain amount of short-term indebtedness each year, which is converted into long-term indebtedness. We must not lose sight of the fact that we have gotten into the habit of issuing short-term indebtedness, Treasury bills and notes for the purpose of keeping the interest rate down, in anticipation of revenue receipts. If in June or July, or any quarter, it is anticipated that the revenue receipts are going to be so many millions of dollars, the Treasury is justified in issuing short-term obligations against the receipts of those returns and they are canceled. In the meantime they get a very favorable rate of interest, much less than 1 percent, and on long-term obligations, the thing which attracts people to invest in them; of course a higher rate of interest is paid.

So short-term indebtedness is justified many times in anticipation of revenue receipts. So I have not sought in this amendment to detract whatsoever from the authority which is now given to the Secretary of the Treasury to issue short-term certificates, notes, bills, and so forth. I want him to have that authority because if properly handled he

can save the Government a good many million dollars by issuing short-term indebtedness against revenue receipts, and that will accomplish the purpose which he seeks. If the national debt on July 1, 1940, approaches \$45,000,000,000, whether we like to do it or not, we have got to increase the limitation. It is a deplorable situation and I hate to think of it. I hate to contemplate the time when we will have to raise it to \$50,000,000,000, but have this in mind, that we must have an adequate differential between the amount of long-term obligations outstanding and short-term obligations outstanding, or we force an increase in the volume of currency. What you do under this act, if you enact it without this limitation, is to force the Treasury into the situation where it has to retire its short-term indebtedness by the issuance of currency under the authority given to the President. I understand that that amounts to almost \$11,000,000,000. That specific authority granted to the President does not come within the limitation of this \$45,000,000,000, and that is why I make the contention, and I think I have justified it, that in passing this act without my amendment we virtually authorize a rise in the debt limitation of \$11,000,000,000 through the amount which the President is specifically authorized to issue currency over the \$45,000,000,000.

Mr. COOPER. Mr. Chairman, I rise in opposition to the amendment. There is absolutely no justification whatever for any of the fear expressed by the gentleman from Michigan [Mr. WOLCOTT]. There is nothing in this bill that involves the question of inflation. As already pointed out, your Committee on Ways and Means considered this matter last year and unanimously reported this same bill, which passed the House by unanimous consent and then went to the Senate. The partition at that time was at the figure of \$25,000,000,000 for long-term bonds and \$20,000,000,000 for short-term notes and evidences of indebtedness. The House bill removed this partition and the Senate put it back at thirty billion. The effect of the amendment offered by the gentleman from Michigan would mean that we would have to do the job all over again, just as we are having to do it today, because somebody placed an amendment in the bill. All this bill does is to leave the ceiling or limitation of \$45,000,000,000 just as it is today and remove the partition of \$30,000,000,000 for long-term bonds and the balance for short-term notes, so as to allow the Secretary of the Treasury discretionary authority to deal with the situation that is presented in the money market of the country in order to finance this Government of ours.

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

Mr. COOPER. Yes; briefly.

Mr. FISH. That is the important point. I think the gentleman is right. This is merely permissive legislation. This does not make it mandatory to issue long-term bonds.

Mr. COOPER. That is true.

Mr. FISH. He can have as many as he wants. He does not have to have the whole forty-five billion. He can have short-term notes if he wants to.

Mr. COOPER. That is true. The gentleman is absolutely correct. It is only discretionary authority that the Secretary of the Treasury may use in order to meet the situation that exists in the bond market of the country and in order to effect the most economy and protect the best interests of the Government.

Mr. McCORMACK. Will the gentleman yield further?

Mr. COOPER. I yield.

Mr. McCORMACK. But under no condition, as I see it—and I ask the gentleman from Tennessee, who is as sound a Member of the House as there is—is there any question of inflation involved in this bill?

Mr. COOPER. Absolutely not. There is nothing of the kind. The Ways and Means Committee has considered the matter thoroughly at two different times and unanimously reported it, and this is the first time the question of inflation has ever been raised. We have 10 members of the minority on our committee, who are as diligent and as able men as there are in this House. They certainly would not want to

see any inflationary measure presented here. There is nothing of that kind involved in this bill.

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

Mr. COOPER. I yield.

Mr. WOLCOTT. What is the objection to limiting this to thirty-three billion if that is well within the amount of refunding operations?

Mr. COOPER. I will answer the gentleman.

Mr. WOLCOTT. Will the gentleman explain, in connection with that, why we put the limitation in there in the first place if it was not to prevent inflation?

Mr. COOPER. We did not do it. The Senate did it and assigned no reason for it that I know of. We are asking here to do again just what we had to do last year.

Mr. WOLCOTT. Why did the Congress put the limitation in originally if it was not to prevent inflation? The gentleman, of course, knows that.

Mr. COOPER. I certainly do not know it, and the gentleman from Michigan does not know it either. You read me one line of evidence from the hearings or from the record to justify your position which you are taking here today.

Mr. WOLCOTT. All right. Why was the limitation put in there? The gentleman has not answered that.

Mr. COOPER. I regret I must decline to yield further, as my time is limited. There is nothing whatever to justify the position taken by the gentleman here; not one line of the record, not one line of evidence to justify any such position as that, and the gentleman cannot cite anything of that kind.

Mr. WOLCOTT. I can if the gentleman will yield to me.

Mr. COOPER. You have spoken twice on the bill and you have not done it yet.

Mr. McCORMACK. Will the gentleman yield to me?

Mr. COOPER. I yield.

Mr. McCORMACK. This bill in its operation applies only to evidences of indebtedness. It has nothing at all to do with the issuance of currency.

Mr. COOPER. That is absolutely true.

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

Mr. COOPER. I am sorry I cannot yield to the gentleman all the time I have when he has spoken twice already.

The President has authority now and has had it since 1933 to provide for the issuance of \$3,000,000,000 in currency under the Thomas amendment to the Agricultural Act, and he has never used that authority. He has never indicated that he wanted to involve this country in inflation.

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

BOND LIMIT

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

Mr. Chairman, in regard to this bill being inflationary, if the bond limit should be reached and it is not extended, the President would be compelled to use his authority under the Thomas amendment referred to by the gentleman from Tennessee [Mr. COOPER] that was in the Agricultural Act approved May 12, 1933.

SO-CALLED GREENBACK AMENDMENT

The so-called greenback amendment that is in the Agricultural Adjustment Act of May 12, 1933, which was sponsored by United States Senator ELMER THOMAS, of Oklahoma, is as follows:

(1) To direct the Secretary of the Treasury to cause to be issued in such amount or amounts as he may from time to time order United States notes, as provided in the act entitled "An act to authorize the issue of United States notes and for the redemption of funding thereof and for funding the floating debt of the United States", approved February 25, 1862, and acts supplementary thereto and amendatory thereof, in the same size and of similar color to the Federal Reserve notes heretofore issued and in denominations of \$1, \$5, \$10, \$20, \$50, \$100, \$500, \$1,000, and \$10,000; but notes issued under this subsection shall be issued only for the purpose of meeting maturing Federal obligations to repay sums borrowed by the United States and for purchasing United States bonds and other interest-bearing obligations of the United States: *Provided*, That when any such notes are used for such purpose, the bond or other obligation so acquired or taken up shall be retired

and canceled. Such notes shall be issued at such times and in such amounts as the President may approve but the aggregate amount of such notes outstanding at any time shall not exceed \$3,000,000,000. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, an amount sufficient to enable the Secretary of the Treasury to retire and cancel 4 per centum annually of such outstanding notes, and the Secretary of the Treasury is hereby directed to retire and cancel annually 4 per centum of such outstanding notes. Such notes and all other coins and currencies heretofore or hereafter coined or issued by or under the authority of the United States shall be legal tender for all debts public and private.

This Thomas amendment provides that the President may issue \$3,000,000,000 in United States notes. It is an expansion of the act of February 25, 1862. Under that act of 1862 the Government has outstanding today \$346,000,000 in United States notes, and \$156,000,000 in gold is set aside as a reserve to secure those notes. If this bond limit is not raised, when the time comes the President will be compelled to issue these United States notes.

Personally I am not afraid of the issuance of those notes. I think the administration has been deflationary and over-cautious rather than tending toward inflation or expansion. I think it has gone too much that way myself. For instance, in 1936, when the veterans were paid on June 15, the country was going back, and I believe there was sufficient money in circulation to put the country back, but the Federal Reserve Board did not agree. They raised the reserve requirements of banks and plowed under or destroyed more than \$3,000,000,000 worth of potential credit and potential currency. Not only that, it sterilized a lot of the gold that came into the country. In other words, the brakes were put on so quickly, so suddenly, and so effectively that it destroyed the good influence of the distribution of that large sum of money to the veterans. So instead of the administration being inflationary, I think it has been very much the other way. Certainly the President has not indicated that he was in favor of inflation.

Therefore, instead of it being inflation and extending beyond the limit, it will probably force inflation to the extent of \$3,000,000,000 if the bond limit is not raised, if there is demand for it.

[Here the gavel fell.]

Mr. FISH. Mr. Chairman—

The CHAIRMAN. For what purpose does the gentleman from New York rise?

Mr. FISH. I wish to be recognized to speak on the amendment.

The CHAIRMAN. The gentleman rises in opposition to the pro forma amendment.

Mr. FISH. Mr. Chairman, I am not very much opposed to the amendment, but I feel that the amendment is unnecessary. I believe that the gentleman from Tennessee is correct, that this is permissive legislation. The Treasury Department is asking this in order to facilitate their borrowing. The tragedy of this—in order to show a little partisanship once in a while [laughter]—the tragedy of it is that the administration has no financial policy except to pile deficit upon deficit, debt upon debt, by borrowing additional billions, or issuing billions of additional tax-exempt securities. That is their only financial policy.

So they come to us and ask this permissive legislation. I am fearful that we have got to give it to them because they cannot raise money in any other way. They do not dare raise money in any other way. They do not dare do away with these tax-exempt securities. They are asking this because it is the only way they can raise money—through issuing more billions of tax-exempt securities.

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

Mr. FISH. I yield.

Mr. WOLCOTT. I may say to the gentleman from New York that if he is interested in exempting further issues of securities from taxation it would, in my opinion, be germane to offer such an amendment to this bill as a limitation against the bond issues that may occur under it.

Mr. FISH. Will the gentleman offer that amendment?

Mr. WOLCOTT. No; I will not support it.

Mr. FISH. I think it is not germane to the bill, so I will not offer it.

This is merely permissive legislation. I believe this will cost the Government a little more. Long-time financing through bond issues always costs more, because the interest rate is higher—something like 3 percent instead of the one-half or three-quarters of 1 percent, whatever it is, on short-term notes. So while the proposal will cost a little more because of long-time financing, yet we have got to go along with it. It seems to me the purpose of this particular bill is to get permission to increase the long-term bonded indebtedness which is necessary because the New Deal is otherwise financially bankrupt. It may add to our expenses; nevertheless, the administration has no other means of getting money.

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

Mr. FISH. I yield.

Mr. McCORMACK. I think the gentleman will agree that it is best to have long-term financing. I am not talking about the present administration; I am talking generally. When short-term indebtedness becomes too great in amount, it should be converted into long-term bonds.

Mr. FISH. I would agree thoroughly with the gentleman if those bonds were tax-exempt; but if these bonds were not tax-exempt you could not sell them to the public.

Mr. McCORMACK. I am not talking about their being tax-exempt.

Mr. FISH. I am; but I am not opposing this bill. I am opposed to the amendment offered by my colleague. I think the amendment is not justified in view of the fact that the specific purpose of this bill is merely permissive; granting permission to issue more long-term bonds. The Treasury Department cannot go above the \$45,000,000,000 debt limit. I am not recommending this as a proper way of financing, but the New Deal cannot raise money in any other way. I am sorry, however, to see that these bonds will be tax-exempt. They will have to be tax-exempt securities, because you could not sell them to the public otherwise.

