JUDGE OF THE POLICE COURT, DISTRICT OF COLUMBIA

Edward M. Curran, of the District of Columbia, to be judge of the police court for the District of Columbia, vice Gus A. Schuldt, term expired.

PROMOTIONS IN THE NAVY

Commander Joseph J. Broshek, an additional number in grade, to be a captain in the Navy from the 1st day of January 1936.

Lt. Comdr. Samuel R. Shumaker to be a commander in the Navy from the 1st day of January 1936.

Lt. Joseph H. Seyfried to be a lieutenant commander in the Navy from the 1st day of July 1935.

The following-named lieutenants to be lieutenant commanders in the Navy from the 4th day of October 1935:

George W. Mead, Jr.
Harry D. Power
James H. Doyle

Lt. Charles L. Surran to be a lieutenant commander in the Navy from the 1st day of December 1935.

Lt. Norman S. Ives to be a lieutenant commander in the Navy from the 1st day of January 1936.

Lt. (Jr. Gr.) Thomas J. Kimes to be a lieutenant in the Navy from the 31st day of October 1935.

Lt. (Jr. Gr.) James V. Query, Jr., to be a lieutenant in the Navy from the 1st day of January 1936.

Lt. (Jr. Gr.) Warren B. Sampson to be a lieutenant in the Navy from the 3d day of January 1936.

Ensign Earl T. Hydeman to be a lieutenant (junior grade) in the Navy from the 2d day of June 1935.

The following-named citizens of the United States to be assistant dental surgeons in the Navy, with the rank of lieutenant (junior grade), from the 3d day of March 1936:

Bernard H. Faubion	John J. Flatherty
Jack H. Sault	Arthur R. Frechette
John H. Paul	Stanley W. Brown
Carl A. Schlack	Lewis H. Daniel
Benjamin W. Oesterling	Robert S. Snyder, Jr.
Galen R. Shaver	Rush L. Canon
Frank M. Kyes	Frank E. Jeffreys
Eric G. F. Pollard	George R. Tucker
Lloyd W. Colton	Aloysius C. Grosspietsch
James R. Justice	William H. Snyder
Elmer S. Boden	John P. Crampton
Gerald L. Parke	Stephen T. Kasper
Thomas O. Dillard	Kenneth M. Broesamle
William M. Fowler	Reimers D. Koepke
Edward J. Holubek	Walter W. Crowe
Kenneth O. Turner	Ralph Bates

Carpenter Louis J. Shapard to be a chief carpenter in the Navy, to rank with but after ensign, from the 1st day of October 1935.

The following-named pay clerks to be chief pay clerks in the Navy, to rank with but after ensign, from the 5th day of September 1935:

Charles W. Harvey
John Peak

CONFIRMATIONS

Executive nominations confirmed by the Senate March 11 (legislative day of Feb. 24), 1936

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY

First Lt. James Stewart Neary to Ordnance Department.
First Lt. Logan Clarke to Field Artillery.
Second Lt. Robert Nabors Tyson to Field Artillery.

PROMOTIONS IN THE REGULAR ARMY

Lee Stanley Fountain to be lieutenant colonel, Dental Corps.

John Lloyd Schock to be lieutenant colonel, Dental Corps.

Charles Walter Lewis to be lieutenant colonel, Dental Corps.

POSTMASTERS

ARIZONA

Leonard D. Redfield, Benson.

MAINE

Delta F. Smith, Mapleton.
Hiram Ricker, Jr., South Poland.
Lester E. Goud, Topsham.
Edward C. Bridges, York Village.

NEW JERSEY

Arthur C. King, Beach Haven.
William J. Quinn, Caldwell.
Aloysius J. Kaiser, Dover.
C. Stuart Tobin, Glen Ridge.
Richard R. Newman, Spring Lake.
Elizabeth C. Brill, Stewartsville.

OKLAHOMA

Melvin L. Clow, Holdenville.
Vera L. Moreland, Hominy.
Floyd A. Rice, Strong City.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 11, 1936

The House met at 12 o'clock noon.

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

Blessed are the undefiled in the way, who walk in the law of the Lord. Blessed are they that keep His testimonies and that seek Him with a whole heart. Merciful Father, Thou hast commanded us to keep Thy precepts diligently. They are a call to life, free from vexatious cares and the fears that tyrannize the soul. O Thou blessed High Priest, look upon us in our need; have compassion and share with us our weakness, that we may not fail to reach the goal of a more perfect life; feed the fountains of our being that cleanse and purify the heart. May we not miss life's richest treasures in vain pursuits. Heavenly Father, bless all who may be perplexed, those who are borne down with cares, and those whose burdens seem more than they can bear. To the Triune God be eternal praises, world without end. Amen.

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

EXTENSION OF REMARKS

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to revise and extend the remarks which I made on the 4th of this month in the RECORD on the general subject of Freedom of Speech.

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

Mr. RICH. Mr. Speaker, reserving the right to object, did I understand the gentleman to say his remarks of the 4th of this month?

Mr. MAVERICK. Yes. I may say to the gentleman that I want to make certain additions and corrections which are not very long so that it will be a complete speech and not separated.

Mr. RICH. The gentleman's speech is four pages long now. If he is going to redraft the whole speech it might be too long.

Mr. MAVERICK. Speeches come in here 19 and 20 pages long and the gentleman does not object.

Mr. RICH. Certainly. We object to all these 19-page speeches.

Mr. MAVERICK. I can assure the gentleman I am making a reasonable request.

Mr. RICH. The gentleman has already made a speech four pages long.

Mr. MAVERICK. What of it?

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, I do not think the gentleman from Pennsylvania should object.

Mr. RICH. May I say to the gentleman from Texas that his speech is in the RECORD now, and takes up four pages. Now he wants to revise it.

Mr. ZIONCHECK. Oh, he may want to condense it.

Mr. RICH. He says he is going to add to the speech.

Mr. MAVERICK. I am going to add a small amount, relevant and necessary to the whole. I will not abuse the privilege, I can assure the gentleman.

Mr. RICH. After this, will the gentleman be careful to make his speech right the first time?

Mr. MAVERICK. I thank the gentleman, and I will try my best to do better in the future. [Laughter.]

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

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made on March 3 by the addition of two paragraphs that will not take more than 1 inch?

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

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, what can the gentleman from Michigan put in an inch that is worth while?

Mr. HOFFMAN. It will not be any telephone plug in a switchboard.

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

There was no objection.

The SPEAKER. Under the special order for today the Chair recognizes the gentleman from Oregon [Mr. PIERCE] for 15 minutes.

PERMISSION TO ADDRESS THE HOUSE

Mr. PIERCE. I should be sorry to take up the time of my colleagues for any statement which is not constructive and I believe it is not best to use this floor for purely personal controversy.

Mr. MAVERICK. Will the gentleman yield?

Mr. PIERCE. I yield to the gentleman from Texas?

Mr. MAVERICK. I want to cross-examine the gentleman now to determine whether he is a good American. How long has the gentleman's people been in this country?

Mr. PIERCE. They came here in 1630. [Applause.]

Mr. MAVERICK. That worries me because my own people came here in 1620, although that seems to be the *Mayflower* date. But I claim, anyhow, having gotten in earlier. Hence, the gentleman is only an immigrant. So I should like to ask him a question. Does he not think it better that we retain our democratic processes and political democracy, and fight communism and fascism that way rather than by attacking fascism and communism through the stoppage of free speech? We hear a lot about "Americanism" and the Constitution—these consist in following our essential traditions of freedom. To do otherwise is not true Americanism; to deny free speech is to violate the Bill of Rights, which is an integral part of our Constitution. Fascism and communism is admittedly the control of the will of the people by a single authority and marching feet. Do you not believe the will of the American people should be free, subject only to our Constitution, with its duties, rights, and immunities?

Mr. PIERCE. I think I can agree with the gentleman from Texas.

Mr. MAVERICK. I thank the distinguished gentlemen and former Governor of Oregon. He is recognized not only as an efficient Representative of his State but as a credit to the great West. I am glad, as a younger Member of Congress, to pay tribute to an able man, who understands real democratic government and who intelligently battles for the rights of his people and against communism.

Mr. PIERCE. I should prefer not to yield further, because I have carefully prepared these remarks, and I am anxious that the Members listen to what I have to say.

I cannot, however, ignore the remarks of my Oregon colleague, the genial judge from Portland, made before this body on Monday, March 9. At that time he criticized and ridiculed me because I justified the Columbia Broadcasting System for granting radio time to the leader of the Communist Party. The broadcasting company followed that with time granted for a reply by a Member of this House. One of the judge's friends, commenting upon his congressional career, has said that the judge has not yet learned that the House is not just a glorified Elks' club. I think possibly this change from his usually humorous trend to red baiting may indicate that he has become conscious of the fact that a political campaign is in the offing. It is well that his constituents and mine should understand what apparently underlies this attack upon my plea for freedom of speech, of the press, and of the radio. We are in agreement in appreciation of the fundamentals of our Government worked out in suffering and struggle—freedom of speech, freedom of the press, and equality of opportunity. The basis of discontent which creates "isms" is the fact that present conditions do not afford equality of opportunity nor freedom in fullest measure.

The Communists and Russia need no defense at my hands and I have none to offer, but the sacred institutions of America are entitled to defense on every platform and from every source. I do know that most of the early settlers came to American shores to escape religious persecution and tyranny of kings and the privileged ones. Here came the Puritans, William Penn, and Roger Williams. Nowhere in history can you find a parallel to the first settlements on these shores. It was freedom from oppression of the Old World that brought them here. It was true that after they came here they themselves were sometimes intolerant. The Puritans punished the Quakers. Only Rhode Island and Maryland had full religious freedom granted, but it was the birth of a new world. Freedom was in the air in this new country—freedom from the traditions of the Old World, from conditions that had fettered, bound, and enslaved the common man for untold centuries. Those were the things that cemented the Colonies during the dark days of the Revolution. Patrick Henry stirred the people when he eloquently spoke of liberty and freedom. Out of those 8 years of suffering and privation came the freest and best government that the whole world has ever known.

THE JUDGE TALKS FOR HOME CONSUMPTION—ELECTION YEAR TALK NOT IMPORTANT

The judge, like all the rest of us, desires to be reelected. He is a candidate for Congress, and among those to be appeased, if his candidacy is to be successful, is his local press. One of these papers is now taking the same viewpoint he expressed; in fact, I am not sure it is not using the same words which the judge put into the CONGRESSIONAL RECORD on Monday. I regret very much that a usually liberal and valuable paper in Portland is defending the Oregon criminal-syndicalism law. There has been a definite movement for the repeal of this law ever since it was enacted, and it came to the front during the last regular session of the Oregon Legislature. At that time the Portland papers took issue with each other and the battle was on. I shall, therefore, be glad to discuss this matter somewhat as I have thought about it and been active on it ever since it came before the people of Oregon. Headlines in a Portland paper after my previous talk on this subject were "PIERCE Wants Free Speech for Radicals", yes, and for reactionaries also. If it does not cover all types of thought, it is not free speech. I respect an honest difference of opinion, I realize that our different points of view are due, largely, to temperament, but I do here, as elsewhere, object to hidden motives which I propose to expose to the light of day.

The judge erupted verbally not long ago in a political address in this city. He then declared, so I read in the press, that our President has established a dictatorship, has encouraged the spread of communism, and that the New Deal from "its inception has done everything possible to do away with liberties and freedom." Editorial comment in a leading Oregon newspaper is entitled "Ekwall's Bunk", and asks what freedom has been lost and what liberty infringed, and suggests that it may have been the right to exploit child labor, now restored to our reactionary citizens. It points to the judge's diatribes as proof that no one is interfering with his freedom of speech.

Some years ago a real reformer had made a great and strong argument against an opponent. The opponent was so severely worsted in an honest argument that he despaired of success and said to his financial backer, "I can't answer. I am out of the game." The financial wizard came back and said, "Don't answer. Call him a Socialist." So the judge,

yielding, possibly, to the judgment of his friends looking out for the utilities, calls me a Communist, abandoning real argument. So a little group here in the House can see under every bush a Communist. They realize that it helps their cause to call "Communist" every man who lifts his voice for the rights guaranteed by the Constitution. The red baiting is probably fostered by those who desire fascism and create this fear as an excuse for the seizure of arbitrary power. They refuse to help to prevent collapse by dealing with the fundamental problem faced by the American people today, the maldistribution of wealth. This concentration of wealth in the hands of a few has resulted in curtailment of consumer buying power, and this is our basic difficulty. One of my colleagues reminded me recently that the people of three of the great nations of the world have surrendered their liberties for bread. I believe we can work it out, retaining our liberty, with our bread, too, properly and justly divided.

BONNEVILLE POWER IS THE REAL ISSUE

Another point which must not be overlooked is that the gentleman who finds himself at odds with a large number of his constituents on certain economic and social questions must court privileged groups as well as the press in order to secure votes. I have no intention of attempting to thwart his ambition to return to Congress, but it is perfectly apparent that in attacking me he spoke as an ally of those forces which have for many years constituted my battle front. He was, by that attack on this floor, moving into the Second Oregon Congressional District, out of his own sphere, in order to help his constituents, the utilities, with whom I have battled for many years. The managers of these utilities do not, of course, desire to see me returned to Congress; but there is more involved than is at first apparent, and more than concerns a congressional campaign. Indeed, it is reliably reported to me today that the same utilities whose agents are now being investigated by a Senate committee have a sizeable purse ready for a contender for my place in Congress. All the money is not spent in Washington, D. C.

There are now in committees of this House three different bills providing for the use of the electric current generated at the great Bonneville Dam. On that matter my colleague and myself have opinions widely at variance. This must be apparent to any person who noted our different positions on the holding-company bill of last session. These positions were taken in the open, through votes and speeches on the floor, so they are undoubtedly clearly understood. My colleague from Portland vigorously defended the holding companies and opposed the passage of regulatory legislation, which I favored by voice and vote. We represent different constituencies. The judge has a city with a compact constituency, largely trading and industrial. I represent the far-flung grazing grounds and wheatfields of the high plateaus of eastern Oregon. It is natural that we should have different points of view on many questions and different interests, but we are both vitally concerned with the matter of control and distribution of that power at Bonneville. The question is shall it be reserved for the utilities and a single city or county at tidewater, or shall it benefit all who may advantageously use it? The decision will be made here in Congress.

FREEDOM OF SPEECH

The judge fears communism. I fear special privilege. Since the issues are so great and so marked, I shall not further dwell upon any differences in our attitudes toward public questions. I should not like to add to the convictions of many disillusioned people who complain of legislative smallness and ineptitude and feel that great places are sometimes filled by little men. I shall, therefore, address myself to definite points brought out by my colleague.

First, the matter of the use of the radio for broadcasting a talk on communism. Now, as I understand it, communism is a philosophy which deals with social and economic life. Those who hold these views have formed a political party, which is legalized in many of our States, including Oregon. It may have candidates for local, State, and Federal offices. This being true, it seems to me extremely unwise to allow people to be left ignorant as to its tenets. The judge should have listened in because his intemperate statements show that he needs the information which was broadcast. I regard communism as an unthinkable alternative to our form of government. I do not subscribe to its theories, but I observed in the broadcast no license nor abuse of free speech. Yes, I believe it is best to bring communism out into the open. Surely it is better that it should take to the air than that it should be forced into underground passageways. I fear all secrecy—secret personal vices, secret political vices, secret alinements with powerful privilege seeking political advantage. The subversive movements in public life are those which are secret. Does my colleague for one minute think that this country would be safer and better if communism were driven into subterranean channels? It is perfectly plain to anyone who reads that radio speech that there is no glamour in communism. It was also perfectly plain that our colleague from New York, who was allowed the privilege of refuting the statements made by the Communist leader, had no real fear of communism, because he devoted his radio rebuttal to abuse of the New Deal and practically ignored the communistic trend. No; there is no need to quarrel over communism. There must be a cause for its existence. Would it not be the part of wisdom to ascertain that cause and remove it? What has been the history of suppression to still discontent? It has always driven the discontented closer together. The blood of martyrs has always made millions of converts. My dear Judge, is it not better to let them talk it out? If denied, hungry, discouraged men will declare, in every room and park where they gather, that they have not had fair play; they will believe the country fears them. My dear Judge, with your judicial mind, decide which would make the most converts now—that speech of Browder a few nights ago or the knowledge that this great Nation fears open expression of political ideas?

My genial Judge, have you forgotten Voltaire's reply to his opponent in the French Assembly—

I wholly disapprove of what you say, but will defend to the death your right to say it.

Any restriction of free speech is dangerous, because it implies the setting up of standards by groups which would restrict other groups. No one can foresee who will be the next victim.

My colleague, you and I have the same ends in view. We both want to preserve American institutions. We both want to preserve the capitalistic system under which we have prospered so marvelously. Would to Heaven we might by some edict bring to the light of day all these secret machinations and deal with them openly! The Congress realizes the importance of this matter when it appoints investigating committees to learn of the doings of special privilege. These committees are not always as effective as they should be, but they are a last resort in the effort to stay the manipulation of government through secret channels.

FREEDOM OF THE PRESS

I have no fear of theories nor of dreams, but I do fear the tangible actualities of money control of Government and of the press. I fear the hidden enemies, the microbes not yet isolated and dealt with. My colleague values freedom of the press. He states that he would "rather live in a country without a government at all than be deprived of freedom of the press." Who is opposed to freedom of the press? I certainly am not. Why not a free radio also? They perform the same functions of news dissemination and interpretation and advertising mediums. Any governmental restriction on freedom of the press will never be tolerated in this Nation.