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

Mr. FISH. I yield.

Mr. McCORMACK. I think the tax-exemption question is being demagogued upon more than any question I have heard.

Mr. FISH. Would not the gentleman like to do away with it himself?

Mr. McCORMACK. I am not so sure, because when you vote to remove it from bonds of the Federal Government you have got to remove it from bonds of States and municipalities. This means \$113,000,000 a year to the States. Does the gentleman favor that?

Mr. FISH. I would do away with all tax-exempt securities. Tax exemption is an utterly vicious thing.

Mr. McCORMACK. I am glad the gentleman once has risen to the heights of statesmanship.

Mr. FISH. I am glad I have at least once. That is better than the gentleman has done himself.

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

Mr. FISH. I yield.

Mr. DOUGHTON. Does the gentleman not know it to be a fact that the President has sent two messages to Congress affirmatively recommending that tax-exempt securities be done away with?

Mr. FISH. But the President was perfectly well aware in advance that that would not even be reported out of committee, or he would never have sent the message, because if he got what he asked for there would be no way of financing the New Deal expenditures.

Mr. DOUGHTON. That is one thing that I know the President is insisting be given consideration.

Mr. FISH. I do not believe he means a word of it. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 5 minutes.

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

There was no objection.

Mr. SMITH of Ohio. Mr. Chairman, repeatedly Members of the House, as well as others on the outside, are telling us of the exceedingly low interest rates that are being paid by the Government on its borrowed money. They point to this fact approvingly and apparently with considerable pride. Evidently they look upon it not only as a desideratum which is of service in an emergency, but actually representing a truly healthy state of the Federal finances.

Certainly the slightest reflection should convince us that the exceedingly low interest rates which the Government is paying indicate neither a desirability nor a healthy state of the finances. Though I, myself, as well as others, have repeatedly pointed out to this House the reasons for these abnormally low interest rates under the ominous national financial picture that confronts us, I believe the facts relating to this matter can neither be too often stressed or repeated.

These interest rates, which are the lowest in the history of our country, are so for the simple reason that the industry of our Nation is also depressed to an extent never before experienced. Though deposits in banks increased about \$12,000,000,000 from 1932 to 1938, commercial loans decreased during the same period of time about two billions. The capital-investment market, as is well known, is practically moribund. The demand for commercial loans and new capital being perhaps the lowest in the history of our country, why should interest rates not also be the lowest?

There is another phase of this financial picture which should throw considerable light on this question. It is well known that during periods of currency inflation the demand for commercial loans and new capital is always low. Though the Government is not engaged at the present in printing money in the sense of actually inflating the currency in circulation by its method of financing its deficit, it is creating bank-credit money. There is in our banks at present no less than \$15,000,000,000 of such fiat credit. When it is reflected that the Government obligations are not actually sold to the banks and paid for out of the savings of the people, but that they are merely allocated to the banks where they are set up as deposits, it should readily be seen that here is a powerful factor that makes for diminishing interest rates.

Taking these stated facts into consideration, together with the still more important truth that it is impossible today to write a value clause into any contract in terms of the standard unit of value, which also is an unusual experience in this country, one can hardly look upon the lowest interest rates with any feeling of satisfaction or pride. Indeed, this state of affairs instead of being something we should boast about, is a thing which should give us most serious concern. Instead of reflecting a healthy state of our finance, it does the opposite. Interest rates are the lowest in the history of our Nation because confidence is the lowest in our history.

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

Mr. SMITH of Ohio. I yield.

Mr. SHORT. Is not cheap money and low interest rates always and invariably a sure sign of sick industry and unhealthy finance?

Mr. SMITH of Ohio. Certainly.

[Here the gavel fell.]

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

The question was taken; and on a division (demanded by Mr. Wolcott) there were—ayes 40, noes 74.

So the amendment was rejected.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. SCHAFER of Wisconsin: In line 8, after the word "time", insert "and shall not be tax exempt."

Mr. COOPER. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state his point of order.

Mr. COOPER. Mr. Chairman, I make a point of order against the amendment on the ground it is not germane to the bill now under consideration, and in the form offered would not be germane to the act that is here sought to be amended.

Mr. SCHAFFER of Wisconsin. Mr. Chairman, I would like to be heard on the point of order.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. SCHAFFER of Wisconsin. Mr. Chairman, I am somewhat surprised to find a New Deal leader making a point of order that my amendment is not germane. This amendment is interwoven with and relates to the subject of Federal financing covered by the pending bill. The President of the United States sent two messages to Congress asking the Congress to enact legislation which would prohibit the Government from issuing tax-exempt bonds. He also asked for this legislation during a number of his radio fireside chats. In my humble way I am trying to follow the advice of the President of the United States, although the Members on his side of the House have run out on him. This amendment is germane, as it is a limitation, and it will give the New Deal an opportunity to act as well as talk about the necessity of ending the Government tax-exempt bond racket.

The CHAIRMAN. The Chair is ready to rule.

This very question was decided by the Chairman of the Committee of the Whole on January 25, 1935. Therefore, under the precedents the Chair is constrained to rule that the amendment is not germane, and sustains the point of order raised by the gentleman from Tennessee [Mr. COOPER].

Mr. SCHAFFER of Wisconsin. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I intend to vote against this bill if for no other reason than on the question of economy. I was somewhat surprised and astounded to find the leaders of the New Deal making a point of order against my amendment which carried out the request of the President of the United States as expressed in several messages which he sent to the Congress and in a number of his radio fireside chats. Why do you new dealers talk in favor of abolishing Government tax-exempt bonds and then oppose my amendment which will do that very thing?

Mr. PATRICK. Will the gentleman yield?

Mr. SCHAFFER of Wisconsin. I do not yield because my time is limited.

Mr. PATRICK. I know that.

Mr. SCHAFFER of Wisconsin. Mr. Chairman, the President last night indicated that we should not worry about the great increase in our national debt because that debt was held by Americans and would be paid off by Americans to Americans. Certainly the rank and file, the great masses of our working men and women of America—industrial and agricultural—and their children unto the third and fourth generations, will sweat and toil to produce the tax dollars to pay the principal of this Roosevelt New Deal staggering national debt and the annual stupendous interest payments thereon. The payments will go to another class of people, such as our multimillionaire New Deal leaders—President Roosevelt, Owen D. Young, Jimmy Cromwell, Harold Ickes, Jim Farley, Lehman Bros., Vincent Astor, Mr. Roosevelt's right-hand man; Barney Baruch, Cudahy, Bullitt, Taussig, Goldwyn, Doherty, Bloom, Swope, Filene, Gimbel, Kirstein, Sarnoff, Stern, Straus, Berry, McAdoo, Guffey, Davies, Kaufman, Eugene Meyer, Sumner Welles—and members of the international munitions house of Du Pont, which was recently joined in the holy bonds of matrimony with the international banking house of Franklin Delano Roosevelt, and so forth.

I could continue to name multimillionaire New Deal associates of our multimillionaire New Deal President until the sun sank in the west tonight. However, I only have 5 minutes so that I will have to give you the names of the rest at a later date.

Mr. Chairman, the proponents of this bill have told us that it will not increase the national-debt limit one penny, that the bill merely provides for an increase of the limitation in the amount of long-term bonds which may be outstanding and a decrease in limitation of the amount of the short-term other obligations.

The gentleman from Illinois [Mr. SABATH], indicated that the short-term obligations can be sold in America by the Treasury at an interest rate of six-tenths of 1 percent. From the standpoint of economy, when Uncle Sam can borrow billions of dollars at an interest rate of six-tenths of 1 percent, it is absurd to pass this bill and pay the international money changers 3-, 4-, or 5-percent interest. [Applause.]

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, in view of the action of the committee in respect to the amendment limiting the issuance of long-term obligations to \$33,000,000,000, if given an opportunity I will offer a motion to recommit this bill to the Ways and Means Committee without any recommendation. I think it is apparent from the debate here today that much more consideration should be given to this question than has been given it either by the Ways and Means Committee or by the House today. Surely there can be no objection to having this matter referred to a committee which is competent to take the subject and analyze it fully in light of the debate which we have carried on today. The only purpose in offering the motion to recommit is in order that the Members of the House who have spoken against the bill may have an opportunity to clarify these issues before a standing committee of the House.

If I am given the opportunity to offer this motion to recommit, I hope it will prevail; and I shall offer it without any feeling that the motion is against the principles of the bill or against the merits of the bill, but merely in order that under orderly practice and procedure we may be given an opportunity to give further consideration to a subject which is as important as any bill we have considered on the floor during this session.

Mr. CRAWFORD. Will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I have been trying to get the floor to ask one question in connection with a matter raised by the gentleman from Massachusetts [Mr. McCORMACK] about long-term bonds. If the long-term bonds are to be held primarily by the banks and the bank portfolios, and the banks are then not able to convert the long terms into currency upon immediate demand, is it not true it will be a dangerous thing if a major portion of the debt is in the form of long-term bonds?

Mr. WOLCOTT. Yes.

Mr. CRAWFORD. While, on the other hand, if the debt is primarily not long-term bonds, and is held primarily by people outside the banks, then it would not be necessary to have the bonds convertible into currency on immediate notice, the people thereby carrying the major burden.

Mr. WOLCOTT. I believe the gentleman has stated the matter correctly. We must bear in mind that Government spending or the creation of long-term Government obligations is always immediately inflationary. Whether you like to admit it or not, that is true, because those bonds are used as the basis for inflation. They are ultimately deflationary because when they become due we have got to pay them and that draws money and credit from the market which would otherwise be used for expansion.

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

Mr. WOLCOTT. I yield to the gentleman from Texas.

Mr. PATMAN. Why should there be a danger, considering the question brought up by the gentleman from Michigan, when the banks have now more than \$14,000,000,000 in Government bonds that they can immediately convert into money and issue \$6 to \$1 on every dollar?

Mr. WOLCOTT. I think the gentleman put his thumb right on the question when he said that we could use the

power granted to the President to issue currency instead of issuing these obligations. I have not always agreed with the gentleman in that respect. That is why I am here today stating there is a danger of inflation by the expansion of the currency base. But the gentleman has made out just about as good a case as anyone could in that respect by stating that if this bill is passed then it might force the President to use the power to issue currency instead of issuing short-term obligations. That is one reason why I would like this bill sent back to the Ways and Means Committee so that the gentleman from Texas, the gentleman from Michigan [Mr. CRAWFORD], and I, and all the rest of us here who have spoken on this question—the whole country is involved—may have an opportunity to go before the committee and thrash this thing out and find out if we have been under a delusion all these years with respect to Government credit and Government finance.

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

Mr. WOLCOTT. I yield to the gentleman from Michigan.

Mr. CRAWFORD. If I am correctly informed, when Germany started their spin of the wheel they sold government obligations to the banks and the banks instead of handling the matter as we do in this country issued currency in exchange for the bonds. In this country our banks issue credit to the Treasury of the United States for the bonds. If the gentleman can, I wish he would enlighten us on that just a little bit and draw a comparison between what is going on in this country and what it is likely to end up in, and the German situation.