But how free is the press? Have you read Seldes on the subject? How long since the commercial advertising press has been free from the domination of the advertisers who pay the bills? Why are we unable to secure decent and adequate food and drug legislation in this country? Is it the will of the press or of the advertisers? I have been told by a great advertiser, upon whom the press of a certain city is dependent for a large part of its income, how he stopped the great presses at night in order to have desired changes made in news items as well as in editorials. Does that constitute freedom of the press? I am thankful for

our small local papers and our weekly press near to the people who know the owners and editors and can estimate their characters and understand them. The rural press does sometimes give space to the canned editorials of the utility promoters and other big business parasites. The people are, however, not deceived, as they know the earmarks of such news agencies and recognize them by the differences, in diction as well as thought, between the smooth appeals of big business and the honest opinions of the local editors.

OREGON'S CRIMINAL SYNDICALISM ACT

Now, a word about the criminal-syndicalism law of Oregon. The judge has quoted it to you. It was adopted during the after-war red-baiting frenzy, when we had not been fully informed in regard to the propaganda measures which operated during the war. It is, of course, true that any overt act against government or any act of treason or incitement to treason, can be dealt with under the law without any criminal-syndicalism act. We now know something more about propaganda, though we are still, in a measure, its victims. I am proud of some things in my record of some 50 years of public life, and I take great satisfaction and pride in the fact that I opposed the adoption of that act in our liberal Oregon. We Oregonians, leaders in the establishment of popular government, are restive under this act, and it would undoubtedly have been repealed if we could have devoted our full attention to it, but the attacks upon our system of government from other sources have diverted this attention to defense of our fundamental political organization. The State election of January 31, 1936, should teach a lesson to all Oregonians. That lesson is that the people of Oregon value their liberties and are not yet ready to surrender them. It also shows that they understand somewhat the secret manipulations of those who would destroy popular government. Now, the wrong in the criminal-syndicalism law does not rest entirely in the act itself but in the uses to which it has been put. It has been applied only for the control of that economic order, members of which call themselves Communists, those who openly avow the desire for change. It has never been, and probably never could be, applied to others who have secretly endeavored to manipulate destructive governmental changes. That is the basis of my main objection to the act. The judge quoted the section which provides that any person who advocates the expediency of committing any violence or unlawful act for profit is among those guilty of criminal syndicalism, but the law has never been invoked against such persons. The meaning conveyed by quoting the law depends upon the words emphasized in capitals, and I have never known the baiters to print in capitals those two words, "for profit." I also object to the statute because it is difficult to determine without bias what constitutes literature advocating the unlawful acts cited. Under the law, a poor fellow in Oregon going about with a donkey and some communistic literature goes to the penitentiary for 5 years. The malefactors of wealth go scot free. Do you think the law would ever touch a Liberty Leaguer, whatever he might say? What was ever done to punish those holding company officials and great corporation executives which made what John T. Flynn calls "outrageous raids upon the savings of the American people"? I have not heard that any of them have been punished for their crimes. He continues, "We have, of course, an economic problem and a social problem and a political problem. But we have also a problem of civilization and America had better look to her civilization."

MEN ARE ENTITLED TO JOBS

During the same session in which I voted against the criminal-syndicalism law in Oregon, I introduced and tried to bring before the people a constitutional amendment that would have guaranteed a job to every Oregonian, and that was 17 years ago. If passed, it might have headed off some of the communism and other "isms." I am willing to vote to balance the Budget now, if you are willing to enforce an income and inheritance tax similar to that in England, but I am not willing to vote to balance the Budget if we have to say to ragged and hungry millions, "We cannot feed you any more and we have no jobs for you. You must stand the pangs of hunger for now we are engaged in balancing the Budget." Such action would make Communists.

As I have said, Oregon is liberal. Our people are liberal-minded. We have a very high rating for literacy. Our people are readers and thinkers and students. We subscribe to more periodicals than the people of the other States. We are politically conscious. In some communities Communists have met to discuss their theories without interference or apparent effect.

STRAW BALLOTS

The judge refers to my straw-ballot bills, and that interests me, and I am glad to take this opportunity to say that I have no objection to free and open, honestly conducted straw ballots. What I desire is to satisfy Congress that straw ballots, which mold public opinion, are actually what they purport to be and are not manipulated in order to influence opinion. They sometimes give a totally false impression of political opinion and should, in my judgment, be controlled, as are other political propaganda methods, in that the sources of support should be revealed to the public.

[Here the gavel fell.]

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent that the gentleman may have 2 additional minutes.

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

There was no objection.

IT IS THE SAME OLD FIGHT

Mr. PIERCE. Mr. Speaker, in the many years of my public life I have supported some causes which were at the time unpopular. I have seen many of them come into public favor. I think of the years of struggle for the State income tax. Who were the enemies we fought? They were those who front us now. I voted for the guaranty of bank deposits. Who were those intrenched opposite us in that fight? The same forces which confront us now. I voted with others for popular government in Oregon 35 years ago and I renewed the fight this last January. The face of the enemy was decidedly familiar. Our next great fight is to control Bonneville power in the interests of the people. This little ripple among the Oregon delegates in Congress shows that the battle has begun again, and the same old familiar enemy is drawn up in opposition. Yes; I should have added that one of my greatest fights was to compel the utilities to pay taxes on their valuations fixed for rate-making purposes. Does that explain anything to my friends on this floor? I notice that a certain influential and able editor in Portland commended Mayor LaGuardia for taking this step a few weeks ago. The result in Oregon was an attempted recall of myself as Governor. In fact, the utilities and other specially privileged groups put $15,000 on the table in Portland one evening toward the expenses of a recall election, figuring it cheaper to get rid of one Governor than to pay increased taxes each year. How public opinion has changed on that matter! Those constituents of my colleague who may wreck democracy are those who would make it safe for holding companies instead of making holding companies safe for democracy. It is the same old fight we had last spring. This is a fight for the control of water power, and it is part of the campaign of the utilities to get that control. Red baiting should not divert attention from the real matter at issue between my colleague and myself.

Let us bring it all out in the open, along with communism and the other evils which are said to threaten the structure of our Government. It is partly greed and political privilege which have brought about the conditions that have produced 30,000 Communists in these 48 States, one Communist voter in every 1,300 voters. My, what a menace! The real cure is control of the greedy and powerful ones who manipulate parties and legislative bodies. These groups, so influential in matters of State and National legislation, have gained great wealth through privilege, and they used that wealth to gain more privilege. They are truly entrenched. Curb them and provide work for all, and the Communists will disappear like mist before the bright summer morning sun. Any other method is a confession of incompetence.

A businessman with a conscience recently wrote:

After all is said, business is but a privilege. Ours is not a right but a franchise. * * * If this be so, then the Government, representing both the people who gain most by our present system and those who suffer most, has the right and duty to control and organize this privilege so as to raise and fortify the general level of American life. (Fels. This Changing World.)

While I was Governor of Oregon William J. Bryan visited the State. I had many pleasant hours with him on that, his last trip to the West. He told me many stories—this one I shall never forget. He said after he had made his second race for the Presidency he and his wife were visiting in England. They were invited out to a great house for a week end. When it came time to go into the banquet he was given as his dinner companion a lady of high rank who had been reared in wealth in New York. During the long, pleasant dinner she was an interesting companion. Toward the close of the banquet she turned to Bryan and said, "Colonel Bryan, I can't understand my New York friends. They have every means of knowing all about you. I have studied you for 3 hours this evening. I think you are a wonderful man and would make a great President of the United States. Why are my New York friends so deathly afraid of you?"

He replied, "My dear Duchess, your friends in New York need me much more than I need them. All I have said to your friends in New York is 'Quit stealing!' Those who come after me will say, 'Put it back!' That will hurt your friends in New York." Has that time come, and are they hurt? Are they trying to draw across the path the red herring of communism? [Applause.]

[Here the gavel fell.]

COMMITTEE ON INDIAN AFFAIRS

Mr. ROGERS of Oklahoma. Mr. Speaker, by direction of the Committee on Indian Affairs, I ask unanimous consent that the committee may be allowed to sit during the session of the House today.

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

There was no objection.

UINTAH, WHITE RIVER, AND UNCOMPAHGRE BANDS OF UTE INDIANS

Mr. ROGERS of Oklahoma. Mr. Speaker, by direction of the Committee on Indian Affairs, I ask unanimous consent that the bill (H. R. 6019) authorizing an appropriation for payment to the Uintah, White River, and Uncompahgre Bands of Ute Indians in the State of Utah for certain coal lands, and for other purposes, be recommitted to the Committee on Indian Affairs.

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

There was no objection.

COMMUNISM

Mr. EKWALL. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

Mr. SNYDER of Pennsylvania. Mr. Speaker, reserving the right to object—I do not like to object——

Mr. EKWALL. Then do not object if you do not like to.

Mr. SNYDER of Pennsylvania. This is a controversial question, and I gave up about 2 hours of the time of our committee yesterday.

Mr. BLANTON. The gentleman is entitled to 5 minutes.

Mr. SNYDER of Pennsylvania. I shall not object to this request for 5 minutes, but please do not ask for any additional time.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, will not the gentleman from Oregon ask for 10 minutes tomorrow, because I think a little thought upon this subject will bring out a better talk, and I am going to object at this time, but I shall not object on tomorrow.

The SPEAKER. The gentleman from Oregon asks unanimous consent to address the House for 5 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. EKWALL. Mr. Speaker, I ask unanimous consent to include in my remarks an editorial from the Portland (Oreg.) Journal on this subject.

Mr. BANKHEAD. Mr. Speaker, I shall have to object to the editorial.

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

Mr. EKWALL. Yes.

Mr. BLANTON. I want to say to my colleague from Oregon that I voted against the utility monopolies for the "death sentence"——

Mr. ZIONCHECK. Point of order, Mr. Speaker.

The SPEAKER. The gentleman from Oregon has yielded to the gentleman from Texas.

Mr. ZIONCHECK. The point of order is that the gentleman from Oregon has not any time yet.

The SPEAKER. The gentleman from Oregon has been recognized for 5 minutes, and has yielded to the gentleman from Texas.

Mr. BLANTON. I want to say to my friend from Oregon that I voted against the utility monopolies and supported Chairman RAYBURN and voted for the "death sentence", and public-utility money is being spent now in my district to defeat me; but nevertheless I wish to say to him that, in my judgment, he being a Republican and I being a Democrat, my distinguished colleague from Oregon [Mr. EKWALL] is such a valuable public servant that it would be a public calamity if he were defeated in Oregon this year. We need him here. [Applause.]

Mr. EKWALL. I thank the gentleman.

(Mr. EKWALL addressed the House and subsequently withdrew his remarks.)

Mr. O'CONNOR. Mr. Speaker, I rise to the point of order that the gentleman has used words in debate——

Mr. EKWALL. I withdraw the words.

Mr. O'CONNOR. I do not care whether he withdraws them or not, I demand that the gentleman's words be taken down.

Mr. EKWALL. Let them be taken down.

Mr. BLANTON. The gentleman from Washington invited and provoked them. His conduct toward the gentleman from Oregon was outrageous in doing that, and we ought to have fair play for the gentleman from Oregon.

The SPEAKER. The gentlemen will take their seats, and the Clerk will report the words objected to.

Mr. BLANTON. A point of order, Mr. Speaker.

The SPEAKER. What is the gentleman's point of order?

Mr. ZIONCHECK. A point of order, Mr. Speaker.

The SPEAKER. The Chair has recognized the gentleman from Texas to state his point of order. The gentleman from Washington will permit the gentleman from Texas to state it.

Mr. BLANTON. My point of order is that the gentleman from Washington provoked the statement made by the gentleman from Oregon.

Mr. ZIONCHECK. A point of order, Mr. Speaker.

The SPEAKER. The gentleman from Texas is stating his point of order.

Mr. BLANTON. My point of order is that the gentleman from Washington provoked the reply made by the gentleman from Oregon. I ask in all fairness that the Speaker submit the question to the House to vote upon it, and allow the House to decide whether the gentleman from Oregon was within his rights in making his reply in kind, which action the Speaker has the right to take under the rules of the House.

Mr. ZIONCHECK. I object, Mr. Speaker.

Mr. SNELL. Mr. Speaker, I make the point of order that there is no quorum present.

Mr. MAVERICK. Will the gentleman from New York withhold that for me to make a request?

Mr. SNELL. No; I will not.

Mr. MAVERICK. I wanted to make a good suggestion.

The SPEAKER. The gentleman from New York makes the point that no quorum is present. Evidently there is no quorum present.

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

The motion was agreed to.

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

[Roll No. 33]

Amlie	Darden	Haines	Oliver
Ayers	Dear	Halleck	Patton
Barden	DeRouen	Harlan	Robinson, Utah
Berlin	Dickstein	Healey	Romjue
Buckbee	Dingell	Hoeppel	Ryan
Bulwinkle	Dorsey	Hook	Sadowski
Burnham	Doutrich	Kee	Sanders, La.
Caldwell	Fenerty	Keller	Scott
Cannon, Wis.	Ferguson	Kennedy, Md.	Sears
Casey	Fitzpatrick	Kvale	Seger
Cavicchia	Flannagan	Lamneck	Short
Clark, Idaho	Gambrill	Lanham	Steagall
Clark, N. C.	Gasque	Larrabee	Sumners, Tex.
Cole, Md.	Gassaway	Lesinski	Thomas
Collins	Granfield	Merritt, Conn.	Tinkham
Cooley	Gray, Ind.	Mitchell, Ill.	Tobey
Cox	Gray, Pa.	Montague	Underwood
Crowther	Greenway	Murdock	West
Culkin	Greenwood	Nichols	

The SPEAKER. Three hundred and fifty-five Members have answered to their names. A quorum is present.

Mr. BANKHEAD. Mr. Speaker, I move that all further proceedings under the call be dispensed with.

The motion was agreed to.

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent that these gentlemen be permitted to take these remarks out of the RECORD, because we are talking too much, wasting too much time, and indulging far too much in personalities, and after they take them out, we proceed with our business.

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

Mr. O'CONNOR. Reserving the right to object, my purpose in asking that the remarks of the gentleman from Oregon be taken down was not directed against the gentleman from Oregon, but against a situation which has existed here in the House for weeks.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none.

Mr. ZIONCHECK. I object.

The SPEAKER. The objection comes too late.

For the information of the House, the Chair will read from rule XIV and make a short comment upon it.

Rule XIV reads as follows:

> When any Member desires to speak or deliver any matter to the House, he shall rise and respectfully address himself to "Mr. Speaker", and, on being recognized, may address the House from any place on the floor or from the Clerk's desk, and shall confine himself to the question under debate, avoiding personality.

The Chair reads further from section 361 of Jefferson's Manual, which also governs in this House:

> No person, in speaking, is to mention a Member then present by his name, but to describe him by his seat in the House, or who spoke last, or on the other side of the question; nor to digress from the matter to fall upon the person, by speaking reviling, nipping, or unmannerly words against a particular Member.

The Chair regrets to say that there has grown up a practice in this House under which personalities are frequently indulged in; there has also grown up a practice whereby Members fail to address the Chair and get the consent of the Member speaking to interrupt. Those things, of course, provoke disorder and interfere with the orderly procedure of the House. The Chair hopes that Members will observe these rules, and that hereafter they will refrain from personalities, and confine themselves, when speaking, to the subject matter of debate.

Again, there has grown up in the House the practice of addressing a Member in the first person, which is not in accordance with parliamentary practice.

The Chair thinks it proper to make these statements and to say that hereafter, while the present occupant of the chair is presiding, whenever any Member violates these rules, he will be called to order by the Speaker. [Applause.] The Chair also requests Members who are presiding as Chairmen of the Committee of the Whole House on the state of the Union, that while they are in the chair they pursue a similar practice. The Chair regrets that these occurrences take place and thinks they have become entirely too frequent for those who like to see the rules complied with and who are anxious to see parliamentary forms observed in the House. Parliamentary procedure cannot obtain unless there is a strict observance of these rules. The Chair thinks the entire membership will be glad, out of their respect for the dignity of this great body, of which they are a part, to assist the Chair in seeing that the rules are observed. [Applause.]

Mr. BLANTON. Mr. Speaker, I move that the gentleman from Oregon be permitted to proceed in order.

Mr. ZIONCHECK. Mr. Speaker, may I make a unanimous-consent request?

The SPEAKER. Not unless the gentleman from Oregon [Mr. EKWALL] yields for that purpose. The gentleman from Oregon has 3½ minutes remaining.

Mr. ZIONCHECK. Will the gentleman from Oregon yield to me to make a unanimous-consent request?

Mr. EKWALL. First, Mr. Speaker, I desire to submit a unanimous-consent request myself. I ask unanimous consent that my time be extended 10 minutes, because part of it has been consumed and I have not yet touched upon my reply to the address of the gentleman from eastern Oregon.

The SPEAKER. The gentleman from Oregon asks unanimous consent that he have 10 minutes in which to address the House. Is there objection?

There was no objection.

Mr. EKWALL. Mr. Speaker, I now yield to the gentleman from Washington [Mr. ZIONCHECK].

Mr. ZIONCHECK. Mr. Speaker, the request that the gentleman from Oregon [Mr. EKWALL] has made is the request that I was about to make myself—that his time be extended for 5 minutes. Now that that is unnecessary, will the gentleman yield for an observation?

Mr. EKWALL. I yield.

Mr. ZIONCHECK. Mr. Speaker, I did make a remark, which probably will not appear in the RECORD, that I thought the gentleman from Oregon [Mr. EKWALL] would make a fool of himself to answer the gentleman from Oregon [Mr. PIERCE] immediately and not take time for deliberation and answer him the next day.

Mr. BLANTON. Mr. Speaker, I ask that the offensive words again used be taken down.

Mr. MAVERICK. Mr. Speaker, I rise to a point of order, and my point of order is that the gentleman from Washington [Mr. ZIONCHECK] is in effect substantially repeating what he said before, but in an insidious way, and is making an attack on the gentleman from Oregon. I ask that he be held out of order, and that he stop this attack. It is nonsense to keep on this talk. It is out of order and should not be considered.

Mr. BLANTON. Mr. Speaker, I ask that the repeated offensive words of the gentleman from Washington be taken down.

Mr. ZIONCHECK. Oh, that comes too late. The gentleman is not "sparking" this morning. He makes the point too late.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that the repeated offensive words of the gentleman from Washington be eliminated from the RECORD.

Mr. ZIONCHECK. Mr. Speaker, I object.

The SPEAKER. The gentleman from Texas asks unanimous consent that the words uttered by the gentleman from Washington be stricken from the RECORD.

Mr. MAVERICK. Oh, what is this, Mr. Speaker, a kindergarten? Let us proceed.

The SPEAKER. The gentleman from Oregon will proceed.

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield further to me?

Mr. EKWALL. Mr. Speaker, I will admit that for a moment I forgot the biblical admonition to turn the other cheek, and for having been somewhat hasty I apologize to the other Members of the House and to the Speaker.

As I expected, the gentleman from Oregon [Mr. PIERCE] did not answer my Monday attack on communism. The gentleman made a typical "Pierce" talk, as we know it in Oregon. He said that I feared communism. I do not fear communism, because by fearing it I would insult the intelligence of a vast majority of the people of my State and of this country. I do not fear, but I do loathe communism.

The gentleman says that I am seeking reelection. Well, gentlemen in glass houses should not throw stones. We are all up for reelection. But I am not so anxious to return to Congress that I am willing to champion the cause of the Communists and their ilk in this country. [Applause.] No; much as I have enjoyed my work in Washington and much as I would miss my many friends in Congress, I would rather suffer an honorable defeat than to be reelected through the influence of such an un-American group.

The gentleman from eastern Oregon [Mr. PIERCE] made a rabble-baiting speech, but beware of the man who cries "wolf! wolf!" He tries by implication to tie me in with special privilege, as he calls it, and he mentioned the Bonneville Dam. I am just as much interested in the great Bonneville Dam and in getting reasonable power rates for the people of my district and my State as is the gentleman from eastern Oregon [Mr. PIERCE]. Last year I introduced in the House an identical bill to one introduced in the Senate by Hon. CHARLES L. MCNARY, Oregon's senior Senator, who is also the distinguished minority leader. This bill, H. R. 8994, provided in substance that the Bonneville Dam should be completed, maintained, and operated under the direction of the Secretary of War and the supervision of the Chief of Engineers. The Federal Power Commission was therein given control of all rate matters pertaining to power to be generated. Does the gentleman question the integrity of the Secretary of War, the Chief of Engineers, and the members of the Federal Power Commission?

The gentleman resorts to the old tactics and trick phrases of the "parlor pinks" in the use of such terms as "predatory interests" and "malefactors of great wealth"; but he will not fool the people of my district.

Talk about one not being sincere. The gentleman professes to be such a sincere Member. He claims to have fought a sales tax in the State of Oregon for years. Still he came here and bent the knee to the Townsend-plan crowd when they demanded that he vote for the Townsend plan in this body. That does not show consistency. He now claims to be for the Townsend plan. The very basis of that plan is a supersales tax, a pyramided sales tax, that is so much worse than any ordinary sales tax that a man ought to be ashamed of himself who claims to be against a sales tax and then advocates the Townsend plan.

I did not intend to make a personal attack, but I want to say that I had a perfect right to answer the gentleman's address on Friday when, to my way of thinking, he made an ideal talk for communism. I am against communism now, and I will be against communism if I live to be a hundred years old, because it is wrong; it is improper; it is un-American. I will always raise my voice against it, regardless of who comes to its defense.

I am sorry that these personalities have entered into this talk today, but I have said exactly what I mean.

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

Mr. EKWALL. I yield.

Mr. RANDOLPH. Is it not a fact that the gentleman's real opposition to communism is not based so much on the different economic thought of that country as against ours, but the fact that communism works and fights for the overthrow of our churches, schools, and homes?

Mr. EKWALL. Absolutely. As I said in my remarks on Monday, communism seeks to destroy everything that has made America great. [Applause.]

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

SPECIAL COMMITTEE TO INVESTIGATE OLD-AGE PENSION PLANS

The SPEAKER laid before the House the following announcement:

Pursuant to the provisions of House Resolution 443, Seventy-fourth Congress, the Chair appoints as members of the select committee to investigate old-age pension plans the following Members of the House:

Mr. BELL, of Missouri; Mr. LUCAS, of Illinois; Mr. GAVAGAN, of New York; Mr. TOLAN, of California; Mr. HOLLISTER, of Ohio; Mr. DITTER, of Pennsylvania; Mr. COLLINS, of California; and Mr. HOFFMAN, of Michigan.

THE LEGISLATIVE APPROPRIATION BILL, 1937

Mr. SNYDER of Pennsylvania. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 11691) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1937, and for other purposes; and pending that, Mr. Speaker, I ask unanimous consent that general debate shall continue throughout the day and until 2:30 o'clock tomorrow afternoon, at which time the bill is to be read for amendment with the understanding that it will be disposed of before we adjourn tomorrow evening.

Mr. TABER. And will the gentleman couple with his request the further request that the time be equally divided between the gentleman from Pennsylvania [Mr. SNYDER] and the gentleman from New Jersey [Mr. POWERS].

Mr. SNYDER of Pennsylvania. Certainly. Mr. Speaker, I further request that the time be equally divided between the gentleman from New Jersey [Mr. POWERS] and myself.

The SPEAKER. The gentleman from Pennsylvania moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill, H. R. 11691; and pending that asks unanimous consent that general debate on the pending bill continue throughout the day and until 2:30 o'clock tomorrow afternoon, at which time the bill shall be read for amendment, and that the time be equally divided and controlled by the gentleman from New Jersey and himself. Is there objection?

Mr. HUDDLESTON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HUDDLESTON. Does the gentleman's request preclude a motion to adjourn before the bill is finished? The gentleman stated that debate was to continue until 2:30 tomorrow, and that then the bill was to be read and disposed of before adjournment tomorrow evening.

The SPEAKER. The Chair did not put the request in that way. That is a matter for the House to decide.

Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Pennsylvania.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 11619, the legislative appropriation, with Mr. BUCK in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The Chair hopes it will be unnecessary to repeat the admonition given the Members of the House by the Speaker a few moments ago. The bill now before us, the legislative appropriation bill, is one which vitally affects this body and the other body. It is entitled to receive your serious attention and consideration.

The Chair requests that order be preserved without the necessity of having frequently to admonish the Members.

The gentleman from Pennsylvania.

Mr. SNYDER of Pennsylvania. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. ZIONCHECK].

Mr. ZIONCHECK. Mr. Chairman, as a member of the subcommittee upon the legislative appropriation bill, I, for one, do not agree with all its provisions, but as a member of that committee I am going to vote for the measure, and am not going to vote for any amendment thereto unless it has a great deal of merit, and I doubt whether such amendments will be offered.

I do not think there is a subcommittee of the Committee on Appropriations that has given more serious and earnest consideration to any appropriation measure at any time. I think the hearings, if read, will disclose this conclusively. There are, however, a couple of matters to which I should like to draw the attention of the House, not to change the

present bill but that we may be better advised when this measure comes up again, providing we still are members of this committee, because an election does intervene.

The first thing to which I call attention is an item in the bill making appropriation for the stationery account of Members, $125 for each Member. As the present law and regulations thereunder stand, a Member can buy $125 worth of stationery or by proper procedure can withdraw the entire $125 and even play poker with it if he wishes. Some Members, a few, do not use $125 of stationery in a year; but there are many Members, in fact, most of the Members, who use not only $125 worth of stationery but $225, and some $525 a year for legitimate congressional business in order to serve their constituents as they are entitled to be served.

I made the suggestion, and the suggestion was discussed a great deal, that this amount be increased from $125 to at least $200 a year, but withdrawing the privilege of drawing down money. In other words, if a Member with a $200 stationery account draws but $50, he cannot get the other $150 in cash. If he does not use it, the money reverts to the Treasury of the United States. I think that is a suggestion worthy of consideration. Even TOM BLANTON uses more than $125 worth of stationery for his speeches.

Mr. MAVERICK. Mr. Chairman, I object.

Mr. ZIONCHECK. Do not get obstreperous. I withdraw the remark.

Mr. MAVERICK. I object to the remark the gentleman made to me.

The CHAIRMAN. The gentleman from Washington will proceed in order and avoid the mention of the given name of any Member of the House.

Mr. ZIONCHECK. Mr. Chairman, I amend that immediately by saying the gentleman from Texas, and if I offended the gentleman from Texas, why I am sorry—indeed sorry.

The CHAIRMAN. The gentleman will proceed in order.

Mr. ZIONCHECK. Mr. Chairman, you know I do not think this House is a circus despite the fact that some of you may think that I think so. The fact of the matter is I even object to a person clapping on this floor and hooting down Members who try to express their sincere convictions on the floor of the House. The ones who are shouting the loudest for order are the ones who do most of this ballyhoo and make—well, I will not use the word. Why can there not be dignity to this House?

There are 435 Members here representing 130,000,000 people, or, at least, they should be representing them. You know, when someone talks for a little 5-percent-interest group, the Economy League, or the other league that proceeded to oust the President out of the Democratic Party, with the help of Alfred E. Smith—and I refer to the Liberty League—there is a respectful audience and everything is quiet, but when you start to talk for the people you are a radical. Well, I am a radical, and I am damn proud of it! What do you think of that? If I were not, I would not be honest with my constituents. I try to work and help these people to see if they can get a job, so that they can live with dignity and live while they work. Enough of that.

Another matter that I should like to call the Committee's attention to is that in this legislative bill there is an appropriation of $50,000 for the purchase of books for the Congressional Law Library. Last year there was an appropriation of $90,000, but $40,000 was used for the purchase of law books for the sanctum sanctorum known as the Supreme Court of the United States, the holy of holies.

Mr. KNUTSON rose.

Mr. ZIONCHECK. Does the gentleman from Minnesota object to that?

Mr. KNUTSON. Mr. Chairman, I do not believe one body of the Government should criticize another.

Mr. ZIONCHECK. Well, I am going to criticize the Supreme Court until they start representing the people for a change, and I am going to do it as long as I want to. What do you think of that?

There is provided in this bill $50,000 for law books for the greatest library in the country, our library, the judiciary library, when, as a matter of fact, Harvard University alone, one institution, spends $75,000 a year for their lawbooks. We are going to pinch pennies and save upon our congressional law library. It just does not make sense to me, although I am going to vote for this. I think in the future, however, we should discuss these things realistically. We should look at the cold facts. We should be dignified to ourselves, have a little pride in ourselves, and not start pinching pennies just because the Senators buy soda pop and have ice delivered to their offices every morning and have a beauty parlor down there with operators in it. Why should we get a complex? Even the gentleman from Texas objects to that.

Mr. Chairman, I yield back the balance of my time.

Mr. SNYDER of Pennsylvania. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. DOCKWEILER].

Mr. DOCKWEILER. Mr. Chairman, I have several items to discuss relating to the legislative appropriation bill. First of all I call attention to the fact that this bill provides $100,000 to be supplied the Committee on Accounts to take care of the expenditures and expenses of special committees as they may be selected by the House through resolution; $100,000 in this bill is supposed to cover the expenses of these special committees for the year 1937.

I read recently in the press that a special committee that has just been selected by resolution of the House intends to request the sum of $50,000 from the Committee on Accounts. Of course, if this particular committee, organized for the purpose of investigating the Townsend plan, succeeds in securing $50,000 from the Committee on Accounts, only half that sum will be left for the rest of the special committees. If I could see any reason for $50,000 being spent in this way, I might not object, but I cannot see any reason, and in anticipation of the moment when we will be asked to vote upon such an expenditure I shall register my vote against it.

It is not a question of whether we believe in the Townsend plan or not. The question is whether we have the right, considering all the circumstances of the case, to appropriate $50,000 of the taxpayers' money in this manner, when you have all of the central Townsend organizations here in Washington—Dr. Clements, Mr. Townsend, his three regional organizers, his auditors, and all of the records of his corporation that has returned income taxes. You have the whole shooting match right here in Washington, and why this committee needs $50,000 I am at a loss to understand.

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

Mr. DOCKWEILER. No; not for the moment.

Now, on another matter, this House, conjointly with the Senate, has to appropriate money for other special committees organized either by the Senate or by the House. There is a special committee of the Senate known as the Committee to Investigate Lobbies, or the lobby activities that have occurred, particularly with reference to the utility bill that was pending in the last session of the Congress. This committee, during the interim of the vacation, utilized the agency of the Federal Communications Commission to go out, hither and yon, in the offices of the communications agencies of the country, the Western Union and the like, and corral, so we are told, hundreds of thousands of telegrams.

Since when, Mr. Chairman, has the House of Representatives or the Senate acquired the right to transcend the Constitution of the United States? It might be well to remind ourselves that article IV of the first 10 amendments to the Constitution, the so-called Bill of Rights, reads as follows:

> The right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures shall not be violated, and no warrants shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched and the persons or things to be seized.

As a member of that distinguished profession known as the law, what lawyer would have the hardihood to issue a subpena duces tecum that did not in some way adequately describe the messages or the communications that he sought by court order to obtain?

Mr. Chairman, we have a written Constitution and we have, if I may use the term, an unwritten constitution—those Anglo-Saxon concepts that have come down to us that were not actually transcribed in so many words in the Constitution of our land.

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

Mr. DOCKWEILER. I cannot yield at this moment.

The concept that a man's home is his castle comes down to us from Anglo-Saxon-Norman times, and is as well founded in the jurisprudence of this country as in any specific language of the Constitution.

Mr. Chairman, there are certain things that we have always held sacred, the communications between husband and wife, the communications between confessor and penitent, the communications between lawyer and client, and every State in the Union has written this safeguard in its own particular constitution.

Now, for a committee of this House or of the Senate to go broadcast into the country and without any specification or direction to collect everybody's personal telegrams and communications in various law firms, Mr. Chairman, is not only illegal but is a severe violation of the original concepts of the people of this country.

I hold no brief for the utility crowds that were here last year, but as a member of the profession of the law—and there is pending today before the Supreme Court an appropriate writ that has been requested by one of the distinguished law firms of this country, a writ to prevent the use of this information that was gathered in what I regard as an illegal fashion—I think I have no right to sit supinely by in this House as a Member of the Congress, or, I may say, sit spinelessly by, and permit any committee of this House or Senate to transcend the authority of the Constitution and to trespass upon the rights of individuals.

Considering the type and character of communications that have been corraled by this committee through the use of the agency of the Federal Communications Commission, I am reminded of the time when I used to read some of the old Latin classics, including the Ciceronian speeches in the Roman Senate, one particularly, as you may recall, in defense of Milo. Why, Mr. Chairman, in those Roman days a senator was allowed to go back, not only to cover the entire history of the man who was charged with an offense but he even went so far as to delve into the personal history and conduct of the parents of such a man. Why, it is like a Roman holiday we are having here if we can use any method or means to secure this information.

Now, Mr. Chairman, I am coming back to a particular committee that has just been appointed—the committee to investigate the Townsend plan. I hope it confines its investigation to the jurisdiction it has been granted specifically by virtue of the resolution and that it will not have the right to investigate and display before the world the personal conduct or the personal misadventures, if I may say so, of any of those involved.

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

Mr. DOCKWEILER. Except as that conduct might be directed to the activities of the Townsend clubs and organizations.

I am going to pass to another subject right now, and I do not want to be interrupted on the subject I have just discussed. I have just expressed my views, and I am fearful if I am interrupted I might be diverted to some other train of thought.

Now, my friends, we are providing for the Library of Congress in this bill $2,225,000 for the annex. There has already been spent $175,000 and the Public Works has granted to the project $2,800,000.

With these three funds and more the annex will be completed. This will give to the Library of Congress 50 percent more space than it now has.

The Library of Congress is a distinctive institution, one which we have every reason to be proud of. It is, I think, without fear of contradiction, the greatest library in this country.

It now contains over 5,000,000 books, most of which are worth while.

It has an endowment to date of $780,936, and from this endowment they have an annual revenue of $35,000. There are other gifts that total the value of $2,500,000, such as books and collections of art works.

So it is not inappropriate for Congress to pay serious attention in its supply bill to the needs of the Library of Congress. It was created several decades ago as an agent for Members of Congress. It was not an agency for the public originally, but was intended for the men of Congress, that is to say, the Senators and Members of the House of Representatives; and, secondly, for other departments of the Government. The record will show that all of the departments of the Government utilize the Library of Congress to an excessive extent.

Naturally the law division has received considerable attention. The law library, as well as the rest of the Library, is most serviceable. It was not until 1930 that several Justices of the Supreme Court appeared before the Legislative Appropriation Committee and requested that a substantial sum be appropriated for accumulations of law books, and from that time as much as $50,000 annually has been appropriated for that purpose.

There is another activity of the Library which should interest us. By general statute enacted by Congress the Library has been used as an agency for the dissemination of books for the blind. These books are, of course, Braille books.

(The time of Mr. DOCKWEILER having expired, he was given 5 minutes more.)

Mr. DOCKWEILER. Dr. Putnam, the distinguished curator of our Library, testifies as follows, page 245 of the hearings. He says:

> We have been able to provide, out of this appropriation, about 130 new titles of Braille, books in Braille, and thus far a little over 30, between 30 and 40, sets of disks for talking books. We could have bought more of them if they had been produced, but the production of those is very slow, and then the talking machines, that is, the apparatus for reproducing the disks, without which the disks are useless, are thus far in the hands of only about 2,500 blind people in this country; but that is proceeding.
>
> Mr. SNYDER. You do not buy the machines, then? You just buy the disks?
>
> Dr. PUTNAM. Under this appropriation, yes, sir; but under the emergency appropriations they decided to put $211,000 into the manufacture of these machines and committed to us the task of spending it.
>
> Now, these machines, which are manufactured under the direction of the American Foundation for the Blind, consist of a phonograph apparatus and also incidentally of a radio receiving set.