Mr. WOLCOTT. I am fearful that by passing this bill in its present form, we are giving encouragement to a situation in the United States, comparable to that which impelled inflation in post-war Germany. That resulted, as we all know, in the destruction of almost all private wealth in Germany.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I want to state briefly the position of the President, as I understand it, on tax-exempt securities. I do not believe it is fair for Members to rise here and even in good faith close their eyes to the truth, a truth which is apparent to all of us, and to make statements which do not reflect the position of the President. The implication is made in the argument today that because we do not subject Federal Government bonds to the income-tax laws of the Federal Government and the several States the President is inconsistent in his position. That is as far away from the truth as anything I can conceive. The President has recommended that all bonds, Federal, State, and municipal, be subject to the income-tax laws of the Federal Government and the State governments and has made this recommendation in two different messages. Presidents of the past, Republican Presidents, have made the same recommendation.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Montana.

Mr. O'CONNOR. Is it not a fact that the President does not recommend placing a tax on tax-exempt securities but does recommend that the income from all bonds be taxed?

Mr. McCORMACK. Of course, the President's recommendation is that the interest be subject to the income-tax laws of the Federal Government and the States, that is, the interest on all bonds, Federal, State, and municipal.

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

Mr. McCORMACK. I yield to the gentleman from Michigan.

Mr. MICHENNER. The gentleman is stating the position of the President?

Mr. McCORMACK. I am stating my understanding of his position.

Mr. MICHENNER. Yes. Well, I think it is wrong. I am a member of the Committee on the Judiciary. Shortly after one of these messages came up to which the gentleman has

referred, our committee was going to give consideration to a constitutional amendment. That was before the last decision, which might have clarified the matter.

Mr. McCORMACK. The gentleman has stated that what I said was wrong. Just prove where what I said was wrong.

Mr. MICHENNER. I am going to show it.

Mr. McCORMACK. I challenge the gentleman's statement. I address myself to that. Wherein is my statement wrong that the President's message was with reference to subjecting the interest on all bonds, Federal, State, and municipal, to the income-tax laws of the Federal Government and the States?

Mr. MICHENNER. That is not the part of the gentleman's statement that is wrong.

Mr. McCORMACK. Where is it wrong?

Mr. MICHENNER. If the gentleman will permit me, I will try to show him.

Mr. McCORMACK. I am anxious; the gentleman is taking my time.

Mr. MICHENNER. I will withdraw if I am embarrassing the gentleman.

Mr. McCORMACK. Just do not make a speech.

Mr. MICHENNER. If the gentleman will permit me to answer, I was stating that shortly after the President's message came up here our committee attempted to give consideration to the problem and do what the President asked the Congress to do.

Mr. McCORMACK. That was last year.

Mr. MICHENNER. After we had set the day for the hearing we were called off, so to speak, and never did hold a hearing. I believe it was generally understood by everybody that this was because it would interfere with financing by the Government. Nothing was done and nothing has been done to this very day to accomplish what the President asked be done, although the committee was ready and willing to do that.

Mr. McCORMACK. Is the gentleman through with my time? Nothing that the gentleman has stated, certainly, is inconsistent with what I said, when the gentleman says I am wrong and predicates his statement—

Mr. MICHENNER. Oh, the gentleman is always right.

Mr. McCORMACK. I thank the gentleman for the compliment, but the gentleman is inconsistent. Only a moment ago he said the gentleman from Massachusetts was wrong. The gentleman from Massachusetts cannot be wrong 2 minutes ago and always right now.

Mr. MICHENNER. I withdraw it, then.

Mr. McCORMACK. I just want to say that the President's suggestion is to subject to tax the interest on the bonds of both State and Federal Governments. Certainly few of us would subject the interest on the Federal Government bonds to the State income tax laws and let the interest on the State and municipal bonds be tax exempt. That has been the position of the President consistently.

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

Mr. McCORMACK. I yield to the gentleman from Tennessee.

Mr. COOPER. The gentleman from Michigan must be in error, because the two messages to which the gentleman from Massachusetts has referred were referred to the Committee on Ways and Means and are pending there. They are not before the Committee on the Judiciary.

Mr. MICHENNER. That was the very purpose and the only way the purpose could be accomplished was by a constitutional amendment and that was the matter that was before the Judiciary Committee, but we were not permitted to proceed.

Mr. McCORMACK. In that respect, I have no controversy with the gentleman. A constitutional amendment, of course, would go to the Committee on the Judiciary; and if legislation was to be enacted, that would go to the Ways and Means Committee; but the President has always been consistent in his position that the interest on all such bonds—Federal, State, and local—should be taxed. I make this statement in view of the incorrect statements made this

afternoon by some of our Republican colleagues, and in order that the record will be clear.

[Here the gavel fell.]

The pro forma amendment was withdrawn.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose and the Speaker having resumed the chair, Mr. GAVAGAN, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee having had under consideration the bill (H. R. 5748) to amend the Second Liberty Bond Act, as amended, pursuant to House Resolution 200, he reported the same back to the House.

The SPEAKER. Under the rule the previous question is ordered.

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

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

Mr. WOLCOTT. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. WOLCOTT. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. WOLCOTT moves to recommit the bill to the Committee on Ways and Means.

Mr. COOPER. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the motion to recommit.

The question was taken; and on a division (demanded by Mr. WOLCOTT), there were—ayes 54, nays 136.

So the motion to recommit was rejected.

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

The question was taken and the bill was passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. COOPER. Mr. Speaker, I ask unanimous consent that all Members who have spoken on the bill may have five legislative days in which to revise and extend their own remarks.

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

There was no objection.

Mr. TREADWAY. Mr. Speaker, in connection with a revision and extension of my remarks I ask unanimous consent to include an article appearing in the Evening Star of today on this subject matter.

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

There was no objection.

Mr. PARSONS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an article that appeared in the Sunday Post under the pen of Florence S. Kerr.

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

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that on tomorrow, after the legislative program of the day and following any previous special order heretofore entered, the gentleman from Michigan [Mr. CRAWFORD], may address the House for 20 minutes.

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

There was no objection.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that I may have 20 minutes on Thursday next instead of the 30 minutes granted me today.

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

There was no objection.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include certain excerpts in connection with the remarks I made today.

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

There was no objection.

NATIONAL HOUSING ACT AMENDMENTS, 1939

Mr. RAYBURN. Mr. Speaker, I trust the Members who desire recognition to extend their remarks will wait for a few moments. It is desired on the part of the gentleman from Alabama [Mr. STEAGALL] to call up a conference report upon the bill (H. R. 5324) to amend the National Housing Act. I understand it is not controversial and that we may dispose of it in a few minutes.

Mr. LUCE. Mr. Speaker, I trust the gentleman will not press that motion. It is 5 o'clock. The conference report in question is controversial and will take time for discussion.

Mr. RAYBURN. Mr. Speaker, I understood the bill we just had under consideration was reported unanimously from the committee and was not controversial and would be disposed of in 30 or 40 minutes. I have been told today many times that this conference report is not controversial. If it is controversial, I suggest to the gentleman from Alabama [Mr. STEAGALL] that it go over. It must go over until Thursday next, if it is not taken up today.

Mr. STEAGALL. If it will accommodate the gentleman from Massachusetts [Mr. LUCE] and Members of the House, we will not endeavor to dispose of the conference report today. I had understood that the gentleman from Missouri [Mr. WILLIAMS] desired a brief time in which to discuss the report, and that there would not be opposition to the adoption of the report. I had understood that he voiced the views of those who are opposed to one of the provisions of the bill which has been amended and worked out in conference. If the gentleman from Massachusetts desires to discuss the bill at length, I shall not insist upon going ahead with the conference report this afternoon, but will let the matter go over until Thursday next.

ORDER OF BUSINESS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that at the conclusion of the proceedings on the conference report just referred to on Thursday next that it may be in order for the Committee on Claims to call up omnibus claims bills.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. MARTIN J. KENNEDY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a short article from the New York Times of Monday, May 22, by Anna O'Hare McCormick, on the question of the battle of diplomats.

The SPEAKER. Is there objection?

There was no objection.

Mr. ENGEL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including an article written by me and published in the New York Journal-American.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include certain editorial comments in connection with the new pick-up service in air mail.

The SPEAKER. Is there objection?

There was no objection.

Mr. MICHAEL J. KENNEDY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the Businessman and the President.

The SPEAKER. Is there objection?

There was no objection.

BARGAIN BASEMENT

Mr. OLIVER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point.

THE SPEAKER. Is there objection?

There was no objection.

MR. OLIVER. Mr. Speaker, as the merchant which he claimed to be last evening before the American Retail Federation, President Roosevelt certainly needs a bargain annex where he might dispose of his greatly worn and second-hand merchandise.

For example, among other items, he could most consistently place on his bargain counter and advertise "for sale" very cheaply:

- (1) A repudiated A. A. A. scarcity farm program, with its parity price "bustline."
- (2) A discarded and defective N. R. A.
- (3) A gold-buying policy most leaky in its beneficence toward foreign nations.
- (4) A fiscal policy full of holes.
- (5) An outmoded and inadequate monetary policy.
- (6) A completely run-down-at-the-heel abundance policy.
- (7) An overswollen public debt.
- (8) A moth-eaten unemployment paradox.
- (9) An economic program devoted to fine objectives but utterly fantastic, wholly crackpot, and completely indefensible in its evolution.
- (10) A cloak of labeled liberalism which should find ready sale in a bargain basement for its junk value as the most outstanding illustration of wholesale political hocus-pocus ever foisted upon the American public.

SUGAR ACREAGE

MR. O'CONNOR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point.

THE SPEAKER. Is there objection?

There was no objection.

MR. O'CONNOR. Mr. Speaker and Members of the House, I have placed on the Speaker's desk a discharge petition to bring Senate bill 69, known as the Ellender sugar-acreage bill, out of committee and before the House for consideration and a vote.

The bill was referred to the House Committee on Agriculture on March 24, where it was shelved despite continuous efforts on the part of Congressmen from sugar-producing States to appear before the committee in behalf of the bill.

The Ellender bill provides for an increase in the sugar acreage in the United States by 80,000 to 100,000 acres and would wipe out one of the most obvious shortcomings in our agriculture picture today. In brief, the bill would allow domestic growers to produce more than 30 percent of the sugar necessary to meet domestic consumption.

The Committee on Agriculture pigeonholed the bill in the face of a purported threat of Presidential veto. However, the President of the United States is explicitly given the power of Presidential veto. It is a power to be used at the proper time; namely, when the bill is presented to him for his signature or rejection.

However, it should not be the practice of Members of Congress to waylay legislation even though threatened by Presidential veto. It is the duty of this Congress to enact measures which it believes to be of the greatest benefit to the people of the United States. By no means should a threatened Presidential veto cause a committee of the House to place legislation in a lethal chamber.

We have been told that the enactment of the Ellender sugar-acreage bill would be a serious threat to the future of the policy of improved relationships among the American republics.

I believe in the good-neighbor policy. It is an idealistic procedure. But I do not believe in order to carry out that policy that we must give our good neighbors our clothes so that we have only a shirt in our economic wardrobe.

We must first be concerned with good neighbors within our own country. I do not believe that we must place people on relief, place them on the streets, in order that we may carry out our program of peace in the Western Hemisphere.

In the first place, the curtailment of domestic beet and cane acreage is not a sound business practice in view of

the fact that we supply less than one-third of the amount of sugar we annually consume. It would be ruinous for any private business to operate on such a basis. It is likewise ruinous to our sugar-beet and cane interests if the Government continues curtailment along present lines.

Statistical data and reports placed in the CONGRESSIONAL RECORD on May 18 by Senator O'MAHONEY, of Wyoming, point out clearly that the factor of improved relationships among the American republics in the present sugar program is ill founded. Our good neighbors do not profit from our curtailment, but rather the New York, New Jersey, and Canadian corporations which own the refineries in Cuba, Hawaii, Puerto Rico, and other countries.