He goes on to testify that under the emergency appropriations they received $211,000 for the manufacture of machines for the reproduction of these disk machines. These machines cost approximately $42 each, and 5,000 such machines can be manufactured with the appropriation of $211,000.

I call attention to the fact, as I did last year in my address on this subject matter when this same bill was under consideration, that a very fine avenue of charity could be developed throughout the country in every community by those who are inspired to do charity, by purchasing one of these machines and giving it to a blind institution in the separate communities, so that the disks which are disseminated by the Library of Congress upon request, and upon which are recorded the fine pieces of literature, drama, and poetry, could be utilized in the blind institutions in the various communities and thus avoid the necessity of some blind people acquiring knowledge of the Braille method. I do not know whether blindness in this country has increased or decreased, but I suppose, like the poor, the blind will be always with us, and I trust that my remarks will be read by those who might be inspired to do this bit of charity for the blind people of separate communities throughout the country.

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

Mr. DOCKWEILER. Yes.

Mr. MILLARD. What do these machines cost?

Mr. DOCKWEILER. Forty-two dollars. They are just like a phonograph which operates at a slower revolution.

The disk is a very large record, and the machine is a combination phonograph and radio. I myself inspected one of these in the Congressional Library and have seen it operate and heard it. It is a method of not only building up the mind but provides wholesome recreation to the blind people, because when one of these disks is used any number of people can hear it, whereas a Braille book, which is costly to disseminate and prepare, can be read by only one person at a time.

Mr. Chairman, I commend the committee for its work, and particularly to I commend the chairman for his indefatigable efforts in endeavoring to report a bill to the House that will at least save some money from the Budget reported to us. [Applause.]

Mr. LUDLOW. Mr. Chairman, I yield now to the gentleman from Maine [Mr. MORAN].

Mr. MORAN. Mr. Chairman, the American merchant marine is a subject of tremendous concern and interest to this particular Congress.

First, let us start with one basic fact on which agreement is universal, and that is that the American merchant marine is in a deplorable condition today. Individuals may differ as to the remedy, but no one disputes that fact. As of January 1, 1935, the United States possessed only 10 percent of the vessels of 2,000 gross tons and over, engaged in international trade. That is not the worst of it. Most of the few ships we do have are old and obsolete; only 4½ percent of our ships are 10 years of age and under. In addition to that, there is practically no construction work now in American shipyards; for the quarter ended March 31, 1935, the United States was constructing only 1½ percent of the ships under construction. To summarize, we have a very small proportion of the ships engaged in international trade; most of the few we do have are obsolete, and we are making no effort to build up our merchant marine even by replacements, let alone additional tonnage construction. Under the present policy we will not have any merchant marine at all within a very short period. The Jones-White Act of 1928 has proven a dismal failure.

Second, let us recall a second basic fact upon which there is universal agreement; namely, that our American merchant marine has not been and probably cannot be made self-sustaining without some assistance; that if we want a merchant marine, we must subsidize it by some method, at the expense of the taxpayers. This is due to differences in construction costs, operation costs, and to competitive disadvantages caused by the subsidy policies of our competitors. Right here some persons argue that if a merchant marine cannot pay its own way, we do not want a merchant marine, and there are plausible arguments along that line, such as permitting our competitors, who can perform this service cheaper, to perform it, on the ground that it would be to our ultimate benefit as consumers of the service, and facilitate international trade. But I am inclined to agree with President Roosevelt's message to Congress on March 4, 1935, when he said that there are three reasons why we need an adequate merchant marine: (1) For the maintenance of fair competition in time of peace; (2) to carry on neutral peaceful foreign trade in the event of a major war in which we are not engaged; and (3) for the maintenance of necessary commercial intercourse in the event of a war in which we are engaged and also for naval auxiliaries. We all remember the exorbitant freight rates we were obliged to pay during the World War when we had insufficient tonnage to move our goods, and when other nations diverted their tonnage to war purposes. War again threatens in Europe, and again we find our merchant fleet in much the same condition as in 1916.

If you agree with me that an adequate merchant marine is essential, even though the taxpayer must stand a part of the cost, then there are four possible methods or policies, namely:

First. Subsidized private ownership and subsidized private operation.

Second. Government ownership and Government operation.

Third. Government ownership and private operation.

Fourth. Combination or compromise of these policies.

Let us consider these four possible methods in order:

1. SUBSIDIZED PRIVATE OWNERSHIP AND SUBSIDIZED PRIVATE OPERATION

This is the method now being used; the result has been and is now a complete failure. Shortly after the World War we decided upon private operation and practically gave away our World War constructed merchant ships; we sold some of the ships for around 2 cents for every dollar they cost us. As a result of the 1920 and 1928 acts we started out in earnest to obtain a merchant marine under this system. The taxpayers, in addition to giving away the ships, have been paying $30,000,000 a year in disguised subsidies to operate them. The only result of our vast losses and expenditures is an antiquated merchant marine that is fast disappearing from the seas. Advocates of this method admit the failure but say the system is right; that what is needed is more and bigger subsidies. Let me give you, by a concrete example, what the shipping interests ask now of the taxpayer. Assume that it costs $1,000,000 to build a certain cargo ship in an American shipyard; it is contended that the same ship can be constructed abroad for $600,000; the taxpayers are asked to make a cash grant of that $400,000 difference, to be known as a construction subsidy. Next, the Government is asked to loan in addition 75 percent of the foreign construction cost, or $450,000; that operation is called a construction loan. That makes a total grant and loan amounting to $850,000, leaving only $150,000 balance on that million-dollar ship, which may be met by a "trade-in" of an obsolete ship for which the Government will get next to nothing, being obliged to scrap it; and thus for little and perhaps no cash outlay whatever the so-called shipowner gets a million-dollar ship. And this is what they call private ownership. Expressed another way the proposed system of those who are in theory to become the private owners calculate this way: "2 and 2 are 4; the Government should give us 2, and inasmuch as we do not have the other 2, the Government should loan us that 2 also."

With the Government granting and loaning at least 85 percent of the money, and perhaps the full 100 percent, you see in full bloom that type of spurious Americanism and individualism and private initiative which enables these shipowners and operators to let the taxpayer buy their ships and pay most of the cost of operating them, while they wave the flag, pocket the profits, and argue that Government ownership is bolshevistic and un-American.

As a matter of real fact we have Government ownership now, even if not in name. The Government's investment in mail-contract ships—excluding the industrial United Fruit Co.—is one and thirty-nine hundredths times the stockholders' interest in all assets. Under the present system, is it bolshevistic to suggest that since the Government has the equity it should also have the title? And under the proposed new system, is it bolshevistic for the Government to provide 100 percent of the cash, but the good old American system if the Government provides 85 percent of the cash? Does only 15 percent measure the difference between communism and democracy?

Every conceivable form of subsidy has already been advanced to private shipping interests—sale of Government vessels at gift prices, sometimes as low as 2 cents on a dollar; big loans at low interest, as low as one-eighth of 1 percent; and ridiculously extravagant mail contracts. These financial aids were granted on the theory that they were needed to build an adequate merchant marine, but they were not used for that purpose. They have been drained off into the pockets of promoters—men who have been much more interested in high finance than in the high seas. Holding companies have been superimposed upon holding companies to drain off the taxpayers' money into high salaries for these flag-waving promoters.

One of the scandals has been due to the scheme of making women members of the family dummy stockholders in subsidiary companies, to whom the profits are piped out. Women and children first has always been the rule of the sea, but this is the first time that the able and astute gen-

tlemen who have been so successful in milking the Treasury have managed to apply this wisdom to the financial aspects of shipping by having their wives and children as dummy stockholders in these profit-absorbing subsidiaries.

The shipping molasses barrel has long been recognized as the sweetest that ever existed in Washington. Innumerable flies have fed upon its contents—selfish businessmen, promoters, lobbyists, attorneys, agents, and plain politicians. For years it has been guarded by the Shipping Board, and more recently by the Department of Commerce. But the Government has become weary of attempting to create a merchant marine by pouring money into the shipping molasses barrel through the bunghole, only to have it drained off through the numerous spigots subsidiary companies have inserted in the barrel head.

There is no time tonight to detail the abuses under this system. For instance, right now the taxpayers are paying money subsidies to industrial giants that transport their own products in their own ships. With that black picture before us, the only remedy the shipping crowd offers is give them more money.

I wish my good New England neighbors could be in Washington day after day and see what we are up against here. There never was a more powerful lobby than the shipping lobby. I read into the RECORD a letter sent by one shipbuilder to another, bragging about obtaining passage of the 1928 Jones-White law and listing how $150,000 was spent in lobbying. One of the items was $23,000 for "hotel expenses in Washington." You can use your own judgment as to what that means. These shipping people are very clever, and they keep us hunting all the time for the "niggers in the woodpile" in the bills they have introduced. One shipping company paid over $750,000 to Washington representatives for legal and special fees. These shipping boys even chip in a certain percentage of the subsidy payments they receive from the taxpayers, thus creating a pool for lobbying, whereby they use the taxpayers' own money against him.

We fought them to a standstill in the last session of Congress, but it was a mighty close call. Congressman WEARIN, of Iowa, and I led the fight for 3 days on the floor of the House against the Bland-Copeland bill, which not only perpetuates the flagrant abuses of the past, but intensifies, magnifies, and aggravates them. The Bland-Copeland bill is the same old racket, played with jokers and aces up the sleeves of those who have received millions and given to the American people next to nothing in return.

2. GOVERNMENT OWNERSHIP AND GOVERNMENT OPERATION

Time prevents dealing exhaustively with this possible method. I will simply say that I do not favor it.

3. GOVERNMENT OWNERSHIP AND PRIVATE OPERATION

Because I believe America must have an adequate merchant marine, and because I know that all the shipping crowd together have not money enough of their own to build one single ship of the *Manhattan* type, it is my belief that this is the only system under present conditions which will actually produce a merchant marine. I have introduced a bill, known as the Moran bill, providing that the Government shall build and own the ships and let them out for private operation under a charter system. Operators can bid competitively for the charters, and in this way the public interest will be protected against the frauds which are practically unavoidable under the present system or under the new system proposed by the shipping crowd. In event of war we would then own the ships for our military use without paying outrageous prices for them. Also, the Government could work out a regular replacement policy, so vital to an adequate merchant marine. If we can build warships, we can build a merchant marine; both are vital for national defense.

4. COMBINATION OR COMPROMISE PLAN

I would be perfectly willing to aid private interests in obtaining a privately owned merchant marine if it can be done without robbing the taxpayers. Also, I would be agreeable to selling Government-owned ships at any time to private interests at a fair price. At the same time I want to see enacted into law the alternative that if private ownership cannot be worked out on a basis equitable to the taxpayer, that the Government will go ahead and build ships, because I want to see, one way or the other, an adequate merchant marine. In this way I differ from the shipping crowd, who, despite their patriotic protestations, have no interest whatever in the creation of an American merchant marine unless they are the ones to own and operate it. Such a compromise, containing both plans, is offered to Congress at this session by the Guffey bill. With its fundamental principles I am in hearty agreement.

To date every shipping measure passed by Congress has been written by private interests, their attorneys or lobbyists. Two measures now before Congress were not so written—the Moran bill and the Guffey bill. Can the spell be broken and one of them passed?

CONCLUSION

In conclusion, let me express the hope that the people of New England realize how vital to them is the matter of an adequate merchant marine. Our people have always "gone down to the sea in ships." With a splendid shipping heritage and tradition behind us, and with a determination that the glories of the past shall be projected into the future, let us work unitedly to the end that American ships, flying the American flag and manned by sturdy New England sailors, may again be seen in all the ports of the world. [Applause.]

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

Mr. MORAN. Yes; I am glad to yield to the distinguished gentleman from Iowa.

Mr. WEARIN. The gentleman is obviously making a very carefully prepared statement with reference to merchant-marine policy, and I consider him unusually well qualified to do that because of his careful study of the subject and the excellent bill he introduced in the last session of Congress. The point I particularly wish to raise at this juncture is this: The gentleman referred to the deplorable state of the American merchant marine at the present time. I want the gentleman to make this point clear, if he agrees with me, that it comes at the end of a period of years extending from 1928 to the present time, under which we have had one of the most liberal subsidy policies that has ever been known in the history of American shipping, obviously intended to develop a merchant marine and certainly costing enough to have done so.

Mr. MORAN. That is certainly correct, but even under the liberal policy of the last few years the advocates of that type of legislation today say that even that liberal policy is not enough in their opinion to produce a merchant marine, and certainly the millions of dollars paid out in subsidies have not in fact produced a merchant marine. Our shipping men have been more interested in building private fortunes for themselves than in building a merchant marine. The bill I have introduced will end that system entirely and will produce a real American merchant marine at nowhere near the losses or the cost to the American people imposed upon them by the present system.

Mr. WEARIN. It seems strange to me that we do not have a merchant marine at present, which state of affairs is admitted by the subsidized shippers themselves, even though we have practically given them a fleet and paid them over one hundred and sixty millions since 1928 to operate it. Now we are being presented through the press and through other propaganda agencies, such as this little sheet, entitled "Foreign Trade-Merchant Marine News", published in Cincinnati and circulated among the Members of Congress, with articles to the effect that we ought to go on and advance more subsidy to an ostensibly privately owned merchant marine, which in reality is not privately owned at all, because of the fact that the United States Government holds the principal portion of the obligations against the ships.

Mr. MORAN. I refer to the present system as a subsidized private ownership and subsidized private operation, because when one looks at the figures today, no one can contend that we actually have private ownership. The Government has the equity and merely lacks the title.

Mr. POWERS. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. TABOR].

Mr. TABER. Mr. Chairman, about a week ago the President of the United States presented a message to the Congress asking for a large amount of new taxes. At that time he stated that there was a considerable loss in the original Budget that he submitted to Congress because of the decision of the Supreme Court invalidating the A. A. A. As a matter of fact, his Budget for 1937 was improved by the difference between $619,000,000 and about $547,000,000, because the disbursements would have exceeded under his estimates the tax receipts by $72,000,000.

Now, that situation results in just this: We do not have the tax requirements that we would have if the statement had been correct. He submitted a group of tax proposals, amongst others a tax upon the surpluses of corporations that have not been declared in dividends. What is the result of that and what is the situation? The Ways and Means Committee began hearings and it found out that the biggest part of the result of that proposal would be to tax the surpluses of mutual savings banks which belong to the depositors, and the surpluses of mutual insurance companies which belong to the policyholders, and the surpluses of National and State corporation banks, which those banks are required to build up so as to make proper reserves for the deposits that are made in those banks; that the ordinary business corporation was accustomed to declaring dividends which ran up to 75 or 80 percent of their earnings, and sometimes, in years of depression, ran even above that figure, and that the source of revenue from that proposition was going to be very small unless they got into the taxing of mutual savings banks, mutual building and loan associations, mutual life-insurance companies and banks. I understand that the Ways and Means Committee has been conducting hearings on this subject and that the state of confusion is growing worse every day, as it could be expected to grow worse with that kind of a proposition.

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

Mr. TABER. I yield.

Mr. TREADWAY. I think the gentleman intended to say that a subcommittee of the Committee on Ways and Means was listening to the so-called experts of the Department and not that the Ways and Means Committee was conducting hearings. There have been no hearings called on the tax measure to date within the knowledge of the Republican members.

Mr. TABER. I supposed that was "hearings"—the kind of hearings we get these days. [Laughter.]

Mr. TREADWAY. Well, it is a question of definition, possibly.

Mr. TABER. I think so.

Mr. TREADWAY. The so-called experts are laying before the subcommittee certain figures, and they are making progress rapidly backward.

Mr. TABER. Well, that is to be expected. [Laughter.] In addition to that there was a suggestion that we might have some more processing taxes by levying a tax on the food that the poor must eat. I do not believe the situation in this country is such that we ought to levy large taxes on the poor and large taxes on the institutions that mainly cater to the poor, such as mutual insurance companies, mutual savings banks, and the banks themselves. I do not believe that is the place to put taxes.

The situation is about this: There is not a single appropriation bill for any department of the Government which, if it were approached from the standpoint of just exactly what was needed to carry it on, with no frills and no trimmings, could not be cut from 20 to 25 percent. Some of our committees have done a fairly good job of cutting. On some of the bills I have offered amendments which have received considerable support from those in the House who believe in economy, in an attempt to save money. On the Treasury-Post Office Departments appropriation bill they cut it as far as it was possible with the general situation that was presented. On the Interior Department appropriation bill I offered a motion to recommit, to cut off about $4,700,000, to bring it down to last year's figure. There was absolutely no excuse for the increase in that amount. When the War Department appropriation bill was being considered I offered a motion to recommit in an attempt to save about $60,000,000. That money was not sought to be spent for national defense, but for river and harbor projects which had absolutely no merit, and most of which had never been properly approved by the Congress. When the Department of Agriculture appropriation bill was being considered I offered an amendment which would have reduced that bill upward of $25,000,000 without hurting a single decent appropriation which was required to take care of the interests of the Government or the people.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield further?

Mr. TABER. I yield.

Mr. TREADWAY. Would the gentleman inform the Committee of the Whole, now considering the state of the Union, if his suggestion of a 25-percent cut in all these appropriation bills were put into effect, how much saving there would have been in the aggregate amount?

Mr. TABER. Close to a billion dollars.

Mr. TREADWAY. Will the gentleman yield further?

Mr. TABER. I yield.

Mr. TREADWAY. The tax measure to which the gentleman has just referred, so far as suggestions have been presented by the Treasury Department, seems, by their figures, which, of course, have not been verified other than by their own experts, to call for additional taxation of something like $620,000,000. If the gentleman's savings were put into effect, there would therefore be no need of this additional tax money, would there?

Mr. TABER. Not a bit.

Mr. TREADWAY. I thank the gentleman for the information.

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

Mr. TABER. I yield.

Mr. BACON. As a matter of fact, the expenses for the ordinary departments of the Government, the ordinary housekeeping departments of the Government, are up over a billion dollars during the past year?

Mr. TABER. That is correct.

Mr. BACON. That does not take into consideration the different emergency appropriations for the various alphabetical set-ups?

Mr. TABER. That is true. In addition to that, at the same time that that tax message arrived here, right on the heels of it was a messenger from the Senate with the Department of the Interior appropriation bill, with an increase of $62,000,000 over what it was when it passed the House, and every single thing in there, except about $3,000,000, was with a Budget estimate from the President of the United States.

Mr. BACON. As a matter of fact, if we appropriate only what we appropriated last year for the fiscal year 1936, and cut a billion dollars off, this tax bill might not be necessary?

Mr. TABER. It would not be necessary at all. There have also been funds appropriated which have not been expended. I want to read to you some of them and let you judge of the ability of Congress to take those funds.

There is $1,790,000,000 for the R. F. C. not expended and no possibility they can ever use over $300,000,000 or $400,000,000 under any circumstances.

One hundred and eighty-three million dollars has been allocated to the Resettlement Administration for just plain foolishness.

A tremendous amount, $108,000,000, has been allotted for this so-called emergency housing, to waste the money and build buildings the poor cannot live in and absolutely destroy the market for high-grade residential apartments, not in the least catering to slum clearance or to the poor.

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

Mr. TABER. I yield.

Mr. TREADWAY. Will the gentleman be kind enough to give us the aggregate figures of the amount available for these various projects in the last 2 years, the amount remaining available? I do not think it is cash.

Mr. TABER. The gentleman refers to the so-called emergency appropriations?

Mr. TREADWAY. Yes; I do not think it is actual cash, but there has been allocated—in some way there is money available for doing certain things. How much does it amount to?

Mr. TABER. It amounts to $5,973,000,000, according to the statement that came to me this morning from the Treasury Department.

Mr. TREADWAY. Let me understand the gentleman, Mr. Chairman—$5,973,000,000?

Mr. TABER. That is it.

Mr. TREADWAY. Mr. Chairman, does the gentleman think that, in view of this enormous balance, there is any occasion whatsoever to make a further tax assessment on the American people of any kind or description?

Mr. TABER. If we spend the money that has already been appropriated, of course we have got to raise it somehow, either by bond issues or by taxation; but we should not spend very much more of this because there is absolutely no need for it. We should spend what we need for legitimate relief and cut out the rest of the operations.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield further?

Mr. TABER. I yield.

Mr. TREADWAY. I would like to ask the gentleman whether or not included in this $5,973,000,000 there is any amount allocated to the Passamaquoddy Bay project?

Mr. TABER. I think there is, but I cannot say exactly because I cannot tell whether they have spent on this Quoddy project all that has been allocated to it; but I understand they are going ahead with the project and I understand its own sponsors say it has no practical or commercial value; that the only value of it is that it puts people to work. Whether they have any relief roll up there which justifies the spending of this money just to put people to work, I doubt.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield further?

Mr. TABER. I yield.

Mr. TREADWAY. Would the gentleman classify the Quoddy project in what he describes as the useless outfits?

Mr. TABER. There is no question about it.

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

Mr. TABER. Yes.

Mr. COCHRAN. Our Republican friends seem to be playing a little game all by themselves without interruption. The gentleman from New York does not mean to say he is absolutely in favor of reducing every appropriation we have made 25 percent?

Mr. TABER. Not every appropriation, but I think on the average the departments in Washington and in the field could get along with a 25-percent cut if it were properly and reasonably distributed; a 25-percent cut below the appropriations that are asked for the fiscal year 1937 by the Budget.

Mr. COCHRAN. But the gentleman knows, of course, that there are certain appropriations which neither he nor I would cut; for instance, the public debt, the veterans' appropriations; and appropriations of this character must be reduced when he comes to talk about a reduction of 25 percent, unless he reduces some appropriations 50 or 75 percent. Is not this correct?

Mr. TABER. Yes; but when it is remembered that a 25-percent reduction would only bring the figure to what they were spending in 1935, the gentleman has not very much of an argument to urge their being put up above that figure.

Mr. COCHRAN. I agree with the gentleman in some respects, but remember we restored some of the items eliminated in the economy law. If the gentleman is going to talk about cutting the total appropriations 25 percent, he is not basing his argument on a sound premise, for he admits we cannot cut the veterans' appropriation, and he admits we cannot cut the public-debt appropriation. Why not eliminate these from the total before starting to make the estimate in amount of money of what could be saved?

Mr. TABER. The basis for my figures show it can be done, because the estimates for 1937 are at least $1,000,000,000 above the 1935 expenditures. This makes the total so high that we can in almost every case cut 25 percent from them and be all right.

Mr. COCHRAN. In other words, it will be necessary to cut some activities 50 percent or more and some none; is that it?

Mr. TABER. That would have to be done.

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

Mr. TABER. I yield.

Mr. REED of New York. I was very much interested in the gentleman's statement about Passamaquoddy Bay project, and that brought to my mind the Florida canal project. Am I correct in my impression with reference to the proposed canal across Florida that, although the Board of Army Engineers turned it down, yet large sums of money are now being spent on a preliminary survey for the canal? Does the gentleman know how much has been expended?

Mr. TABER. I understand they are spending large sums. I understand they have dug a ditch right in the middle of where the thing is supposed to go, but they have not the slightest idea whether the ditch will be in the right place if they should dig the canal. [Laughter.]

Mr. COCHRAN. Will the gentleman yield for just one more question?

Mr. TABER. I yield to the gentleman from Missouri.

Mr. COCHRAN. Will the gentleman place in his remarks the 1937 estimates which he would cut 25 percent or more?

Mr. TABER. I will be glad to do that.

Mr. COCHRAN. I should be very pleased to read those figures tomorrow or the next day whenever the gentleman puts them in.

Mr. TABER. I will not put them in my remarks today, but I shall include them in an extension of remarks later. It will take a day or two to figure up all the details.

Mr. COCHRAN. It would be very valuable to have the figures before we start considering this and other appropriation bills. We may at that time take into account the gentleman's suggestion.

Mr. TABER. I would like to have the suggestion considered.

Mr. COCHRAN. If the bill is passed by the House we are not going to reduce the amount. The time to take action is before we pass the bill and therefore I would like to see the figures before the remaining bills are passed.

Mr. SAUTHOFF. Will the gentleman yield?

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

Mr. SAUTHOFF. Does the gentleman from Missouri say he is in favor of the $6,500,000 set apart for the Jefferson Memorial in the city of St. Louis?

Mr. COCHRAN. I may say in reply to the gentleman's question that the city of St. Louis put up over $2,250,000 toward the project which is to create a park along the river front. The gentleman has not put me on the spot, for I am willing to be placed on the spot. The commission desires as the total sum for the complete memorial $30,000,000. I say to the gentleman and to the Members of the House, as well as to the people in the city of St. Louis, that I am not in favor of a $30,000,000 memorial being built on the river front of the city of St. Louis. I am in favor of going along with what we have now and establish the park, but I will never vote for an authorization or appropriation to place a $20,000,000 memorial building on the river front of my city or for that matter any place in the United States.

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield the gentleman from New York 5 additional minutes.

Mr. DIRKSEN. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Illinois.

Mr. DIRKSEN. I would like to clear up the misapprehension in the mind of the gentleman from Wisconsin. The memorial referred to is a $30,000,000 memorial, and the Federal share is $22,500,000.

Mr. COCHRAN. That was proposed by a commission, but no such authorization was ever made and, in my opinion, this Congress will never vote for such an authorization. I know I will not.

Mr. TABER. Mr. Chairman, I do not yield further.

Mr. Chairman, may I say to the Members of the House that the Passamaquoddy project and the Florida ship-canal project are included in those cases where a small allotment has been made, as I understand it, out of relief money in order to go ahead and get started in a sort of half-baked way. They will get their nose under the tent and then the Congress later may feel obliged to appropriate the rest of the money. I hope the Congress of the United States will have courage enough to refuse to appropriate the balance of the money for projects of that kind.

Mr. WOODRUFF. Will the gentleman yield?

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

Mr. WOODRUFF. Has the gentleman informed the Committee what has become of that timber belt approximately 100 miles wide and something like 1,000 miles long that we heard so much about some time ago?

Mr. TABER. That turned out to be a complete farce. We had that matter up when the agricultural appropriation bill was being considered, and it was conceded even by the folks out in that country where it was supposed to be created in that the trees would not live. It was also conceded that it was a foolish thing, a waste of money, and a colossal scandal.

Mr. WOODRUFF. Does the gentleman mean to tell the Committee it was so bad that the people who originated the idea have now abandoned it?

Mr. TABER. I would not accuse them of abandoning the idea. I may say that the gentlemen who represented the districts in which it was to be created found such a bad feeling resulted that they themselves insisted upon its abandonment.

Mr. FIESINGER. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Ohio.

Mr. FIESINGER. The gentleman has said something about the Florida ship canal and the Army engineers digging down there, but did not know where they would locate the ditch, or something to that effect. I do not know what the status of that proposition is, but that item was eliminated from the War Department appropriation bill, as I understand the situation.

Mr. TABER. The gentleman is correct, and very properly so.

Mr. FIESINGER. So there probably is nothing being done because there will be no appropriation to carry out the work?

Mr. TABER. But I want to put the Members of the House on guard. There is an agitation going on over in the Senate now to put that farce back into the War Department appropriation bill. I hope the Members of the House will be on their guard, and if that sort of amendment comes back here they will insist on its being eliminated from the bill.

Mr. FIESINGER. I am in perfect accord with the gentleman on that proposition.

Mr. TABER. That is why I believe in referring to it and keeping the people awake on that subject.

Mr. BACON. Will the gentleman yield?

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

Mr. BACON. Since the House cut that item out of the bill I understand that some relief money has been allocated with which to carry on this project until such time as the Senate proposal may override the House proposal. This brings up a very serious tendency to start new functions of government with relief money, only allocating relief money to carry on a small part, then dropping it and coming along later with a plea to Congress to appropriate in the regular appropriation bills a sufficient sum of money to complete the job begun with relief money. That, to my mind, is a very serious and dangerous tendency.

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. FIESINGER. May I ask the gentleman from New York if the matter to which he refers has anything specifically to do with the Florida canal?

Mr. BACON. It has.

Mr. TABER. Now, I want to go into one or two other matters that have come up in the same way in the Interior bill.

There is a scheme to go into what they call the Big Thompson-Grand Lake project, and I believe this project will cost $40,000,000 and open up another million acres of land.

On top of this, we have been spending a lot of money on what they call the Rocky Mountain National Park, which covers the biggest part of this section of the map I have here, and provides for an underground canal 11¾ miles long, under a mountain 11,000 feet high, and the canal is to be 9 feet in diameter, pumping the stone or whatever they get out of it out of the end of the canal from which they are digging. Just think of it. It is the most ridiculous thing I ever heard of, and there is an authorization to start this project in this Interior Department appropriation bill.

This is some of the stuff your Interior Department appropriation bill conferees have got to fight when they get over to the Senate.

On top of this, there are new irrigation projects amounting to $57,000,000 that are recommended in the Budget that are in this bill and ought not to be there.

If I had an hour I could take the time and analyze them so that, I believe, every Member of the House would realize that this is nothing more than a raid on the Treasury and something to hurt agriculture and to destroy the financial standing of the Government, because some of these projects will cost five or six times the amount carried in the appropriation.

Another one of these projects I want to call particular attention to is the Grand Coulee, where $63,000,000, if I recall the figures correctly, was allocated and all of it was pulled away except $15,000,000, and then they let contracts, mind you, without authority of law, without having the money appropriated, or without any contract authorization, for $29,000,000, and to cover up this situation there is an appropriation in the Interior bill of $20,000,000. We ought not to allow such things as this to go on.

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

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. WIGGLESWORTH. Will the gentleman incorporate in his remarks the total ultimate cost of these projects he is speaking about that were started out of funds other than those appropriated by the Congress?

Mr. TABER. I will. I think the Members of Congress ought to have the figures in front of them. I think they ought to be aroused to the situation that is confronting them, because we can never raise the taxes to balance the Budget or meet the expenses of the Government if we go on with such expenditures.

I hope that what little I have been able to say here this afternoon will do something toward stirring up the membership of the House to their responsibilities here to keep down these appropriations.

There has been a tendency on the part of the Committee on Appropriations in the House to bring in bills with some cuts. There has been a tendency on the part of that committee to show some economy, but, frankly, when these bills have come back from the other body, any thought of economy is the furthest from what must have inspired them. They are so far beyond reason, so far beyond any legitimate thought of running the Government of the United States and meeting our responsibility here as legislators and our responsibilities to the ordinary folks back home who have to pay the taxes, that it is absolutely discouraging and absolutely disgusting.

I hope this House will stand against these increases. [Applause.]

The total cost of projects, together with the present appropriation and the future costs that are contained in the Interior Department appropriation bill, is set forth in the following table, namely:

Name of project	Total cost Department's estimate	Present appropriation	Future cost
Grand Lake-Big Thompson	[1] $22,000,000		$22,000,000
Gila project	20,000,000	$2,500,000	18,425,000
Salt River, Ariz.	6,844,000	2,300,000	200,000
Central Valley, Calif.	170,000,000	16,000,000	139,000,000
Grand Valley, Colo.		200,000	
Boise project, Idaho	5,800,000	1,800,000	3,000,000
Boise project, Idaho, drainage	200,000	160,000	40,000
Carlsbad project, New Mexico	2,500,000	900,000	600,000
Deschutes project, Oregon	1,065,000	450,000	50,000
Owyhee project, Oregon	18,000,000	400,000	1,500,000
Grand Coulee	60,000,000	20,000,000	3,000,000
Columbia Basin	389,000,000	250,000	388,500,000
Yakima project	14,446,600	2,500,000	7,633,000
Provo River project	10,000,000	1,750,000	5,000,000
Casper-Alcora project, Wyoming	20,000,000	4,000,000	1,000,000
Riverton project, Wyoming	8,670,000	9,000,000	2,870,000
Shoshone project, Wyoming	6,500,000	1,000,000	4,000,000
Total	773,025,600	54,110,000	574,818,000

[1] This will just about build the tunnel; total cost will be $40,000,000.

This covers only new projects which are included in the Senate bill but were not in the bill as it passed the House. The House Appropriations Committee absolutely refused to consider these estimates.

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I listened with interest to the remarks made by my colleague from New York [Mr. TABER] on the mounting appropriations. It is well for him to call the attention of the Congress to the fact that all this spending must be met by taxes, and he rendered a real service by showing where the waste and extravagance exists. It is one of our great problems.

I propose to take a few minutes this afternoon to speak of world problems—the problems of France, Germany, Great Britain, and Italy, who are on the verge of war and on the precipice of mutual destruction occasioned by the march of German troops into the Rhineland that was demilitarized by the Versailles and Locarno Treaties.

Perhaps there is some moral justification for the German troops entering the demilitarized zone along the Rhine. I know American troops would enter California if it had been taken away from us or if any of the Canadian border States had been demilitarized by an enforced war treaty a generation ago.

I am not here to defend the aggressive and provocative policy of Germany. Of course, it does mean repudiation of the Versailles Treaty as well as the Locarno Treaty. However, the United States never approved of the Versailles Treaty, and as a veteran of the World War, I have always considered that the Versailles Treaty was conceived in hatred, cupidity, and revenge. I have always known that it was unworkable and would be abrogated by force within our generation, and that it was a breeder of war instead of preserving peace and good will among nations.

On the other hand, this problem is not our problem. Our problem is to mind our own business and to keep out of all European boundary disputes and ancient blood feuds and stop passing moral judgment on European nations. As I have said before, if they want to arm to the teeth and go to war, that is their war and not our war.

The time, however, to wage war on war is in time of peace. The Congress a little while ago—and I commend those Democratic Members who refused to take their orders from the White House or the Secretary of State or the chairman of the Committee on Foreign Affairs [Mr. MCREYNOLDS], who tried to force on this Congress a bill under his own name and backed up by the Secretary of State and the President of the United States, giving the President the power to lay economic sanctions against warring nations, which would have been the first step toward war by involving us in all European controversies.

I am making this statement now because when the neutrality bill came up a few weeks ago extending the embargo on munitions of war to belligerent nations I was unable to get any time to speak. The bill as passed was really written by independent Democratic members of the committee, with the aid of all the Republican members, and repudiated completely the recommendations made in the bill introduced and previously reported by Chairman MCREYNOLDS with the blessings of the State Department and the President.