Ernest H. Gruening, head of the territorial division of the Department of the Interior, testified before the Appropriations Committee of the Senate during consideration of the second deficiency bill this session, that 2 years ago the largest Puerto Rico sugar benefit payment went to the Royal Bank in Canada, and the next largest payment went to the National City Bank of New York.

For years, the phrase, "The American market reserved for the American farmer," has been written into the national platforms of both the Democratic and Republican Parties. The Democratic platform of 1936 states:

We favor the production of all the market will absorb, both at home and abroad * * *.

I cite the plank from the Democratic platform because we members of the Democratic Party are in power and the responsibility of running the Government is ours.

Today, I ask every Member of this House who believes in the benefits provided in the sugar-acreage bill to sign the discharge petition immediately. For both Republicans and Democrats, the signing of this petition is merely the application of our party principles. More than that, it is the application of our sound belief that the American market should be reserved for the American farmer. It is nothing short of good government.

It has been 128 years since John C. Calhoun, then a Member of the United States House of Representatives, said on the floor: "Protection and patriotism are reciprocal."

Any permanent government must give protection, full protection, to its people, if that government expects patriotism from its people. Calhoun's words are particularly applicable in our consideration of the sugar-acreage measure. We must spare no pains in giving our farmers, as well as every other class of persons, full protection. After a government has provided that protection, patriotism will be its reward.

THIRD TERM FOR PRESIDENT

MR. CULKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point and to print therewith a letter from Thomas Jefferson to the Legislature of Vermont.

THE SPEAKER. Is there objection?

There was no objection.

MR. CULKIN. Mr. Speaker, the Honorable JOSEPH B. SHANNON, of Missouri, is a profound student of the life, writings, and principles of Thomas Jefferson. In the selection of material for the erection of the Jefferson Memorial bids were submitted for Vermont and Georgia marble. Some discussion ensued as to the sentimental value of these two marbles, both very beautiful, for use in the erection of the majestic memorial arising to Jefferson on the Tidal Basin. This discussion ended happily by the selection of Vermont Imperial Danby marble for the exterior of the monument and the Georgia white for the interior. Both of these marbles are exquisite in coloring and blend harmoniously. In the course of the discussion the gentleman from Missouri [Mr. SHANNON] called my attention to the fact that the Legislature of Vermont, at the close of Jefferson's second term, addressed a memorial to him requesting that he run for a third term. Mr. SHANNON also calls attention to the fact that in 1800 Vermont elected the Sage of Monticello to the Presidency over Aaron Burr. He has kindly furnished me with a copy of Jefferson's reply to the Legislature of Vermont. It will be noted that Jefferson hails the principle set by Washington that no

man should have more than two terms in the Presidency. Jefferson characterizes Washington's position as a "sound precedent set by an illustrious predecessor." The communication is of special value as it establishes the propriety of using, in part at least, Vermont marble in the construction of the glorious memorial designed by the late John Russell Pope. The communication follows:

WASHINGTON, December 10, 1807.

To the Legislature of Vermont:

I received in due season the address of the Legislature of Vermont, bearing date the 5th of November, 1806, in which, with their approbation of the general course of my administration, they were so good as to express their desire that I would consent to be proposed again, to the public voice, on the expiration of my present term of office. Entertaining, as I do, for the Legislature of Vermont those sentiments of high respect which would have prompted an immediate answer, I was certain, nevertheless, they would approve a delay which had for its object to avoid a premature agitation of the public mind, on a subject so interesting as the election of a Chief Magistrate.

That I should lay down my charge at a proper period, is as much a duty as to have borne it faithfully. If some termination to the services of the Chief Magistrate be not fixed by the Constitution, or supplied by practice, his office, nominally for years, will, in fact, become for life; and history shows how easily that degenerates into an inheritance. Believing that a representative government, responsible at short periods of election, is that which produces the greatest sum of happiness to mankind, I feel it a duty to do no act which shall essentially impair that principle; and I should unwillingly be the person who, disregarding the sound precedent set by an illustrious predecessor, should furnish the first example of prolongation beyond the second term of office.

Truth, also, requires me to add, that I am sensible of that decline which advancing years bring on; and feeling their physical, I ought not to doubt their mental effect. Happy if I am the first to perceive and to obey this admonition of nature, and to solicit a retreat from cares too great for the wearied faculties of age.

For the approbation which the Legislature of Vermont has been pleased to express of the principles the measures pursued in the management of their affairs, I am sincerely thankful; and should I be so fortunate as to carry into retirement the equal approbation and goodwill of my fellow citizens generally, it will be the comfort of my future days, and will close a service of 40 years with the only reward it ever wished.

Your obedient servant,

THOMAS JEFFERSON.

EXTENSION OF REMARKS

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein an editorial in defense of the W. P. A. by a perfectly good Republican newspaper, the Boston Evening Transcript, of May 17, 1939, and also to extend my remarks and include therein a radio speech delivered by me on May 18.

The SPEAKER. Is there objection?

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on two topics, and in the first extension to include a statement by Howard Costigan, of Seattle, Wash., and in the second extension to include a statement by the eminent marine artist, Rockwell Kent.

The SPEAKER. Is there objection to the requests of the gentleman from Washington?

There was no objection.

By unanimous consent Mr. BENDER was granted permission to revise and extend his own remarks.

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to extend my own remarks by including an editorial that appeared in yesterday's Evening Star on the Virgin Islands.

The SPEAKER. Without objection it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that on Friday next, following the legislative program, the gentleman from Michigan [Mr. ENGEL] be allowed to speak for 20 minutes.

The SPEAKER. Is there objection?

There was no objection.

THEIR MAJESTIES THE KING AND QUEEN OF GREAT BRITAIN

Mr. RAYBURN. Mr. Speaker, I call up Senate Concurrent Resolution 17 and ask unanimous consent for its present consideration.

The Clerk read as follows:

Senate Concurrent Resolution 17

Resolved by the Senate (the House of Representatives concurring), That the two Houses of Congress shall assemble in their respective Houses on Friday, June 9, 1939, at 10:30 o'clock antemeridian, and thereafter, in recess, the Members of each House shall proceed informally to the rotunda of the Capitol at 11 o'clock antemeridian, for the purpose of welcoming Their Majesties the King and Queen of Great Britain, and the members of their party, on the occasion of their visit to the Capitol, and at the conclusion of such ceremonies the two Houses shall reassemble in their respective Chambers.

That a joint committee consisting of three Members of the Senate, to be appointed by the President of the Senate, and three Members of the House of Representatives, to be appointed by the Speaker of the House, is hereby authorized to make the necessary arrangements for carrying out the purpose of this concurrent resolution.

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

There was no objection.

The resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RESIGNATION FROM COMMITTEE

The SPEAKER. The Chair lays before the House the following resignation from committee:

MAY 22, 1939.

Hon. WILLIAM B. BANKHEAD,

Speaker of the House, Washington, D. C.

My DEAR MR. SPEAKER: I hereby offer my resignation as a member of the Committee on Irrigation and Reclamation.

Very truly yours,

KENT E. KELLER.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. LELAND M. FORD for 4 days on account of illness.

The SPEAKER. Under special order of the House heretofore made the gentleman from Minnesota [Mr. ALEXANDER] is entitled to be recognized for 20 minutes.

SHALL WE INVESTIGATE THE PHILIPPINE SITUATION?

Mr. ALEXANDER. Mr. Speaker, in view of the lateness of the hour, I ask unanimous consent to extend my own remarks in the RECORD at this point.

The SPEAKER. Is there objection?

There was no objection.

Mr. ALEXANDER. Mr. Speaker, whether to withdraw immediately from our sovereignty and control of the Philippines, or to apply remedial measures to the situation rapidly developing there, so we may safely carry out the terms of the Philippine Independence Act of 1934 without jeopardizing our own peace, briefly stated, is the objective sought to be developed by the investigation of the Philippine situation proposed by my Resolution No. 198 which I introduced May 19.

Due to the highly inflammable situation which has been rapidly developing in the Far East during the past 2 years with the Japanese aggression there, trouble might break out for us at any moment. In fact, in my opinion, there is much more danger to us in the Orient, and of our being involved in war there, than in Europe. That being evident, I have made a very detailed study of the problem and offer my resolution in order to bring the facts of the matter forcibly to the attention of the House and of the people of the United States who are interested in preserving peace whether in Europe or in Asia.

I have been greatly encouraged, since the introduction of the resolution, by receiving letters, wires, cablegrams, and newspaper articles commending me for my proposal and

offering aid and assistance in developing the information which will be needful if we are to institute a valuable and worth-while investigation. The first letter is typical of the others. It comes from a former Army officer now residing in Philadelphia, and is as follows:

I read in tonight's Philadelphia Evening Bulletin that you request an investigation of pro-Japanese activities of President Manuel Quezon of the Philippines. Having been a resident of the islands from 1899 to 1933, I am thoroughly familiar with affairs over there, knowing their language and having been in close contact with the governing classes. You should also include the Vice President, Sergio Osmena, who made several trips to Japan and was instrumental in the sale of lands on the island of Mindanao, to the Japs.

If I can be of any service to you, just call me.

The Washington Post on May 19, in a feature article, also discusses another angle of the problem—the desire on the part of President Quezon to start emasculating the newly framed and recently adopted Philippine Constitution. The article in a very capable manner describes the subtle movement now going on to throw out the constitutional provision prohibiting more than one 6-year term for the island president. As the article describes, an attempt is now being made so that Quezon can succeed himself, thus creating a complete dictatorship by perpetual holding of the office of president. The article is as follows:

[From the Washington Post of May 19, 1939]

NEW TERM FOR QUEZON

(By Vicente Albano Pacis)

THE PHILIPPINE REELECTION PROBLEM

MANILA.

It seems that after several years of quiet agitation for the reelection of President Manual L. Quezon, of the Philippine Commonwealth, in spite of the categorical prohibition of the Philippine Constitution, Philippine public opinion has been so crystallized that the matter is ready for presentation to Washington, where refusal to have the constitution amended will readily appear as an unmitigated act of thumbing down the Filipino people.

The boom for Mr. Quezon's reelection started soon after the inauguration of the Commonwealth, but Quezon himself threw cold water on it when he announced that he was not a candidate to succeed himself. It was almost definitely squelched when reports, never authoritatively denied, reached Manila to the effect that the Washington authorities frowned upon the idea of amending the Philippine Constitution so soon, and especially for the benefit, at least apparently, of a single individual. When the reports became current in Manila, President Quezon even more categorically declared that he was not the least bit interested in another term.

At about this juncture a long-range program of expanding the Malacanan estate, the residence of the President, was started. It included the renovation and expansion of the palace, the conversion of a large area across the Pasig River into a park as part of the Presidential estate, and the construction of various outhouses, including the guest houses, playgrounds, and a massive garage, which at this writing is about to be completed. One day one of the political leaders with Presidential aspirations was a Malacanan luncheon guest, and, being more or less in intimate relations with the President, ventured to fish.

"Judging from the permanent improvements you are carrying out here," he remarked with a twinkle in his eyes, "it looks as if you intend to stay here very long."

The President, who holds the championship record in the islands for his ability to get out of tight spots, simply replied, "I am preparing all this for you fellows who will come after me."

The Philippine Constitution expressly prohibits the reelection of the President, but gives him a term of 6 years. This feature was pointed to at the time of the drafting of the constitution as an improvement over the American Constitution. It was explained that a chief executive invariably looks forward to a second term, and in doing so utilizes the latter half of his first term for mending his political fences. The Philippine provision, it was claimed, completely dissociates the Philippine President from politics.