Imagine bringing a bill of that kind, affecting, possibly, the lives of millions of Americans, into the House under a gag rule with 20 minutes' debate on a side. The chairman of the Committee on Foreign Affairs [Mr. MCREYNOLDS], upon which I have served for 15 years and am the ranking member, not only of my party but I have served on it longer than anyone else, offered to give me 4 minutes' time to speak on the neutrality bill. I accepted the 4 minutes. Then he repudiated his offer and gave me none at all, because I proposed to state the facts and to show that this bill was a complete disavowal, retreat, and rout from the demands of the Secretary of State and of the President, to give them power to lay economic sanctions, and I point out here and now that that was the most discourteous act that has happened to me since I have been a Member of this House for the past 16 years. I was not allowed 4 minutes', or even a minute's, time to express my views on such a vital bill which was passed under suspension of rules, without opportunity for amendment or adequate discussion. That is one of the reasons why I have taken this time today. I have every confidence in the Democratic Members of this House on foreign affairs, because they have proved themselves worthy of it recently. I have no confidence in this administration as far as the President is concerned, or the Secretary of State, or the chairman of the Committee on Foreign Affairs of the House, because they are internationalists, because at heart they are for the League of Nations, the World Court, for giving the President power to determine the aggressor nation, and for placing economic sanctions. A year ago the chairman of the Committee on Foreign Affairs [Mr. MCREYNOLDS], under his own name, brought into the House a bill giving the President power to determine the aggressor nation, a hostile act, an act of war, and not an act of peace, but thank God the Senate of the United States voted it down. That is why I have no confidence in these internationalists, who want to involve us in foreign affairs, in entangling alliances, in world disputes, and in foreign boundary disputes.

But as long as most of the Democrats in the House take the position they have in the last month the country has nothing to fear, because they have served notice on the chairman of the Committee on Foreign Affairs, the Secretary of State, and upon the President that they refuse to give President Roosevelt any more power to involve us in any foreign wars or boundary disputes of any kind. It seems to me this is the time to stop, look, and listen.

We went into the World War to make the world safe for democracy and to end wars, but today democracy is a laughing stock in a large part of Europe and in the military dictatorships of the Old World. Mussolini, Hitler, and Stalin all tell us free Americans that our democracy has failed, that we are no longer able to govern ourselves, that we must import some foreign form of dictatorship to replace our free institutions.

We went into the World War because we were forced into the war against our will. We are a peaceful and a peace-loving Nation. Our ships flying American flags were attacked by German submarines without warning. Against our will we went into that war, and we did our part and turned the tide of defeat into victory. We asked for nothing, and we got exactly what we asked—nothing at all; no plunder, no reparations, no indemnities, and no conquered territory. Then we brought our troops home, and soon after we brought our troops home our former allies whom we have saved began to repudiate their war debts; and finally, now, today, they are not even paying the interest on the war debts; they are not even paying interest on the money that we loaned them after the armistice. You re-

member what President-elect Roosevelt said when former President Hoover asked him to cooperate with him between November and the time the President would take office on March 4, 1933. He said, "No; I propose to solve this problem myself; I refuse to cooperate." This administration has been in power for 3 years, and it has not received a penny on war-debts payments except from Finland. I suggest that after 3 years and before this next election in November the President take some steps before he goes to the people to recover some of these war debts. We all know the settlement was fair—probably the fairest ever made—but we also know that these nations have welched and repudiated their debts; and it may be necessary for us to take 10 cents on the dollar if we are to get anything at all.

I would like to see a commission appointed to open up this whole question, and even if we can get enough money nowadays to pay the adjusted-service certificates of our World War veterans. That would be something. That would be half a loaf instead of nothing at all. They took this money of ours after the armistice and paid their own soldiers with it, and why should not we ask for the repayment of the money that we loaned them after the armistice, and that alone would be enough to pay for the adjusted-service certificates?

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

Mr. FISH. For a short question.

Mr. RANKIN. Did not the gentleman from New York vote to fund those debts whereby we gave those European countries $6,200,000,000 of American money?

Mr. FISH. Certainly I voted for that on the recommendation of the World War Debt Funding Commission, upon which were two very prominent Democrats, a unanimous recommendation; but we have not got anything out of it under this administration. I would rather take 10 cents on the dollar than nothing at all.

As Germany, France, Italy, and Great Britain have been driven to the precipice of war, I want to ask what about the McSwain bill to take the profit out of war? I have already paid all the tribute I can to the Democratic side for helping to extend the embargo on arms and munitions of war, but what about the universal-service bill backed by the American Legion, where, in case of a future war, labor, capital, and manpower will be drafted equally? I honestly believe if the Democratic leadership in the Congress would bring up that bill and give it a chance to be voted upon it would have 90 percent of the Members behind it, both in the Congress and without; but what is holding it up?

Mr. McFARLANE. Will the gentleman yield?

Mr. FISH. I yield briefly, certainly.

Mr. McFARLANE. Does not the gentleman know that we passed that legislation last session, and it is buried in a pigeonhole over in the Senate, where it will probably die?

Mr. FISH. I knew that. I am glad the gentleman stated it; but, after all, you have a Democratic Congress and a Democratic Senate. You say to me, "Bring it out." How could I bring it out? You are responsible for legislation. You have a 3 to 1 vote in the Senate and a 3 to 1 vote here. I believe that bill would be a great deterrent to war. I do not mind saying that I loathe and abhor war. There is almost nothing that I would not do to prevent war or to make it less likely. Take the profit out of war, so in another war industry will not make all these unlimited millions. I believe there were 23 new millionaires made in the United States during the last war. They will not have that incentive to go to war, if the universal-service or draft bill is enacted into law. I believe in the incentive of the profit system and in the American industrial system based upon private initiative and reasonable profit; but, if we do not take the profit out of war in future wars, particularly the munition industry, then I am for Government ownership and operation of the munition industry in America. [Applause.]

Mr. LUDLOW. Will the gentleman yield?

Mr. FISH. I yield for a brief question.

Mr. LUDLOW. The gentleman is making a most interesting and illuminating address. I wonder if he would tell the House what he thinks of a popular vote on the declaration of war.

Mr. FISH. I will say to the gentleman that I introduced such a resolution 5 or 6 years ago in the Committee on Foreign Affairs. I am still for it.

Mr. LUDLOW. Does not the gentleman think that would be a deterrent to war?

Mr. FISH. I certainly do. I will vote for it. Such a man as Ambassador Houghton, of New York, a former Member of this House, an ultraconservative, if there is one, Ambassador to both Germany and Great Britain, advocated the very same thing. I see some objections to it, but it ought to be brought up and discussed, because at least the people ought to have a right to say whether we go to war or not.

Mr. LUDLOW. Mr. Chairman, will the gentleman indulge me further?

Mr. FISH. Very briefly; yes.

Mr. LUDLOW. I would like, with the gentleman's indulgence, to say that I have introduced such a resolution, House Joint Resolution 167, and there is a petition, no. 28, pending at the Speaker's desk, to discharge the Committee on the Judiciary from consideration of that resolution. I wish every Member would sign that petition.

Mr. FISH. I will say to the gentleman that I will be glad to sign it. I did not know it was before our committee. At least we ought to discuss such a proposal and vote on it. I do not believe anybody has discussed the question of war or peace since this session of Congress began, and yet it is the greatest problem in the world today, even greater than our own problems, making some of them appear very small when we hear them discussed. I am with the gentleman, but pending that I am for national defense. I am for an adequate national defense. I am for a navy second to none. I stand with Bourke Cockran when he made the statement that "a second best navy is like a second best hand in poker—it is not worth a damn."

I believe in national defense for purposes of defense but not for aggression. We have no selfish or ulterior motives in America. There is no Member of this House, Republican or Democrat, who would vote to take an inch of territory anywhere in the world; yet all these old nations of the world look upon us as imperialistic and militaristic. Let us be fair. We are a peaceful, peace-loving Nation. We have a few jingoes in our midst, even in Congress and among the people back home, but 99 percent are peace loving. They want to keep out of these European entanglements. We have had one World War, and that is enough. My remarks today are aimed at asking the Congress to take up these war debts, to take up the McSwain bill, to consider a referendum vote on war, to urge a multilateral treaty against the sale of munitions of war. We have agreed not to sell them to belligerent nations. Why should we not ask other nations of the world not to sell them? We have entered into the Kellogg-Briand Pact to arbitrate our international disputes. That is a multilateral treaty agreeing not to go to war as an instrument of national policy except in defense of our own territory. Is not the next logical step to ask those same nations, since we refuse to sell munitions of war, to sign a multilateral pact likewise not to sell munitions of war? If you outlaw war, you ought to outlaw munitions and the sale of munitions of war. [Applause.]

The CHAIRMAN. The time of the gentleman from New York [Mr. FISH] has expired.

Mr. POWERS. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. PITTENGER].

Mr. PITTENGER. Mr. Chairman, I thank the gentleman from New Jersey for granting me this time. There are just two matters to which I wish to direct attention. First, I have here a communication from the gentleman from Oklahoma [Mr. NICHOLS] calling attention to the fact that some of the C. C. C. camps are to be abandoned and enrollment curtailed.

Mr. Chairman, I want to join with my colleague the Honorable JACK NICHOLS, of Oklahoma, in his protest against reduction of Civilian Conservation Corps. The activities of this branch of the Government are worth while, and money

expended on C. C. C. camps does return dividends. It is reported that many of these camps are to be abandoned and the number of young men enrolled in this Civilian Conservation Corps is to be reduced.

Many of us have expressed vigorous objection to the waste of public funds, but I do not know of anyone who has considered the activities of the C. C. C. camps subject to that criticism. The C. C. C. work ought to be continued, and instead of a reduction in enrollment, additional young men should be permitted to join this organization, and the scope of its activity should be enlarged. If this order to abandon camps where money has already been spent to construct the same, and to discharge many young men already in these camps, many of whose families are on relief rolls, it will be just another example of governmental inefficiency. I do not know who is responsible for the bad advice that has been given the executive officials. I do say that they have had bad advice from someone, because the abandonment of these camps and the reduction of the personnel is not an economy at all, and will serve to add to the present ranks of the unemployed, and will make the relief problems of our communities more complicated and burdensome.

I sincerely hope that this order may be rescinded, and that the worth while work now being carried on by the Civilian Conservation Corps may be continued. [Applause.]

THE GREAT LAKES-ST. LAWRENCE WATERWAY PROJECT

Mr. Chairman, I wish now to speak of the St. Lawrence waterway project. A group of public-spirited citizens are in session today at Detroit, Mich., for the purpose of furthering efforts to complete the Great Lakes-St. Lawrence waterway project. I think it fitting to call attention to this important conference which is now in progress. A treaty has been negotiated with Canada, and is now pending before the Senate of the United States. This treaty has failed of ratification.

The conference now in session at Detroit has met to discuss the reasons for the failure of the treaty, and to devise new means and methods of having a treaty made with Canada, which can and will be ratified by the Senate of the United States.

It is not my purpose to go into detail about the St. Lawrence waterway project. Most of you are familiar with the fact that the St. Lawrence waterway project is a plan to improve the Great Lakes and the St. Lawrence River so as to permit ocean-going boats to enter the Great Lakes, and likewise permit boats to leave the harbors of the Great Lakes and go direct to the ocean. In other words, the people of the Midwest would have the ocean literally moved several hundred miles inland. The St. Lawrence project, when completed, will give 40,000,000 people an ocean port. It will give them access to the markets of their own country and of foreign nations. It will give them cheap water transportation.

Powerful opposition has developed against this worth-while plan. I do not here go into detail as to the causes and sources of that opposition. On some other occasion I expect to discuss them.

It is to be regretted that during this period of time, when the Government is spending enormous sums of money, and when millions of people are out of work, that a treaty cannot be negotiated with Canada, because thousands of unemployed people could be given employment in completing one of the greatest projects of modern times.

I want to wish for the people who are attending the seaway conference all possible success in their efforts to overcome the opposition to the seaway treaty, and to bring about an early ratification. [Applause.]

Mr. POWERS. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Chairman, on the 7th of February, in my home city of Wausau, Wis., which is the county seat of Marathon County, a large dairy-producing county, there was a meeting of interested parties, including farmers, businessmen, and dairymen, at which time resolutions were adopted protesting against the Canadian and Swiss reciprocal-trade agreements. The resolutions adopted at this meeting protested against what they claimed to be a reduction in the tariff rates on butter and other dairy products. The preamble of the resolution contained the statement that the tariff on butter coming in from Canada had been reduced from 14 cents to 8 cents. The persons who wrote this particular part of the resolutions were in error, because reciprocal-trade agreements thus far negotiated do not specifically reduce the tariff on butter but do reduce the tariff on other dairy products.

However, in closing their resolution they expressed themselves as follows:

Resolved, That the tariff on butter, cheese, and all other dairy products be restored to such a figure as will furnish adequate protection to our dairy farmers.

They made their position very clear that they wanted more protection for dairy products. Taking the resolution as a whole, no one can come to any other conclusion than that this group of dairy farmers and other citizens were protesting against the provisions of the Canadian reciprocal-trade agreement, which reduced the tariff on dairy products.

This resolution was forwarded on the 10th of February by Mr. E. J. Benson, who is chairman of the Marathon County Board of Supervisors and one of those participating in the meeting, to both United States Senators and to the 10 Members of the House representing the State of Wisconsin in the United States Congress.

The junior Senator from Wisconsin [Mr. DUFFY] apparently forwarded this letter to Secretary of State Hull, because on last Saturday the Milwaukee Sentinel carried an Associated Press dispatch in which it quoted at length from the reply of Secretary Cordell Hull to Senator DUFFY. In this reply an attempt was made to justify the Canadian reciprocal-trade agreement. I have not seen the letter that was sent by Secretary Hull to Senator DUFFY. I have only the newspaper dispatch I referred to a moment ago. I do not know whether the information was released to the newspapers by the Secretary of State or by the junior Senator from Wisconsin. In the newspaper article no reference is made to the fact that there was a reduction made by the reciprocal-trade agreement with Canada in the tariff on cheese. No reference was made at all to the fact that 1,500,000 gallons of cream, either fresh or sour, can be imported, practically all of which will come from Canada at a rate reduced from 56.6 cents per gallon under the tariff act to 35 cents a gallon under the reciprocal-trade agreement. This amount of cream could be used to manufacture more than 6,000,000 pounds of butter; and, if used for that purpose, such butter would actually go on the American market with a tariff reduction which would approximate the reduction of from 14 cents to 8 cents a pound referred to in the resolution. No mention was made of that in this news release. Neither did this letter refer to the fact that the tariff on Cheddar cheese which is generally known as American cheese, was reduced from 7 cents to 5 cents and the ad-valorem duty from not less than 35 percent to not less than 25 percent. No reference was made of these provisions in this newspaper dispatch; but the Secretary of State is quoted as having stated in his letter to Senator DUFFY, as follows:

"No reduction has been made in the duty on butter in any trade agreement negotiated with a foreign country under the Trade Agreement Act of June 12, 1934," Hull wrote. "On the other hand, the trade agreement with Canada has resulted in a tariff reduction from 14 to 12 cents per pound on butter imported into Canada from the United States.

"Thus the trade-agreement program as consummated so far has, in relation to butter, done the exact reverse of what the Marathon County Board of Supervisors believe it has."

He makes quite a point of the fact—and that is the only point in this newspaper article and, I presume, the main point of his letter—that Canada agreed to permit our butter to go into Canada at a 12-cent rate instead of at the rate of 14 cents. He apparently believes this should be a great boon to the dairy industry.

Mr. Chairman, last week I had occasion to look up the price of butter on the Montreal and Chicago markets. The Montreal market on butter that day was 22½ cents and the Chicago market was 35½ cents. If we were to export butter into

Canada and pay the duty of 12 cents, it would mean that the American exporters would receive only 10½ cents a pound for such butter as went to Canada after paying the 12 cents tariff under this act. Let us take the Montreal price of 22½ cents. Deducting the 12 cents tariff, there is left a net of 10½ cents, without any deduction for transportation, which our exporters would receive for the butter.

Mr. Chairman, when butter is selling on the Chicago market for 35½ cents a pound, does anyone think an American exporter would be foolish enough to take the same butter and export it to Canada and receive only 10½ cents a pound? It is ridiculous to assume such a thing could possibly take place.

They try to make some point of the fact we are exporting butter to foreign countries. We export very little. Do you know how much butter we exported to Canada in 1934? One thousand seven hundred and eighty-nine pounds. There were 1,789 pounds of butter exported from this country to Canada in 1934, having a total value of $617. During the same year we imported 8,809 pounds of butter from Canada, having a value of $2,151. In 1935 we exported a little more butter to Canada. During the first 11 months of that year we exported to Canada 29,432 pounds of butter, having a total value of $4,395; but I call attention to the fact that of the 29,432 pounds exported to Canada in the first 11 months of 1935, about 28,000 pounds were exported in the months of August and October.

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BOILEAU. Mr. Chairman, I may say further that of this total amount of 29,432 pounds there was exported to Canada in the month of October alone 22,560 pounds, so that the very great percentage of all the butter exported from the United States to Canada in 1935 was exported in the month of October.

Do you know what American exporters received for this butter sent over to Canada? For 22,560 pounds of butter exported to Canada in the month of October 1935 they received a total of $2,506. That is about 11 cents a pound for butter exported to Canada in October of last year, and at the same time the average price for butter on the Chicago market was 25.39 cents.

New Zealand butter on the London market sold for 25.81 cents at that time. Practically all of the butter sent over to Canada during the year 1935 was exported during the month of October at a price of 11 cents, and at the same time the Chicago market was 25 cents, showing conclusively that this butter was sent over there under abnormal conditions. It was not an ordinary transaction. During the following month, in November 1935, we exported only 3 pounds of butter to Canada.

Mr. Chairman, I have tried to ascertain the facts, but there does not seem to be an explanation forthcoming. We who have been studying this matter have come to the conclusion that the exports in October 1935 must have been of some butter that had been shipped in here from a foreign country, and because of price conditions or something else, the importers got a tariff draw-back and exported it into Canada The point I am trying to make by the use of these figures is that Canada does not ordinarily buy our butter. The Canadian price is always too low for them to buy any appreciable amount of our butter. The only time they will buy our butter, whether there be a 12 or 14 cent tariff duty, is when our price is so low that we cannot afford to sell it to them. It is impossible at the present time for our farmers to sell butter in Canada and receive more than 10 or 11 cents a pound. We cannot afford to enter that kind of a market. Therefore the reduction from 14 to 12 cents a pound on butter going from this country to Canada is absolutely of no benefit to us. There is no sense to it. We cannot take advantage of it.