Following the spirit of this prohibition, President Quezon soon after his inauguration announced his retirement from politics. He placed himself outside of his party and refused to meddle in the election held 2 years after his inauguration for Provincial and municipal officials. When, late last year, the election for members of the assembly was held, however, he openly participated in the campaign on the excuse that he was interested in getting a legislative body that would cooperate with the executive. In effect, a 100-percent Quezon assembly was elected.

Since the assembly has always been called a Quezon assembly, its leaders, Speaker Yulo and Floor Leader Paredes, have announced that it will not take the complete initiative to amend the constitution. The constitution provides that it may be amended by the assembly or by a constituent convention called by the assembly for the purpose, the proposed amendment in either case to be approved or disapproved at a referendum to take place during a regular election. The only general election to take place before the Presi-

dential term expires is that for provincial and municipal officials in 1940. Before then the convention must be called and the amendment proposed. It is predicted that the proposed amendments will eventually multiply to include the establishment of a senate, thus also discarding the unicameralism which, at the time the President of the United States was to act on the constitution, was also pointed out as one more improvement over other constitutions.

Arguments for President Quezon's reelection are that the people demand it generally; that the years 1942-48 will be the most critical period of the Commonwealth, since the American export taxes will be applied on Philippine products; that the constitutional prohibition is a sort of "squinting" provision, meant more for the period of the republic, since it provides for 6-year terms, whereas the remaining Commonwealth term is only for 4 years; that Quezon is admittedly the best Filipino leader and must therefore be mustered in when the country cannot afford to take chances. The open and systematic campaign for Quezon's reelection was started by Messrs. Yule and Paredes and the DMHM newspapers, a syndicate friendly to Quezon.

Arguments advanced against Quezon's reelection are that to do so would be to admit that the Filipinos lack tried and experienced leaders; that to amend the constitution for Quezon would be to predicate such a fundamental popular act on a single person; that to do so would be to interrupt the development of Philippine constitutionalism; that it will constitute a bad and dangerous precedent, giving a President a means to perpetuate himself in power.

It is the situation described in the above article that moves the editor of the monthly magazine, the Philippine American Advocate to ask:

Why worry about Hitler and Mussolini when we have Quezon * * * under the American flag?

Two years ago an account was published of Quezon's visit to Hitler in Germany. In 1939 he is the guest of Japan at a state banquet.

A ranking Republican Member of the House Committee on Insular Affairs, Representative CRAWFORD of Michigan, has already told us that economic and racial understandings were steadily "leading to Japanese control of the Philippines."

The Philippine anti-Fascist organization warns us of a now pending danger that the Philippines are "coming under the savage heel of Japanese militarism."

The Far East correspondents of both the New York Times and the New York Herald Tribune have repeatedly warned us of conditions that demand the prompt attention of Congress.

Can this country in honor to its own flag let the Philippine problem drift—and make the conquest of this people easy?

We are greatly concerned over the Japanese aggression in Manchuria and China. Our daily mail with our newspapers, magazines, and periodicals are all full of articles denouncing Japan. Our pulpits and public platforms have been the spot from which much burning oratory has emanated during the past 2 years demanding action against Japan. We are already applying measures of coercion and punishment because of our disapproval of the action of this aggressor in China. But we little realize that similar action as far as taking over the country, its business, and governmental activities has been taking place under our very eyes in the Philippines. We have no more than a friendly and a business interest in China. In the Philippines we are much more vitally and personally interested. We are the government there. It is still our dependency. It is an integral part of the United States. And still we are almost ready to go to war over the situation in China, a foreign land, while we let Japan take over the territorial possessions of the United States. The disclosures which I anticipate will be developed in this proposed investigation will show startling facts and details of this situation.

I think we need to approach this task in the sense of not only a businesslike investigation, but also of the value and benefit such an activity can be in the promotion of our more complete undertaking and education in the part this eastern situation has, not only in relation to our American ideals and government, but also to the welfare and safety of the Philippine people themselves. I believe I voice the desire of this Congress and of the American people when I say that. We want to solve the Philippine problem in fairness to all. We want to solve it just as we wish with fairness and justice to solve our domestic problems.

EUROPEAN MESS INVOLVES ORIENT

We all know Europe is in a mess as pointed out in my address here May 9, entitled, "The Only Road to Peace." We are jittery about the highly inflammable situation there. And well may we be! I do not mean we will be directly involved there. I do not believe we will be drawn into another European War, as I pointed out in my interview last week with the Hearst press. But the minute this thing breaks in Europe, Japan will start pushing her objectives much more rapidly in the Orient. Not only will the attempt be made to completely subjugate China, but the International settlement at Shanghai will be obliterated, as recent Japanese activities indicate; Hongkong will be next in line, then Singapore, as I pointed out on February 22, in my remarks on the Guam problem; then the Dutch East Indies and the American Philippines. It may take 2 years. I doubt if it will take longer for these developments.

WHAT WILL THEN BE OUR PROBLEM?

It will be to determine whether to surrender to the Japanese and their intense ambition to promote their ideals, and ways of life, of culture, and religion, or whether to take America's traditional stand against aggression and against the fallacious theory that might makes right. In either event and whatever our decision may be, it is important that we act now before such a dilemma confronts us, before we are faced with a crisis, when sound reason and cool logic will be thrown out the window by the forces of hate, greed, selfishness, and passion, aroused under the strain of such a conflict as I have visualized.

MC'NUTT SUGGESTS INVESTIGATION

America's great and good citizen, the present High Commissioner to the Philippines, Paul V. McNutt, former National Commander of the American Legion, knew this when he said recently, I quote: "Without too great a loss of time and with the cooperation of the leaders among the Filipinos, we should proceed to a realistic reexamination of the needs of these people, and of the long-range interest of ourselves. The enduring welfare and safety of both countries are the paramount consideration."

I said a moment ago it is important that we make an immediate decision as to our future there, after careful public investigation of the problem; for, whether we surrender to Japan or whether we stand our ground, this determination, it seems to me, is highly important. If we are to surrender, we can save our face by withdrawing now. If we are to stand our ground, there is much work of a preparatory and remedial nature needing to be done in order to prevent internal disloyalty and treachery from undermining our position, both on the part of the Japanese concentrations there as well as on the part of certain pro-Japanese and anti-American Filipino officials.

Now, there are many ramifications of this problem and its effects on the national life of this Nation. There is a great mass of good argument for immediate withdrawal from our overlordship of the islands. It is said that 95 percent of our people are for such a thing. This is undoubtedly the case—not alone because of their desire to protect and promote peace, but also because of the competition which the islands give our industry, commerce, and agriculture because of our arrangement letting their products in here duty-free. Two very important items which especially affect the welfare of my own region are sugar and hemp products, such as rope and binder twine. Our Minnesota rope and twine factory is, like all others in this country, operating about 50 percent of capacity because of this foreign competition, and is also operating at heavy annual losses. When these factories have been completely routed and put out of business because of this duty-free, cheap, oriental labor competition, then the International Rope and Binder Twine Trust, having a complete monopoly, can double the price to suit themselves and make up for present losses, thus taking another slice from our farmers' already meager income from wheat, barley, oats, rye, and such important small grains. Japanese farmers in the Philippines' richest province, Davao, now grow and sell the most of the world's best hemp.

Then, on the other side of the picture, the United States, Mr. Speaker, has a stake in the Philippines—a greater stake than in any other territorial possessions outside of the mainland of North America.

In the past 40 years our total Government investment in good government and in economic and social advancement of the Philippines is estimated at \$700,000,000. We even hold \$45,000,000 in Philippine government bonds. Are we going to surrender weekly the results of our 40-year administration to the "Machiavelli of the Orient"?

American industrial investment in the Philippines is placed at \$140,000,000. Sugar, oil, timber, chromium—are we going to deliver this American investment also to build up the war power of Japan? Shall the 16,000,000 people of the Philippines go as Manchukuo, Shanghai, Peiping, and the entire seaboard of China?

The Philippines are the seventh largest of our export markets oversea. Our total annual commerce with the people to whom \$840,000,000 of Government investment and American private capital has gone is today worth near \$200,000,000. Shall that go to Japan, as the tail goes with the hide?

We have a stake in American life and liberty in the Philippines—the lives and liberty of American citizens resident there and doing business there, teachers in the schools, workers in social uplift, workers in government and in business. The magnificent highways and other public works of that island empire are largely the product of American engineers and investors. Shall we haul down the American flag and help raise that of Japan?

That was not the spirit of the United States on May 1, 1898, when Dewey destroyed the Spanish Fleet in Manila Bay.

Mr. Speaker, we not only have a national stake in the Philippines, but we have a national duty. As all know, the Philippines, under the Independence Act of 1934—the Tydings-McDuffie Act, passed by Congress and signed by President Roosevelt March 24, 1934—are the largest territorial affiliate of the United States outside of the American Continent. Until 1946, the Philippines are under the flag and Constitution of the United States and under the administration and Congress of the United States—and lawfully entitled to our responsible sovereign protection.

Thus our stake in the Philippines bears the stamp, not only of national interest, but of national duty. It is a duty which cannot with honor or even national safety be neglected, disregarded, overlooked, or shirked. We have a duty there as we have in any other territory over which our laws and our Stars and Stripes prevail.

And that American stake in the Philippines today is threatened. It is under the menace of a foreign power, as it was in 1898, over 40 years ago. It is under the menace of a foreign power which in ruthless warfare in China during the past 2 years, after these trying months of bloody conquest, can set up no valid claim to humanitarian superiority over the rule of conquering Spain prior to 1898.

This Congress does not need to be told of the steady encroachments of the Japanese power in the Philippines during recent years. So strong is Jap influence in the Philippines today that the pro-Japanese faction cannot wait until the expiration of the Independence Act in 1946 and demands a so-called "plebiscite"—the Hitler method of controlled elections—in order to quicken the Japanese conquest of the Philippines! So the question becomes, Shall we let them have it now or wait till 1946?

There is no question, Mr. Speaker, that the Seventy-sixth Congress, representing the 130,000,000 people of the 48 States, desire, without regard to party lines, to do the fair and just thing for the people of the Philippines and the wise and honorable thing for the greatest democracy on earth.

But no one will deny that we cannot do the wise, just, and honorable thing unless we know, by impartial and first-hand investigation, what the conditions are that confront the Philippines and the United States.

The only sure way to get our factual foundation is to send there our own Representatives, hold hearings, mingle with the people, study the industrial conditions, the property and

labor, the institutions and the Government, and build from the ground up an up-to-date foundation of industrial, social, political, and governmental knowledge of vital problems.

This investigation should be free and impartial. But there are three questions that will command earnest attention in view of the events of the past year and up to the present hour:

1. Is the Japanese conquest of China an all-Asia march of conquest, and does it threaten, as charged, the Philippines?

2. What is the extent of Japanese economic encroachment in the Philippines—land ownership, industrial and shipping control, and Japanese immigration—and is it the entering wedge to complete Japanese control?

3. How great is the extent of Japanese influence over the present government of the Philippines, the executive and legislative power, the appointment of Japanese-minded administrators, the Japanese power over the political machine and the electorate? How long would it be after American evacuation that the Philippines could maintain their independence against the Japanese conquerors of China?

It must be remembered that, although 4,000,000 Filipinos today are able to read the English language, they cannot know the truth when freedom of the press and freedom of assembly is under the control of a Jap-minded governmental machine.

What do they understand of the trend now in progress, if their chief contact with it is through pro-Jap interests and influences? The smooth policy of fooling the people by smiling assurances has become a Japanese fine art. And the Japs favor a new plebiscite. They are "for the people" against the United States of America.

The Japs demand for the Philippines a plebiscite—the Hitler reform program—first, to hasten the hour when America no longer can protect Philippine territory; second, to uproot the \$840,000,000 American financial stake in the Philippines; third, to divert from the United States to Japan a commerce valued at near \$200,000,000 annually, and, furthermore, to undermine the American Government stake in \$45,000,000 invested in United States guaranteed Philippine Government bonds.