Mr. Chairman, I call attention further to the fact that New Zealand as a part of the United Kingdom has certain trade preferentials with Canada, which will prevent Canada at all times from being a large user of our dairy products. It cannot buy American dairy butter even with a 12-cent tariff. Canada is not going to buy any of our dairy products, and consequently our dairy farmers will derive no benefits from the trade agreement. It does not help us.

I should like to point out also that this trade agreement with Canada in every respect is detrimental to the dairy interests of this country. There are no concessions for the dairy industry in its provisions. The ridiculous, foolish provision which reduces the tariff on butter from 14 to 12 cents means nothing, because under no condition will they ever buy a large amount of our butter. Even now our price is about 13 cents higher than theirs, and in a short time you will find a great amount of butter coming into the United States, even though we have a tariff rate of 14 cents on such importations. It is silly. Whoever put that so-called concession on butter into the agreement must have thought that we were a lot more gullible than we really are. We are not accepting that as a concession to us. [Applause.] Our farmers realize that there is no benefit to be derived by them as a result of this trade agreement. They realize, however, that when you reduce the tariff on Cheddar cheese from 7 cents to 5 cents a pound that it does mean an awful lot of harm to our farmers.

[Here the gavel fell.]

Mr. SNYDER of Pennsylvania. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina [Mr. LAMBETH].

Mr. LAMBETH. Mr. Chairman, I requested this time in order to ask the gentleman from Wisconsin [Mr. BOILEAU] a question or two. The gentleman has just made a very earnest and impassioned statement on behalf of his dairy farmers. We all know the gentleman from Wisconsin has assumed a rather nonpartisan viewpoint with regard to legislation dealing with farm problems and has helped us in the tobacco- and cotton-growing States so far as legislation is concerned. In fact, I know of no Member of the House who has heretofore taken a more national viewpoint relative to the problems of agriculture.

Mr. BOILEAU. I thank the gentleman.

Mr. LAMBETH. The gentleman has spoken here and attacked our reciprocal-trade agreement with Canada. He made particular reference to its effect on the dairy producers of his State. I should like to ask the gentleman one or two questions.

In the first place, I think the gentleman will agree with me that we have got to look at this problem from a national viewpoint; that is to say, that tariff legislation in the past has been built up along lines of logrolling. This is the question I want to put to the gentleman. Does he not think that if this trade agreement with Canada will result in increased employment in this country, due to a restoration of trade with Canada to more nearly normal levels, as existed prior to the Hawley-Smoot Tariff Act, this will mean more buying power in the United States for the products of the dairies of Wisconsin?

Mr. BOILEAU. I may say to the gentleman that he refers to logrolling; and I want to say to him further that this logrolling is going on under the reciprocal-trade agreements, only the logs are being rolled off of our skids and put on the skids of the industrialists. [Applause.]

Mr. LAMBETH. I want the gentleman to answer my question. I do not believe the gentleman has answered the question.

Mr. BOILEAU. I will say to the gentleman that this country, by and large, will be worse off rather than better off if American agriculture is traded off for American industry.

Mr. LAMBETH. Will the gentleman permit me in my own time to ask him another question?

Mr. BOILEAU. The gentleman has not given me time to answer.

Mr. LAMBETH. The gentleman comes from a section of the country which produces much wheat, and he must be aware of the fact that in 1929 the United States exported to Canada wheat in the value of $27,308,190, while in 1934, after the passage of the Hawley-Smoot Tariff Act, the value

of our wheat exported to Canada was only $15,758. Under the trade agreement, Canada has reduced duty on wheat imported from the United States from 30 to 12 cents per bushel.

The farming industry is dependent on foreign markets if the farms of America are to produce in anything like normal quantities. It is to be regretted that the dairy industry does not feel that it has received fair treatment, but if farming conditions are to improve the problem must be considered from the national viewpoint. It would be extremely unwise to revise our trade agreements in the interest of some special industry and thus start tearing down the structure that promises to be of such great help to the agricultural and business interests of the country as a whole. The reduction of crops is necessary because we have lost our foreign markets. The trade agreements give promise of bringing back these markets and in this way making unnecessary further and continued drastic curtailment of farming operations.

The same selfish interests—termed the "hog combine"—which wrote the Hawley-Smoot prohibitive tariff bill are now seeking to wreck this reciprocal-trade policy of the Roosevelt administration, a national program in the interest of all the people, particularly the unemployed and consumers. I am confident the gentleman will not aline himself with that group.

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield 15 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Chairman, the rural sections of my congressional district, like many of yours, are made up almost exclusively of small farms. We produce no cotton, very little wheat, and perhaps not more than one-fourth of the corn we consume. Much of the income of our farmers is derived from stock raising, poultry, dairy products, fruits, vegetables, and so forth.

I have had hundreds of complaints from the farmers of my district against the A. A. A. They contended that the A. A. A. helped the big farmer, but was very little benefit to the small farmer, as benefits were extended almost exclusively to the big cotton planters of the South and the great wheat, corn, and hog raisers of the North and West. The other day when what I termed as the political, dictatorial, and unconstitutional so-called farm-conservation program was before the House proposing to put into the hands of the Secretary of Agriculture approximately $500,000,000 to build up a political machine and to pay out this money to the big cotton planters of the South and the wheat and corn growers of the North and West, an amendment was offered by the Republicans to limit the amount that any farmer could receive in any 1 year of this relief to $2,000. This amendment was objected to by the Democrats. Motion was made by the Republicans to recommit the bill to the Committee on Agriculture with instructions that they report it back with an amendment limiting the amount of benefits any one farmer could receive in any 1 year to $2,000, and on a roll call, of course, I voted for this motion, as did nearly every other Republican, but the Democrats, having a big majority in the House, defeated it.

Congressman TABER, of New York, a Republican, introduced a resolution, House Resolution 426, on February 21, 1936, which provided that the Secretary of Agriculture be required to furnish to the House of Representatives the names and post-office addresses and the amount paid to each farm producer receiving $2,000 or more in each calendar year under the A. A. A. This resolution was referred to the Committee on Agriculture, which is about 3 to 1 Democratic.

This Committee on Agriculture, controlled by our Democratic friends, made an unfavorable report on this resolution and recommended that the resolution be not passed. On March 2, 1936, this resolution was called up in the House and, as I recall, the chairman of the Committee on Agriculture, a good Democrat, made a motion to table the resolution. The roll was called, and 101 Members voted against the motion to table—these were practically all Republicans—and 244 voted to table the resolution; and, as I recall, all of these were good Democrats, and, of course, the resolution was defeated—and the Secretary of Agriculture will not be required to furnish the representatives in Congress of the American people the names and post-office addresses of the persons who have been paid $2,000 or more a year of benefits under the A. A. A. The adverse report of the Committee on Agriculture filed with their report a letter from Hon. Chester C. Davis, who was the Administrator of the A. A. A. He is the man who distributed more than $1,100,000,000 benefits under the A. A. A. He says in his letter that this information cannot be had, that it is not available; but he makes a more remarkable statement than that in his letter wherein he says "in addition to the fact that the suggested material is not available—the A. A. A. has protected the interests of the individual contract signers by withholding public announcement of individual contract figures. These contracts were agreements between the Secretary of Agriculture and the individual contract signer, and it has been held that the individual producer was entitled to confidential treatment of the contract information." Is not that a very remarkable statement? In the first instance he says that the information is not available and in the second he says that it would not be furnished if it were available because he desires to keep secret all of these contracts for these benefits. He has paid out $1,100,000,000 and yet he says that he is unable to furnish information of the names and post-office addresses of the persons who received $2,000 or more of these benefits in a single year. Have they destroyed the records? I have always understood that the Federal Government kept a record of every penny that has been paid out by the Government. Are there no records of this $1,100,000,000 that have been handed out, and a big part of it just before election time? If the records are not available, why not? Who has them? Why keep these contracts secret? Will they not bear the light of day? Who is being shielded by this secrecy?

BIG FELLOWS GOT THE MONEY

Of this $500,000,000 that the New Deal administration is turning over to Mr. Wallace with dictatorial powers and with practically no strings on it at all, the farmers themselves will not receive as much as $400,000,000. It is claimed that Mr. Wallace, the Secretary of Agriculture, has under him an army of more than 140,000 officeholders. Of course, they will get a big slice of this money. These officeholders will be relieved before the farmers.

Now, there are approximately 7,000,000 farmers in this country. If this fund should be divided equally it would only give each farm about $60. Were we Republicans wrong when we were demanding that no person could be paid more than $2,000 in any one year? It has been freely talked on the floor of this House for some time that last year one big landowner in Texas received over $200,000 of the A. A. A. money not to produce cotton, and so forth. I heard a gentleman, whom I regard to be truthful, say that he saw a check for more than $113,000 to a man under the hog contract. This man had 4½ acres of ground. He was one of these garbage-can hog raisers. He was paid $113,000 not to raise hogs. Yet the New Dealers say that these funds are to help the farmers. There are many rumors of persons receiving $10,000, $40,000, $50,000, and as high as $75,000 of these so-called farm benefits. A short time ago a distinguished Democratic Congressman, representing one of the city districts of Boston, stated on the floor of this House that some firm or individual in his district received a check for $10,000 or more for not raising hogs right in the great city of Boston.

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

Mr. ROBSION of Kentucky. I cannot yield, I do not have the time. I am sorry. Now, if we are going to help the farmers of America this help should be distributed as widely as possible. You cannot help the small farmers of my district and your district unless you place a limit on the fund so that the big fellows will not gobble it all up. I cannot understand the attitude of my Democratic friends in this House refusing to put a limit of $2,000 on the amount that any one farmer shall receive of this money in a year, and I was greatly disappointed when our Democratic friends voted, almost solidly, to defeat the resolution requiring the Secretary of Agriculture to report to the House the names and post-

office addresses of all persons who have received more than $2,000 a year of this farm-relief money. The small farmers in my district and in your district have been receiving nothing, or only a few crumbs that have fallen from the tables of the great cotton planters and the great wheat and corn farmers of the North and West.

How was this money spent in 1933, 1934, and 1935 raised? By heavy processing taxes—sales tax—on cotton, wheat, corn, rice, rye, pork, and so forth. Who paid it? The consumers of flour, meal, meat, and other necessaries of life. Who were these consumers? The small farmers of your district and mine, miners, the railroad workers, shop and mill workers, and our other citizens. They have a right to know if the tax dollars taken from their sweat was paid to the amount of $200,000 to one great plantation of thousands and thousands of acres. They have a right to know if $113,000 was paid to one garbarge-can hog raiser and $10,000 was paid to another so-called hog raiser not to raise hogs in the middle of a great city.

Now the President has asked Congress to put $500,000,000 of new taxes on the American people to raise the money to turn over to Mr. Wallace to spend in this good election year of 1936. Two-thirds of all taxes are paid by the common people. The big fellow puts his taxes on his products and hands the taxes to the consumer. Now these taxpayers have a right, through their Members of Congress, to see that no farmer shall receive more than $2,000 in benefits from this fund, because if you are going to pay a part of the big fellow's $10,000, $113,000, and $200,000 the money will give out and the millions of little farmers will receive nothing. As we have shown, if this fund were equally distributed among all the farmers of the Nation they would get on an average of less than $60 apiece.

If we are going to pay these huge sums to a chosen few, of course, the ordinary and small farmers of your district and mine will not even get crumbs. To limit the amount to $2,000 that any person may receive of these benefits is so manifestly right and fair that I cannot understand why our Democratic friends oppose it. The farmer, with his thousands of acres, and the garbage-can fellows can take care of themselves. They do not need this relief. I want to bring relief to the ordinary and small farmer of my district and the Nation.

The Democrats voted down the proposition for the Secretary of Agriculture to give the post-office addresses and names of those who had received $2,000 or more of the $1,100,000,000 paid out under the A. A. A. in 1933, 1934, and 1935, and the administration has kept these matters secret and refuses to give out the information, because, in my honest opinion, if the American people should learn the facts and see what abuses have been made and the favoritism practiced, this administration would be denounced from one end of the land to the other.

Nearly $700,000,000 of this $1,100,000,000 were paid out to the great wheat growers of the North and West. A few, and only a few, of the farmers of my district and yours received any of these benefits, and they only received crumbs; but the people of your district and mine did pay the high processing taxes—sales taxes—to make these funds available. I want the Republicans in the House and Senate to fight and to continue to fight until this information is forthcoming, so that the American people, who have paid these sales taxes, may know the facts. The small farmers of our Nation have been outraged and discriminated against, and, in my opinion, the publication of this information will clearly demonstrate that fact. [Applause.]

PARTISAN POLITICS

It is most interesting to study the record showing the disbursement of this A. A. A. money. Very little was sent out in July and August in any year. In 1934, when there were many races on for Senators, Congressmen, and Governors, countless millions of dollars were sent out in checks in October. These checks reached the beneficiaries—I cannot say the farmers, because they were not all farmers; many of them were garbage-can, so-called hog raisers and others were imposing upon the Government—just before the November election. There was a tremendous fall-off in the checks sent out in November after the elections. The Democrats know that this is a political bill. They have given Mr. Wallace, Secretary of Agriculture, dictatorial powers. They are turning over to him approximately $500,000,000 without any strings. A good Democrat Congressman from my own State said on the floor of the House when this measure was up that "Mr. Wallace was given greater powers in the spending of this $500,000,000 than had been given to any man in this country. He had dictatorial powers over the farms and farmers of this country", and this good Kentucky Democrat voted against the bill. They did not want Mr. Wallace to have any strings on this big sum of money. They did not want the benefits to any one person limited to $2,000. They wanted him to be able to go out and play Santa Claus in his own way, and, in my opinion, in such a manner as would promote the candidacy of Mr. Roosevelt. These Democrats know that this so-called farm bill will be knocked out as being unconstitutional when it reaches the Supreme Court; but, of course, this cannot happen until the money has been spent and the election is over. If we are going to give out money to help the farmers, I wanted a provision in the bill to make it possible for the ordinary and small farmers of my district to get their part of the money. A man who is such a big farmer that he will receive more than $2,000 of benefits out of this fund does not need the help. Let us help those who need the help. [Applause.]

AMERICAN MARKETS TURNED OVER TO FOREIGN FARMERS

My good friend, Mr. BOILEAU, from Wisconsin, who made such a valiant fight to prevent the discrimination against dairy farmers and stock raisers in this so-called farm-relief bill, just concluded a speech pointing out how the reciprocal-trade agreement between this country and Canada has adversely affected the dairy interest in this country. These reciprocal-trade agreements entered into between this administration and the various countries of the world have taken a big part of the American markets from our own farmers and turned it over to the farmers of foreign countries. We have put heavy sales taxes—processing taxes—on our farm products and raised the price of them, and we have paid our farmers to cut out about 40,000,000 acres of productive lands and produced a scarcity of farm products in this country. The scarcity of farm products and the high prices have produced a very attractive market in this country for the cheaply produced products of foreign countries, and I wish to again emphasize what these sales taxes and reciprocal-trade agreements have done to our import and export trade. In 1935 the importations of wheat from foreign countries into our country increased 2,500 percent over 1934. The importation of pork products from foreign lands increased 3,200 percent in 1935 over 1934, and importations of beef products from various foreign countries into our own country increased 6,000 percent in 1935 over 1934. In other words, we have simply turned over this fine American domestic market for farm products to foreign countries.

I favor a farm program that will protect this American market for American farmers and encourage American farmers to produce sufficient wheat, meat, rye, corn, butter, eggs, poultry, and so forth, to supply our American market; and if we have a surplus, and it would lower the price to sell that surplus in foreign markets, for this country to compensate American farmers for that loss. In my opinion, that would be a sane farm policy. It would insure good markets and good prices for our farmers, and that policy would be a small burden on the American taxpayers as compared with the policy we have been pursuing, and this would be a permanent policy and the American farmer would be free. There would be no favoritism and partisanism shown to a few of the great cotton planters of the South, the wheat and corn growers of the North and West. All farmers would receive a square deal. [Applause.]

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

Mr. ROBSION of Kentucky. I have not the time. I am sorry.

SHALL WE PAY MINERS AND OTHER WORKERS NOT TO PRODUCE?

I have pointed out that we have collected in all about $1,500,000,000 in sales taxes—processing taxes—to pay out mostly to big landowners not to produce. At the same time, we have and are paying out other millions of dollars to bring unproductive land into prduction by reclamation and irrigation projects. What would the people think of the proposition to pay coal miners not to dig coal, to pay railroad workers not to run trains, to pay the shop workers not to build engines and cars and other machinery, to pay the factory workers not to make furniture, clothing, and to pay the millions of other unemployed people not to make toys, dresses, and thousands of other articles? The policy to tax the people to pay the cotton planter, the great wheat and corn grower, and the garbage-can man not to raise hogs, not to produce, cannot be right until we tax the people to pay the miners and these other workers—factory, shop, and mill workers—not to produce. No country every enjoyed prosperity with scarcity. At this time, when there are 12,625,000 unemployed, according to William Green, president, American Federation of Labor, and 20,000,000 Americans needing relief, according to Harry Hopkins, the Relief Administrator, is certainly no time to destroy the necessaries of life and then have them shipped in from foreign countries. The policies of the present administration have contributed to unemployment and have added to the relief rolls.

Let us do the sane, sensible, constitutional, and permanent thing for agriculture, industry, commerce, and labor. For one, I am unwilling to follow this group of political "brain trusters" into the swamps and bogs of paternalism and socialism.