The Japs may want a plebiscite for another reason, namely, to insure Japan a complete Machiavelli dynasty over the Pacific coast of Asia. Control of all harbors and commercial ports, control of all developed western Asian resources and industries, control of mineral resources, food resources, and, above all, control of an enslaved Filipino working population—such as Japan has visited upon their subjects, both in Korea and in Manchukuo and now in China.

It is highly significant that the old warrior for Philippine independence—Gen. Emilio Aguinaldo—is opposed to holding the plebiscite. Head of the Veterans of the Philippine Revolution, a leader as true to Philippine liberty as George Washington to the American cause—Aguinaldo wired the United States Senate Committee on Territories and Insular Affairs, March 15:

We strongly protest against a new plebiscite. The conditions in the Far East do not alter the stand of the Filipinos for independence.

What "conditions in the Far East" did General Aguinaldo have in mind? The answer is plain. The war of Japanese conquest, which lacks only one important post to make Pacific Asia a "closed shop" with complete embargo against entrance of any civilized country into the commerce and enlightened development of the 600,000,000 souls in eastern Asia.

All that Japan now needs to perfect its "encirclement" is the control of the Philippines. Its "closed shop" would then be an accomplished fact. Shall the Seventy-sixth Congress, by closing its eyes, give Japan its "closed shop" by neglect to inform itself of the "conditions" now apparent to such patriots as General Aguinaldo?

There is yet another stake which the United States holds in the Philippines—and that is the safety of the Pacific coast of North America.

If our western territorial frontier—the Philippine Archipelago—is taken over by Japan and bulwarked as a Jap foundation for control of the Pacific, what is the status of Hawaii, of all other American possessions in the Pacific, and what of the safety of our Pacific States on the mainland?

With the Philippines in possession of the Jap military power, and all west of Hawaii commanded by Jap battleships, the Pacific Fleet of the United States is relegated to a very humble and restricted field subject to the military will of Japan. If we by neglect permit this thing to happen to the Philippines, what becomes of American prestige on the Pacific?

Lincoln said: "This country cannot endure half slave and half free." Were he alive today he might well say: "American prestige in the Pacific cannot exist half Jap and the rest half-breed."

If the Hitler-Mussolini "axis" is extended to the Japanese dominions in Asia, and even to the Japanese foundation in future control of the Philippines, our entire Pacific coast, from Alaska down, will be subject to future invasion.

Had not Thomas Jefferson secured control of the great empire of the Central West, through the Louisiana Purchase, the United States had no security against the day when British control of the Mississippi from the Gulf to the Great Lakes would endanger the existence of the Republic.

In Jefferson's day the Mississippi country was our western frontier. Today that frontier has moved westward. Shall we, by negligence, leave the gate unlocked for Japanese power to make successful entry here?

The appropriation suggested for this survey by Congress is \$100,000. That happens to be an expense of \$1 for each \$450 we have invested in Philippine Government bonds, and \$1 for each \$8,400 we have invested altogether in the Philippines. Simply as a matter of "dirt cheap" insurance, without regard to national interests involved which are great, as I will point out later in more detail, our survey should not be delayed.

We cannot let matters drift and then plead ignorance when the coup is sprung. Neglect of national duty is no "appeasement" in dealing with the "Machiavelli of the Pacific". The time would seem to be at hand. Otherwise General Aguinaldo would not have cabled Congress—"We protest."

He wants no "plebiscite," because he knows present conditions in the "Far East." It is up to Congress to know those conditions, even as Aguinaldo knows them. His stake is freedom for the Philippines. Our stake is freedom for the Pacific and safety for the United States of America.

Our weakest place as a nation charged with protection of life and liberty in the Western Hemisphere is undoubtedly in the Philippines—almost under the guns of Japanese battleships—6,000 miles west of San Francisco.

Oliver Wendell Holmes told us in the old poem, the "One-Hoss Shay", that the way to fix the weakest place was to "make it as strong as the rest." At least, we should take a look at it, that we may not find it missing.

When Filipino leaders call upon Congress, and, in the name of liberty, ask us to preserve what is left of freedom in the Philippines, the time would seem to be ripe to act. Had the signers of the Declaration of Independence, July 4, 1776, delayed action another year, what would have happened to American history?

LEAVE OF ABSENCE

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to absent myself from attendance on the House of Representatives until June 2.

The SPEAKER. Without objection, the request will be granted.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent that I may address the House for 15 minutes on Thursday, June 2, after disposition of the legislative program for that day.

The SPEAKER. Without objection, it is so ordered.
There was no objection.

SENATE BILLS AND JOINT RESOLUTIONS REFERRED

Bills and joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 72. An act to amend the act entitled, "An act conferring jurisdiction upon the United States Court of Claims to hear, examine, adjudicate, and render judgment on any and all claims which the Ute Indians or any tribe or band thereof may have against the United States, and for other purposes," approved June 28, 1938; to the Committee on Indian Affairs.

S. 182. An act for the relief of Edward Hagenson; to the Committee on Claims.

S. 188. An act to provide for the administration of the United States courts, and for other purposes; to the Committee on the Judiciary.

S. 438. An act to repeal and reenact section 83 of the Judicial Code, as amended, relating to Federal court districts in the State of Kentucky; to the Committee on the Judiciary.

S. 608. An act to authorize the Secretary of War to furnish certain markers for certain graves; to the Committee on Military Affairs.

S. 648. An act for the relief of Francis Gerrity; to the Committee on Military Affairs.

S. 688. An act for the relief of Homer N. Horine; to the Committee on Military Affairs.

S. 839. An act to amend the Retirement Act of April 23, 1904; to the Committee on Military Affairs.

S. 860. An act authorizing the President to present a Distinguished Service Medal to Harold R. Wood; to the Committee on Naval Affairs.

S. 871. An act for the relief of James T. Moore; to the Committee on Military Affairs.

S. 949. An act for the relief of Robert Clyde Scott; to the Committee on Military Affairs.

S. 955. An act creating the City of Dubuque Bridge Commission and authorizing said commission and its successors to purchase and/or construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Dubuque, Iowa, and East Dubuque, Ill.; to the Committee on Interstate and Foreign Commerce.

S. 1069. An act for the relief of George Edelman; to the Committee on Military Affairs.

S. 1081. An act for the relief of John B. Jones; to the Committee on War Claims.

S. 1116. An act to amend section 1860 of the Revised Statutes, as amended (48 U. S. C. 1460), to permit retired officers and enlisted men of the Army, Navy, Marine Corps, and Coast Guard to hold civil office in any Territory of the United States; to the Committee on Naval Affairs.

S. 1118. An act to provide for acceptance and cashing of Government pay checks of retired naval personnel and members of the Naval and Marine Corps Reserves by commissary stores and ship's stores ashore, located outside the continental limits of the United States; to the Committee on Naval Affairs.

S. 1165. An act for the relief of Fred M. Munn; to the Committee on Military Affairs.

S. 1181. An act to provide for the status of warrant officers and of enlisted men of the Regular Army who serve as commissioned officers; to the Committee on Military Affairs.

S. 1225. An act for the relief of August R. Lundstrom; to the Committee on Military Affairs.

S. 1666. An act to provide a right-of-way across the Fort Mifflin Military Reservation, Pa.; to the Committee on Military Affairs.

S. 1669. An act relating to the military record of Irving L. Leafe; to the Committee on Military Affairs.

S. 1683. An act to amend the act of June 7, 1935 (49 Stat. 332), and for other purposes; to the Committee on Military Affairs.

S. 1820. An act to provide for the transfer of certain land owned by the United States to the State of Texas; and certain other land to the county of Galveston, Tex.; to the Committee on Military Affairs.

S. 1821. An act for the relief of Harry K. Snyder; to the Committee on Claims.

S. 1856. An act conferring jurisdiction upon the United States District Court for the District of Rhode Island to hear, determine, and render judgment upon the claim of George Lancellotta; to the Committee on Claims.

S. 1874. An act to amend the criminal code in regard to obtaining money by false pretenses on the high seas; to the Committee on the Judiciary.

S. 1879. An act to amend the United States mining laws applicable to the area known as the watershed of the headwaters of the Bonito River in the Lincoln National Forest within the State of New Mexico; to the Committee on Mines and Mining.

S. 1894. An act for the relief of Ivan Charles Grace; to the Committee on Claims.

S. 1895. An act for the relief of Maria Enriquez, Crisanta, Anselmo, Agustin, and Irineo de los Reyes; to the Committee on Claims.

S. 1901. An act to extend to Sgt. Maj. Leonard E. Browning, United States Marine Corps, the benefits of the act of May 7, 1932, providing highest World War rank to retired enlisted men; to the Committee on Naval Affairs.

S. 1904. An act relating to age requirements for persons in the classified civil service; to the Committee on the Civil Service.

S. 1907. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River, at or near Poplar, Mont.; to the Committee on Interstate and Foreign Commerce.

S. 1942. An act for the relief of the legal representative of Anna Barbara Kosick, deceased; to the Committee on Claims.

S. 1964. An act to amend section 5136 of the Revised Statutes, as amended, to authorize charitable contributions by national banking associations; to the Committee on Banking and Currency.

S. 2082. An act for the relief of Hugh A. Smith; to the Committee on Claims.

S. 2096. An act to amend section 4a of the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended; to the Committee on Military Affairs.

S. 2163. An act to authorize an appropriation to meet such expenses as the President, in his discretion, may deem necessary to enable the United States to cooperate with the Republic of Panama in completing the construction of a national highway between Chorrera and Rio Hato, Republic of Panama, for defense purposes; to the Committee on Military Affairs.

S. 2170. An act to improve the efficiency of the Lighthouse Service, and for other purposes; to the Committee on Merchant Marine and Fisheries.

S. 2183. An act authorizing the President of the United States to appoint Sgt. Alvin C. York as a colonel in the United States Army and then place him on the retired list; to the Committee on Military Affairs.

S. J. Res. 126. Joint resolution to amend the act to authorize alterations and repairs to certain naval vessels, and for other purposes, approved April 20, 1939; to the Committee on Naval Affairs.

S. J. Res. 138. Joint resolution providing that reorganization plans Nos. I and II shall take effect on July 1, 1939; to the Select Committee on Government Organization.

SENATE ENROLLED BILLS SIGNED

The Speaker announced his signature to enrolled bills of the Senate of the following titles:

S. 1579. An act to extend the time during which orders and marketing agreements under the Agricultural Adjustment Act, as amended, may be applicable to hops.

S. 1583. An act to amend the act of March 2, 1929 (45 Stat. 1492), entitled "An act to establish load lines for American vessels, and for other purposes."

ADJOURNMENT

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

The motion was agreed to; accordingly (at 5 o'clock and 10 minutes p. m.) the House adjourned until tomorrow, Wednesday, May 24, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE POST OFFICE AND POST ROADS

The Committee on the Post Office and Post Roads will continue to hold public hearings on Wednesday, May 24, 1939, at 10 a. m., for the consideration of H. R. 3835, a bill to authorize the Post Office Department to cooperate with the several States in the collection of State taxes.

COMMITTEE ON LABOR

The Committee on Labor will hold a hearing in the caucus room of the House Office Building, at 10 a. m. Wednesday, May 24, 1939, for the consideration of proposed amendments to the National Labor Relations Act.

COMMITTEE ON INDIAN AFFAIRS

The Committee on Indian Affairs will hold hearings on Wednesday next, May 24, 1939, at 10:30 a. m., for the consideration of H. R. 2390, H. R. 3797, H. R. 5002, H. R. 5409, H. R. 5451, and House Joint Resolution 117.

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

There will be a meeting of the Committee on Public Buildings and Grounds at 10:30 a. m. on Wednesday, May 24, 1939, for the consideration of H. R. 965 and H. R. 5037.

COMMITTEE ON THE JUDICIARY

There will be a public hearing before Subcommittee No. 3 of the Committee on the Judiciary on May 24, 1939, at 10 a. m., on the bill (H. R. 2318) to divorce the businesses of production, refining, and transporting of petroleum products from that of marketing petroleum products. Room 346, House Office Building.

On May 31, 1939, beginning at 10 a. m., there will be a public hearing before the Committee on the Judiciary on the bill (H. R. 6369) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplemental thereto; to create a Railroad Reorganization Court, and for other purposes.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, at 10 a. m., on the bills and dates listed below:

On Thursday, May 25, 1939, on H. R. 4592 and H. R. 4593, relating to the whale fishery.

On Wednesday, May 31, 1939, at 10 a. m., on H. R. 4985, relating to Fishery Educational Service in Bureau of Fisheries (CALDWELL); H. R. 5025, purchase and distribution of fish products (BLAND); and H. R. 5681, purchase and distribution of fish products (CALDWELL).

On Tuesday, June 6, 1939, on H. R. 6039, motorboat bill of 1939 (BLAND); and H. R. 6273, outboard racing motorboats (BOYKIN).

On Thursday, June 8, 1939, on H. R. 5837, alien owners and officers of vessels (KRAMER); and H. R. 6042, requiring numbers on undocumented vessels (KRAMER).

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization at 10:30 a. m. on Wednesday, May 24, and Thursday, May 25, 1939, for the public consideration of House Joint Resolution 168, Rogers child refugee bill, and House Joint Resolution 165, Dingell child refugee bill.

EXECUTIVE COMMUNICATIONS, ETC.

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

777. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the Executive Office for the fiscal year 1940 amounting to \$98,000 (H. Doc. No. 298); to the Committee on Appropriations and ordered to be printed.

778. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Smithsonian Institution for the fiscal year 1940, amounting to \$159,000 (H. Doc. No. 299); to the Committee on Appropriations and ordered to be printed.

779. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 2, 1939, submitting a report, together with accompanying papers and an illustration, on reexamination of report submitted in House Document No. 306, Seventy-fourth Congress, first session, with a view to determining whether the Allegheny Reservoir, on the Allegheny River in New York and Pennsylvania, should be so constructed that it can be operated in the interests of navigation and the abatement of pollution, requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted February 9, 1938 (H. Doc. No. 300); to the Committee on Rivers and Harbors and ordered to be printed, with an illustration.

780. A letter from the Comptroller of the Near East Relief, transmitting a report of the Near East Relief to the Congress for the year ending December 31, 1938; to the Committee on the Judiciary.

781. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Social Security Board for the fiscal year 1940, amounting to \$20,000,000 (H. Doc. No. 301); to the Committee on Appropriations and ordered to be printed.

782. A letter from the Secretary of the Interior, transmitting the draft of a proposed bill to amend the act of August 24, 1912 (37 Stat. 460), as amended, with regard to the limitation of cost upon the construction of buildings in national parks; to the Committee on the Public Lands.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. COCHRAN: Committee on Accounts. House Resolution 199. Resolution providing compensation for a superintendent and messenger for the radio room of the House radio press gallery (Rept. No. 675). Ordered to be printed.

Mr. KITCHENS: Committee on Accounts. House Resolution 194. Resolution to authorize the payment of additional expenses of investigation authorized by House Resolution 146 (Rept. No. 676). Ordered to be printed.

Mr. JARMAN: Committee on Printing. House Concurrent Resolution 25. Concurrent resolution authorizing the printing of additional copies of the hearings held before the Committee on Ways and Means of the House on the bill entitled "Social Security Act Amendments of 1939" (Rept. No. 677). Ordered to be printed.

Mr. MOTT: Committee on Naval Affairs. H. R. 6320. A bill to establish the status of funds and employees of the United States Naval Academy laundry; with amendment (Rept. No. 678). Referred to the Committee of the Whole House on the state of the Union.

Mr. THOMASON: Committee on Military Affairs. H. R. 3945. A bill to authorize the use of War Department equipment for the Confederate Veterans' 1939 Reunion at Trinidad, Colo., August 22, 23, 24, and 25, 1939; with amendment (Rept. No. 685). Referred to the Committee of the Whole House on the state of the Union.

Mr. CROSSEY: Committee on Interstate and Foreign Commerce. H. R. 5474. A bill to amend the Railroad Unemployment Insurance Act, approved June 25, 1938; with amendment (Rept. No. 686). 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. McGEHHEE: Committee on Claims. H. R. 1875. A bill for the relief of the Women's Board of Domestic Missions; with amendment (Rept. No. 679). Referred to the Committee of the Whole House.

Mr. MACIEJEWSKI: Committee on Claims. H. R. 2234. A bill for the relief of W. E. R. Covell; without amendment (Rept. No. 680). Referred to the Committee of the Whole House.

Mr. McGEHHEE: Committee on Claims. H. R. 3623. A bill for the relief of Capt. Clyde E. Steele, United States Army; with amendment (Rept. No. 681). Referred to the Committee of the Whole House.

Mr. ROCKEFELLER: Committee on Claims. H. R. 4260. A bill for the relief of J. Milton Sweeney; with amendment (Rept. No. 682). Referred to the Committee of the Whole House.

Mr. McGEHHEE: Committee on Claims. H. R. 5114. A bill for the relief of Maria Enriquez, Crisanta, Anselmo, Agustin, and Irineo de los Reyes; with amendment (Rept. No. 683). Referred to the Committee of the Whole House.

Mr. HALL: Committee on Claims. S. 221. An act for the relief of Anthony Coniglio; with amendment (Rept. No. 684). 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. CLEVENGER:

H. R. 6464. A bill to authorize a preliminary examination and survey of the Auglaize, Blanchard, and Ottawa Rivers and their tributaries in the State of Ohio for flood control and soil-erosion prevention; to the Committee on Flood Control.

By Mr. CURTIS:

H. R. 6465. A bill to provide for the labeling of all imported goods as foreign goods; to the Committee on Ways and Means.

By Mr. HENDRICKS:

H. R. 6466. A bill to provide for and promote the general welfare of the United States by supplying to the people a more liberal distribution and increase of purchasing power, retiring certain citizens from gainful employment, improving and stabilizing gainful employment for other citizens, stimulating agricultural and industrial production and general business, and alleviating the hazards and insecurity of old age and unemployment; to provide a method whereby citizens shall contribute to the purchase of and receive a retirement annuity; to provide for the raising of the necessary revenue to operate a continuing plan therefor; to provide for the appropriation and expenditure of such revenue; to provide for the proper administration of this act; to provide penalties for violation of the act; and for other purposes; to the Committee on Ways and Means.

By Mr. EBERHARTER:

H. R. 6467. A bill authorizing the organization of a full regiment of colored combat troops as a part of the National Guard of the State of Pennsylvania; to the Committee on Military Affairs.

By Mr. LEMKE:

H. R. 6468. A bill to regulate interstate and foreign commerce in agricultural products; to prevent unfair competition; to provide for the orderly marketing of such products; to promote the general welfare by assuring an abundant and permanent supply of such products by securing to the producers a minimum price of not less than cost of production; and for other purposes; to the Committee on Agriculture.

By Mr. ROUTZOHN:

H. R. 6469. A bill to amend paragraph I (a) of part III of Veterans Regulation No. 1 (a), as amended, as to make certain veterans eligible for pension for permanent total non-

service-connected disability, except where due to felonious misconduct; to the Committee on World War Veterans' Legislation.

By Mr. CASEY of Massachusetts:

H. R. 6470. A bill to provide a planned program for the relief of unemployment by affording opportunities for employment upon a public-works program to persons unable to secure private employment; to the Committee on Appropriations.

By Mr. CELLER:

H. R. 6471. A bill to amend the Patent Litigation Act of March 3, 1911 (U. S. C., title 28, sec. 109); to the Committee on Patents.

By Mr. CONNERY:

H. R. 6472. A bill to abolish the United States Customs Court; to the Committee on Ways and Means.

By Mr. MAY:

H. R. 6473 (by request). A bill to facilitate certain construction work for the Army, and for other purposes; to the Committee on Military Affairs.

By Mrs. O'DAY:

H. R. 6474. A bill to promote the general welfare through the appropriation of funds to assist the States and Territories in providing more effective programs of public kindergarten or kindergarten and nursery school education; to the Committee on Education.

By Mr. PITTINGER:

H. R. 6475. A bill to authorize the city of Duluth, in the State of Minnesota, to construct a toll bridge across the St. Louis River, between the States of Minnesota and Wisconsin, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RANDOLPH:

H. R. 6476. A bill authorizing an appropriation for the construction and equipment at Morgantown, W. Va., of research facilities for aeronautical research; to the Committee on Military Affairs.

H. R. 6477. A bill to authorize and empower the Public Utility Commission of the District of Columbia to limit the number of public vehicles to be licensed and operated as taxicabs in the District of Columbia, and to limit the number of taxicab drivers' licenses to be issued; to the Committee on the District of Columbia.

By Mr. WALTER:

H. R. 6478. A bill to amend an act entitled "An act to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes," approved March 27, 1934 (48 Stat. 505), as amended by the act of June 25, 1936 (49 Stat. 1926), and the act of April 3, 1939 (Public, No. 18, 76th Cong., 1st sess.); to the Committee on Naval Affairs.

By Mr. SULLIVAN:

H. R. 6479. A bill amending section 2857 of the Distilled Spirits Act; to the Committee on Ways and Means.

By Mr. AUGUST H. ANDRESEN:

H. R. 6480. A bill to amend the Agricultural Adjustment Act of 1933; to the Committee on Agriculture.

By Mr. KIRWAN:

H. R. 6481. A bill to authorize the conveyance of the United States Fish Hatchery property at Put in Bay, Ohio, to the State of Ohio; to the Committee on Merchant Marine and Fisheries.

By Mr. NICHOLS:

H. R. 6482. A bill to amend the Agricultural Adjustment Act of 1938, as amended, for the purpose of regulating interstate and foreign commerce in cotton, providing for the orderly marketing of cotton at fair prices in interstate and foreign commerce, insuring to cotton producers a parity income from cotton based upon parity price or cost of production, whichever is higher, and for other purposes; to the Committee on Agriculture.

By Mr. SHANLEY:

H. J. Res. 301. Joint resolution to create a commission to handle the proposal of the Rumanian Government and to report back their recommendations to the Congress of the United States; to the Committee on Ways and Means.

By Mr. BYRNE of New York:

H. J. Res. 302. Joint resolution to authorize compacts or agreements between or among the States bordering on the Atlantic Ocean with respect to fishing in the territorial waters and bays and inlets of the Atlantic Ocean on which such States border, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. McLEOD:

H. Con. Res. 26. Concurrent resolution to urge that the 1944 Olympiad be held in the city of Detroit, Mich., United States of America; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. CASEY of Massachusetts:

H. R. 6483. A bill for the relief of Henry J. McCann; to the Committee on Claims.

By Mr. COLE of Maryland:

H. R. 6484. A bill to authorize the award of the decoration for distinguished service to George J. Frank; to the Committee on Military Affairs.

By Mr. IZAC:

H. R. 6485. A bill authorizing the President to present a Distinguished Service Cross to Capt. Delmar Byfield; to the Committee on Naval Affairs.

By Mr. JENKINS of Ohio:

H. R. 6486. A bill granting an increase of pension to Della McMasters; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Indiana:

H. R. 6487. A bill granting an increase of pension to Prudence Dickinson; to the Committee on Invalid Pensions.

H. R. 6488. A bill granting a pension to Elmer G. Runyan; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Illinois:

H. R. 6489. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Velie Motors Corporation; to the Committee on War Claims.

By Mr. KENNEDY of Maryland:

H. R. 6490 (by request). A bill for the relief of W. R. Fuchs, former disbursing clerk, Department of Agriculture; J. L. Summers, former disbursing clerk, and G. F. Allen, chief disbursing officer, Division of Disbursement, Treasury Department; to the Committee on Claims.

By Mr. KENNEDY of Maryland:

H. R. 6491 (by request). A bill for the relief of Roscoe B. Huston and Simeon F. Felarca; to the Committee on Claims.

H. R. 6492 (by request). A bill for the relief of John L. Hicks, Rural Rehabilitation Supervisor, Farm Security Administration, Department of Agriculture, Santa Rosa, N. Mex., to the Committee on Claims.

By Mr. THOMAS S. McMILLAN:

H. R. 6493. A bill for the relief of the Cape Romain Land & Improvement Co.; to the Committee on Claims.

By Mr. MAAS:

H. R. 6494. A bill for the relief of C. O. Dobra; to the Committee on Claims.

By Mr. REECE of Tennessee:

H. R. 6495. A bill for the relief of Arthur Gose; to the Committee on Claims.

By Mr. VINCENT of Kentucky:

H. R. 6496. A bill granting an increase of pension to William H. Shanklin; to the Committee on Invalid Pensions.

PETITIONS, ETC.

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

3235. By Mr. BARRY: Resolution of the United Home Owners of Illinois, urging Members of Congress to sup-

port measures to liberalize the Home Owners' Loan Corporation Act; to the Committee on Banking and Currency.

3236. By Mr. BROOKS: Petition of the Louisiana convention of the Public Welfare Association, asking that National Youth Administration be made permanent; that part-time employment be given to needy young people between 18 and 25 who are unemployed and out of school and that additional funds be provided for young people in school and college between the ages of 16 and 25; to the Committee on Ways and Means.

3237. By Mr. CONNERY: Resolutions of the General Court of Massachusetts, memorializing Congress relative to the Jewish National Home in Palestine; to the Committee on Foreign Affairs.

3288. By Mr. CROWE: Petition of Percy C. Kemp, of Orleans, Ind., and 29 other citizens, asking for the enactment of the General Welfare Act (H. R. 5620, amended H. R. 11); to the Committee on Ways and Means.

3239. Also, petition of Josh Hankins, of Orleans, Ind., and 29 other citizens, asking for the enactment of the General Welfare Act (H. R. 5620, amended H. R. 11); to the Committee on Ways and Means.

3240. Also, petition of George Griggs, of Orleans, Ind., and 29 other citizens, asking for the enactment of the General Welfare Act (H. R. 5620, amended H. R. 11); to the Committee on Ways and Means.

3241. Also, petition of Loyd Elmore, of Orleans, Ind., and 11 other citizens, asking for the enactment of the General Welfare Act (H. R. 5620, amended H. R. 11); to the Committee on Ways and Means.

3242. By Mr. CULLEN: Petition of the executive committee of Typographical Union, No. 6, endorsing Senate bill 591 and urging Congress to speedily adopt said measure; to the Committee on Banking and Currency.

3243. By Mr. CURLEY: Resolution of the New York Typographical Union, No. 6, endorsing Senate bill 591, amending the United States Housing Act; to the Committee on Banking and Currency.

3244. By Mr. CURTIS: Petition of the Legislature of Nebraska, relative to freight rates on grain; to the Committee on Interstate and Foreign Commerce.

3245. By Mr. DURHAM: Resolution from Greensboro (N. C.) Branch, American League for Peace and Democracy, on support Senator KEY PITTMAN's Senate Resolution 123 on embargo of all materials of war to Japan; to the Committee on Foreign Affairs.

3246. By Mr. ENGLEBRIGHT: Senate Joint Resolution No. 16, relative to the enacting of legislation affecting the railroad industry; to the Committee on Ways and Means.

3247. By Mr. HART: Petition of the women's organization for the American Merchant Marine, Inc., suggesting and recommending qualifications for representatives for employees in collective bargaining; to the Committee on Labor.

3248. By Mr. HOPE: Petition of Edwin Simpson and 82 others, of Hutchinson, Kans., urging the enactment of House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

3249. By Mr. MARTIN J. KENNEDY: Petition of Edwin Franko Goldman, of New York City, urging support of Senate bill 1306 and House bill 3840; to the Committee on Military Affairs.

3250. Also, petition of Walter Damrosch, of New York City, urging support of Senate bill 1306 and House bill 3840; to the Committee on Military Affairs.

3251. By Mr. KEOUGH: Petition of the New York Joint Council of the United Office and Professional Workers of America, New York City, favoring appropriations for Works Progress Administration to provide a minimum of 3,000,000 jobs throughout the Nation; to the Committee on Appropriations.

3252. Also, petition of the Council of Affiliated Railroad Crafts, New Orleans, La., with reference to Public Works Administration or Reconstruction Finance Corporation money. Will not be loaned or granted where it will be used to destroy private pay rolls; to the Committee on Banking and Currency.

3253. Also, petition of the New York Typographical Union, No. 6, New York City, favoring the passage of Senate bill 591, amending the United States Housing Act of 1937; to the Committee on Banking and Currency.

3254. By Mr. LEAVY: Petitions of the Board of Commissioners of Ferry County and the Commercial Club of Republic, Wash., alleging that withdrawal of a portion of the Colville Indian Reservation from mineral entry has been in effect sufficient time to demonstrate its detrimental effects upon the mining industry by prohibiting the investment of available capital in this restricted area and thus retarding development and progress; that the county is thereby deprived of needed revenues, and urging legislation to permit the reopening of the reservation to mineral locations for the mutual benefit of white and Indian residents alike; to the Committee on Indian Affairs.

3255. By Mr. POAGE: Petition of Mrs. M. Andrews and 512 other citizens of Waco, Tex., asking for an investigation of the Works Progress Administration at Waco, Tex.; to the Committee on Ways and Means.

3256. By Mr. RICH: Petition of citizens of Roulette, Pa., favoring the passage of House bill 2 and Senate Resolution 3; to the Committee on Ways and Means.

3257. Also, petition of citizens of Coudersport, Pa., favoring the passage of House bill 2 and Senate Resolution 3; to the Committee on Ways and Means.

3258. By Mr. SCHIFFLER: Petition of Mrs. L. H. McConnell, of the First Congressional District of West Virginia, urging that we be kept out of foreign alliances, intrigues, and entanglements as George Washington wisely admonished us to do; to the Committee on Foreign Affairs.

3259. By Mr. WELCH: Petition of the faculty and student body of Notre Dame College, South Euclid, Ohio, urging the enactment of a neutrality act which will prevent the United States of America from being entangled in any way with any European power whatsoever for any purpose whatsoever; to the Committee on Foreign Affairs.

3260. Also, Senate Joint Resolution No. 25 of the California State Legislature, relative to the development of the harbor at Crescent City, Calif.; to the Committee on Rivers and Harbors.

3261. By the SPEAKER: Petition of Club Rotario De Mayaguez, Puerto Rico, petitioning consideration of their resolution with reference to establishing a Pan American university in Puerto Rico; to the Committee on Insular Affairs.

3262. Also, petition of the United Home Owners of Illinois, Chicago, Ill., petitioning consideration of their resolution with reference to House bill 5019 or House bill 1640, concerning the Home Owners' Loan Act; to the Committee on Banking and Currency.

3263. By Mr. CULKIN: Petition of the faculty and students of Notre Dame College, 128, urging the enactment of a neutrality act which will prevent the United States of America from being entangled in any way with any European power whatsoever for any purpose whatsoever; to the Committee on Foreign Affairs.

SENATE

WEDNESDAY, MAY 24, 1939

(*Legislative day of Friday, May 19, 1939*)

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

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

Master of men, serene Son of God, in whose hands alone are the keys of self-knowledge and self-mastery, control us with the majesty of Thy calm that faith and perfect trust in Thee may supplant our fear and our disquietude as we look out upon our world today. Thou, O Christ, hast given to the facts of human life divine significance, with personal instinct regnant everywhere; help us, therefore, to bring such character to our work as shall transmit truth to men,

that, gathering the light that lies above the stars, we may lay it in clear, soft rays upon their daily life so that they may not be in darkness.

O Thou whose voice becalmed the troubled waters in the long ago, abide with our brave sons imperiled in the deep and direct with the spirit of wisdom the appointed means of rescue, that they may speedily be restored to their dear ones who keep love's holy vigil and for whom are the constant prayers and sympathy of a united people. In Thy name we ask it. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day, Tuesday, May 23, 1939, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. MINTON. 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:

Adams	Danaher	Johnson, Colo.	Pittman
Andrews	Davis	King	Radcliffe
Ashurst	Donahay	La Follette	Reed
Austin	Downey	Lee	Schwartz
Bailey	Ellender	Lodge	Sheppard
Bankhead	Frazier	Logan	Shipstead
Barbour	George	Lucas	Slattery
Barkley	Gerry	Lundeen	Smathers
Bone	Gibson	McCarran	Stewart
Borah	Gillette	McKellar	Taft
Bridges	Green	McNary	Thomas, Okla.
Brown	Guffey	Maloney	Thomas, Utah
Bulow	Gurney	Mead	Tobey
Burke	Hale	Miller	Townsend
Byrd	Harrison	Minton	Truman
Byrnes	Hayden	Murray	Tydings
Capper	Herring	Neely	Vandenberg
Caraway	Hill	Norris	Van Nuys
Chavez	Holman	Nye	Wagner
Clark, Idaho	Holt	O'Mahoney	Walsh
Clark, Mo.	Hughes	Overton	Wheeler
Connally	Johnson, Calif.	Pepper	White

Mr. MINTON. I announce that the Senator from South Carolina [Mr. SMITH] is detained from the Senate because of illness in his family.

The Senator from New Mexico [Mr. HATCH] is absent on official business for the Committee on the Judiciary.

The Senator from Mississippi [Mr. BILBO], the Senator from Virginia [Mr. GLASS], the Senator from North Carolina [Mr. REYNOLDS], and the Senator from Georgia [Mr. RUSSELL] are detained on important public business.

The Senator from Washington [Mr. SCHWELLENBACH] is unavoidably detained.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Caloway, one of its reading clerks, announced that the House had passed a bill (H. R. 5748) to amend the Second Liberty Bond Act, as amended, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the following concurrent resolution (H. Con. Res. 25), in which it requested the concurrence of the Senate:

Resolved by the House of Representatives (the Senate concurring), That, in accordance with paragraph 3, section 2, of the Printing Act, approved March 1, 1907, the Committee on Ways and Means of the House of Representatives be, and is hereby, authorized and empowered to have printed for its use 5,000 additional copies of the hearings held before said committee during the current session on the bill entitled "Social Security Act Amendments of 1939."

The message further announced that the House had agreed to the concurrent resolution (S. Con. Res. 17), as follows:

Resolved by the Senate (the House of Representatives concurring), That the two Houses of Congress shall assemble in their respective Houses on Friday, June 9, 1939, at 10:30 o'clock a. m., and thereafter, in recess, the Members of each House shall proceed informally to the rotunda of the Capitol at 11 o'clock a. m., for the purpose of welcoming Their Majesties the King and Queen of Great Britain, and the members of their party, on the occasion of their visit to the Capitol, and at the conclusion of such ceremonies the two Houses shall reassemble in their respective Chambers.