The other nations of the world have come out of the depression and have very little unemployment. The New Deal is not in charge of those countries. Most of them are reaping the benefits of the folly of the New Deal policies in turning over our great American market to the producers of farm and industrial products of foreign countries.

These other countries still believe self-reliance, industry, thrift, and economy are virtues not to be despised. In our own land we not only see unemployment on the increase and relief still at its peak after we have increased the deficits of our country more than $13,000,000,000 and will at the end of this administration see a national debt of more than $35,000,000,000.

It is time that we begin to think in terms of the great American policies and ideals that made us the finest, the richest, and most wonderful Nation on earth.

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

Mr. MARCANTONIO. Mr. Chairman, a great deal has been said and a great deal has been attempted with reference to legislation for the protection of organized labor in the United States. We passed the Wagner-Connery bill last year, and prior to that a half-hearted defeatist effort had been made to enforce section 7 (a) of the N. R. A. With all this talk about protecting labor in the United States, we find, however, that the Government of the United States has been guilty of giving out contracts for Government work to builders in the shipbuilding industry, such as the Bethlehem Co., which has a contract to do some work for the Navy out in San Francisco, where there is now raging a strike; and, also, for instance, last year a contract to the New York Shipbuilding Co. in Camden, N. J., where a strike was in existence for 13 weeks, settled only after the President stepped in. We have now in Rutland, Vt., and the towns adjoining Rutland, the Vermont Marble Co., doing Government work and subjecting its workers to the worst form of terrorism and exploitation. The Vermont Marble Co. furnished the marble for the United States Supreme Court Building, as well as for the Sailors and Soldiers Monument, and it has at present $5,000,000 worth of Government contracts. The employees of the Vermont Marble Co. are out on strike. Just what is this Vermont Marble Co. strike? It is a strike which has been in existence since November. It is a strike upon the part of the workers of the Vermont Marble Co., about 800 of them, who are demanding a decent living wage, and I take this opportunity to present to my colleagues and to call the attention of the country to the nature of the conditions these men have been working under in Rutland, Vt. Incidentally, a committee of prominent citizens in many of the Eastern States went up to Rutland, Vt., to conduct an investigation, and this investigation brought forth many interesting facts.

For instance, the workers in this Vermont Marble Co. received as little as 50 cents and 20 cents a week. That may sound very, very strange, it may sound like fiction, and it sounds unbelievable, but nevertheless the evidence reveals that the men there were receiving 30 cents an hour and receiving $13.30 per week. They were living in company buildings, and they had to pay rent, light, water charges, and pasturage charges. The company took out the charges for rent, the charges for light, the charges for water, the charges for pasturage, and the heads of those families went home on Saturday night, in many instances, with 50 cents a week, and never did that pay envelope have a balance of more than $5 a week. Sometimes those families consisted of 7, 8, or 10 people. I submit that even the most conservative gentlemen of this House cannot disagree with men going out on strike when they are receiving at the end of the week not more than $5 a week, and in many instances, 50 cents and 30 cents per week. Of course, the company was very charitable to those men. They extended their charity in the following respects: When the charges due to the company exceeded the sum of $13.30 per week, the company would voluntarily give to the worker 20 cents, so that he could travel back home. They also established a hospital. The family which owns the Vermont Marble Co. is one of the oldest dynasties in the State of Vermont. There have been three or four governors from that family. Naturally they go in for charity. They established a hospital there. This hospital gives the workers a very great benefit, to wit, the employees of the Vermont Marble Co. may use that hospital at the rate of only $3 per day, while those who are not employees may use that hospital at $3.50 per day. It is just like a salesman for the Lincoln automobile going up to an unemployed man on relief and informing him that he can buy a Lincoln car for $500 less than it actually costs. [Laughter.]

Now, what is more vicious than this is that while those men were on strike—and they still are—they naturally have applied for relief and have been unable to obtain it. The State of Vermont does not spend one penny for relief. Relief is provided by the towns. The distribution of relief is in the hands of the so-called overseer of the poor, a left-over of rugged individualism. Incidentally the law of the State of Vermont provides, among other things, that when the superintendent of schools finds that a child cannot come to school because of lack of clothing or food, he directs the overseer of the poor to supply that family with proper food and clothing. In many instances this was refused, and it was repeatedly refused. The workers who are on strike have received practically no relief at all from the various overseers of the poor in that community. In one case, one decent district attorney took up the case and he indicted the overseer of the poor. The man who testified against him was the superintendent of schools. A jury trial was held and the overseer of the poor was found guilty, but it is very, very interesting indeed that the overseer of the poor, a certain John F. Dwyer, was the foreman of the Vermont Marble Co. at Central Rutland, Vt., who was represented by the law firm of Lawrence, Stafford & O'Brien, attorneys for the Vermont Marble Co., and that same law firm of Lawrence, Stafford & O'Brien also represents the town of Rutland, Vt., and of Central Rutland, and they also represent the body of selectmen of those towns. So that the strikers in Rutland, Vt., the strikers in the Vermont Marble Co. plant, are even deprived of relief due to this close tie-up between the overseers of the poor and the company, which refuses to pay these people more than a maximum wage of $5 per week, and in many instances 50, 20, and 30 cents per week.

However, this same State which refuses to help these strikers by means of relief, has not hesitated at all in spending from $800 to $1,700 per week for deputies. They have 16

deputies employed, and the State pays those 16 deputies from $800 to $1,700 per week. The company which refuses to give any increase in wages at all is paying $5 a day to 80 men who have been deputized by the State. Many of those deputies have been found guilty of drunkenness, assault, and reckless driving. They have terrorized those communities. In one instance a man of 70 years of age, a peddler, was beaten by these deputies. He had no connection at all with the strike, but he was almost beaten to death. It may be asked, "Why does this situation concern the Congress?" I say it does concern the Congress, because the Vermont Marble Co. today actually has $5,000,000 worth of contracts with the Government of the United States. The marble in that Supreme Court building has been furnished by the Vermont Marble Co. This company, incidentally, which claims poverty, and which says it cannot pay any decent wages, according to the statistics given us by the Standard Statistics, which is a reliable authority and accepted by all business firms in the United States, has accounts payable $119,000 against an inventory of $1,000,000; cash on hand, $65,000; accounts receivable, $1,100,000, mostly from the United States Government; land and buildings, $5,000,000; investments in subsidiary concerns, $3,000,000. This same company, which refuses decent wages, has been paying a 5-percent dividend regularly on its preferred stock.

We can talk about the Wagner-Connery bill, we can demagogue about labor all we please, we can make speeches for home consumption, about the protection of labor, but I submit that the administration cannot in one breath say it intends to protect labor and in the other breath hand out contracts to people like the Vermont Marble Co. which is exploiting labor. I do not mean to insult the dignity of the Supreme Court, but I say that the marble with which the Supreme Court building has been built is stained with the blood of the exploited wage slaves of Vermont.

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

Mr. MARCANTONIO. Let me complete my thought first and then I shall yield.

When we passed the N. R. A. and the Wagner-Connery Act, employers went into court and tried to have them declared unconstitutional. One thing these companies cannot have declared unconstitutional is the power of Congress to require that before a Government contract is let, the bidders shall agree to proper labor conditions and a decent standard of wages as conditions precedent. The hours of labor and the wages should be fixed in these contracts, and every bidder awarded a contract for any kind of work should be compelled to sign an agreement as to hours and wages. We cannot ask industry in one breath to give labor a square deal when in the next breath we let our contracts running into millions of dollars to people and to groups who are exploiting labor, not only profiteering on labor but the profiteering made possible by money furnished by the Government of the United States.

I believe a law should be passed by Congress compelling the Executive and the various Cabinet officers to include in every contract they let, terms as to wages and as to hours. In this manner only can we prevent exploiters from exploiting labor with Government money. In other words, we should stop demagoguing here about protecting labor's rights on the one hand when on the other we permit the administration and many of its Cabinet officers to let out contracts that disregard the rights of labor.

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

Mr. MARCANTONIO. I yield.

Mr. McCORMACK. I think the gentleman is correct in his statement as to the power of Congress to impose conditions precedent to the granting of a contract. I have listened with great interest to what the gentleman has said, and if those facts are true, of course nobody can escape agreeing with the gentleman in his observations. I have always felt, however, that the mandatory provision of the law compelling department heads to award contracts to the lowest responsible bidder has worked a hardship in this respect that might be obviated by giving some discretion to a department head where a bidder has satisfied him as to the payment of the prevailing wages and compliance with other conditions with reference to labor.

Mr. MARCANTONIO. I thank the gentleman for his observation.

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

Mr. MARCANTONIO. Yes.

Mr. FIESINGER. The gentleman spoke about exploiting labor and stated that the Supreme Court Building was built with the blood of wage slaves——

Mr. MARCANTONIO. I did not say that. What I said was that the marble in it was stained with the blood of wage slaves.

Mr. FIESINGER. Is it not a fact that the fault lies with Congress rather than with the Executive and the administration?

Mr. MARCANTONIO. It is the fault of both. The following is a report of impartial citizens, headed by Mr. Rockwell Kent, made after a thorough investigation of the cruel exploitation of labor carried on by the Vermont Marble Co., a beneficiary under United States contracts.

We find the conditions prior to the strike as follows:

First. That the wages received by the men working for the Vermont Marble Co. in those occupations represented by the unions were inadequate to sustain a decent standard of living.

Second. The company had continued to pay regular dividends on its preferred stock at the rate of 5 percent and has continued to pay on its common stock. The company's statement shows as of December 31, 1935, total assets of $11,203,376 against liabilities of $119,043, nearly half of assets being in liquid condition such as investments, cash, and accounts receivable.

Third. The company is adequately able to increase wages to its employees.

Fourth. The company has refused to bargain collectively with the union although it at all times represented a majority of the employees in quarrying and marble work, including carpenters, electricians, and railroad workers.

Fifth. The company, in refusing to sign an agreement with the union, could not have legitimately done so on the ground that the union demanded a closed shop, since that demand was waived early in the negotiations.

Sixth. The company refused even to incorporate in a working agreement provisions as to working conditions.

Seventh. The company refused to consider the question of a pay raise. It did not merely refuse to grant the demands of the strikers, but utterly refused any increase, even though the company has recently had large contracts with the United States Government, including the supplying of stone for the United States Supreme Court Building.

We find the following facts as to the period since the strike was declared:

Eighth. The strike was conducted in an orderly and lawful way by the strikers.

Ninth. We find that the company employed deputy sheriffs and paid for them out of its own funds; that such practice is not conducive to fair and impartial execution of the law, and in this case has led to abuse of authority. Subsequently the State of Vermont retained deputy sheriffs at its expense. The State of Vermont, while contributing $800 to $1,700 a week for the pay of deputy sheriffs to the number of 16 employed by it, gave nothing and never has given anything in the form of relief to the strikers. We find that the employment of these unneeded deputies on behalf of the company and the refusal to grant relief to strikers constitutes discrimination.

Tenth. The Vermont Marble Co. is employing upward of 80 deputy sheriffs and paying them at the rate of $5 per day and maintenance, although the company pleaded inability to increase the wages of its workers.

Eleventh. The deputies called into the situation and employed by the company were called in reality in the capacity of professional strikebreakers, having earned that character during the Barre strike in the granite industry. They were

persons of unfit character to preserve law and order. They acted in a provocative manner and for the purpose of provoking strikers into unlawful action.

Twelfth. With the exception of one demonstration following immediately after provocation by strikebreakers under protection of deputies, there has been no disorder by the strikers. There is no evidence whatsoever to show any connection between the strikers and certain alleged dynamitings, and no substantiation for the accusation by the company against the strikers.

Thirteenth. During the strike strikers though in dire need of relief to maintain a subsistence level of life, have been denied relief, and one relief official, who is also a supervisor employee of the company, has been convicted after a jury trial of illegally refusing relief to the family of a striker.

We find that no adequate system of relief can be devised until the relief problem is faced and handled by the State itself rather than by local officials. We find that the relief situation in the communities is too closely tied up with and controlled by the Vermont Marble Co. to give the basis for any reasonable expectation that relief conditions will be improved without State and Federal intervention.

Fourteenth. We find that the company has threatened to evict at least 186 of its striking employees from their houses on April 1. We find this to be a provocative act, calculated to stir the strikers to unlawful action.

Fifteenth. We find that the company has embarked upon a policy of stirring up feeling as between the various nationalities among these workers for the purpose of creating animosities among its workers, particularly toward non-native-born employees.

Sixteenth. We find that the sheriff of the county is incapable and unfit to protect the rights of strikers.

Seventeenth. We find that the Governor of the State of Vermont has already too long failed to intervene officially in the situation and to require the company to meet with the union in an honest effort to negotiate a settlement of the controversy, and has failed to require the commissioner of industry to investigate the dispute, hold public hearings thereon, inquire into wage conditions, and offer to arbitrate the dispute, though the law of Vermont makes express provision for such action by the Governor and/or the commissioner. The commissioner, who was appointed to this office by a protégé of the persons controlling the company, has signally failed to perform his duties.

We find that the Conciliation Service of the United States Department of Labor has delayed unreasonably in making any report public of what it has found through the investigations of Conciliator Post as available in Washington.

Mr. SNYDER of Pennsylvania. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, so long as I am a member of a committee and that committee takes unanimous action on a bill, you will find me on the floor ready at all times to defend that committee against any unjust attack anyone may make on it.

Mr. Chairman, I have in my hand a copy of the Washington Star for March 8, 1936, where practically a whole page is used in attacking the Committee on Appropriations respecting the District appropriation bill, and this attack is made under the heading "Errors and Half-truths." If you will compare the assertions and contentions made by the Star under this heading with the admissions made by the District Commissioners in their testimony before our committee, you will agree that the heading is proper, because every criticizing assertion made by the Star is an error or a half-truth.

As a metropolitan newspaper that purveys news generally to the people, outside of the one subject of taxation in Washington, and its continued efforts to get rid of me, there is no better paper in the United States than the Washington Star. It is otherwise accurate and reliable, but when it comes to fighting for nominal taxes in the District of Columbia and trying to make the Government pay most of the local civic expenses here, and when it comes to getting their tremendously valuable paper here assessed as low as possible and paying as little tax on it as possible, and trying to down me because I oppose them, you cannot rely on a single statement it puts in its pages, not one.

UNANIMOUSLY REPORTED BY COMMITTEE OF 39 MEMBERS

First, I want to call your attention to the fact that the District of Columbia appropriation bill was unanimously reported by the Committee on Appropriations. It is the largest committee in the House of Representatives. No other House committee has more than 28 members. The Committee on Appropriations is composed of 39 Members of this House.

Some of these Members have been here for years, many of them have served here over 20 years. You will not find a more valuable Member of Congress on any committee here than our friend from New York [Mr. TABER], even if he is a partisan Republican. I fight across the aisle with him, but he is an outstanding, valuable Member of this Congress. Do you think he would stand for anything that was not fair and right to the people? He ably represents the minority. He is the ranking outstanding minority member of that big Committee on Appropriations, consisting of 39 members. Why, it is his privilege and his prerogative on this floor when a bill is brought in that is not just and fair to everyone, to get up here and denounce it. We had nearly 3 days of general debate on that bill. Every member who asked to speak on it was given time, everyone. Not a single member of that big committee of 39 members spoke against the bill. That bill came here with a unanimous report from the subcommittee that held the hearings and framed the bill. It came here with a unanimous report from the full committee—the 39 members of the Committee on Appropriations.

EIGHTY-THREE PAGES READ AND ADOPTED WITHOUT ANY AMENDMENT

Not one of the 39 members of that committee rose to attack it during the time the 83 pages of that bill were read and approved. There was not a single amendment adopted by the membership of the House.

As each paragraph of the bill was read, any Member could have offered an amendment to it. After each paragraph any Member could have spoken against it by moving to strike out the last word. The Washington Star made a ridiculous assertion here about the Chairman of the Committee of the Whole House who presided in the chair while the bill was read, and who once presided over his own State legislature in Missouri. He was fair and square. When he left the chair, upon the Speaker resuming it, he received applause from the membership because of his ability and fairness. I have reference to the distinguished gentleman from Missouri [Mr. NELSON].

Yet the Washington Star said that when the gentleman from Illinois [Mr. DIRKSEN] offered an amendment there was but one vote against the amendment, yet the Chair declared the amendment lost. Does the Star not know that the gentleman from Illinois [Mr. DIRKSEN] knows the rules of this House? Does the Star not know that he is an able Member of this House and knows how to preserve his rights? Does the Star not know that if he had had any idea he could have gotten over 8 or 10 votes for his amendment he would have asked for a division? The fact he did not ask for a division showed that he realized his amendment would receive only a few votes and had no chance whatever of passing.

VOTE 290 FOR, ONLY 26 AGAINST

The Star also stated that we would not allow the distinguished gentlewoman from New Jersey [Mrs. NORTON] to speak on her amendment to add $3,000,000 to the Federal contribution. She did not ask to speak. She asked for no time. She could have gotten 30 minutes in general debate if she had asked for the time. If she had asked for it on the floor, before debate had been closed, she could have been granted 5 minutes on every single paragraph of the bill by moving to strike out the last word. She did not ask for even a minute. So that neither the Washington Star nor any other newspaper may again misrepresent the facts, I

quote from the RECORD just what happened, which is shown on pages 3374 and 3375 of the RECORD for March 5, 1936, to wit:

Mr. BLANTON. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in 10 minutes.

The motion was agreed to.

Then after debate had been exhausted, and there was no further time left for debate, the following occurred:

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. ZIONCHECK].

The amendment was rejected.

Mrs. NORTON. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

"Amendment offered by Mrs. NORTON: On page 2, line 7, after the word 'addition', strike out the figures '$2,700,000' and insert in lieu thereof '$5,700,000.'"

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New Jersey [Mrs. NORTON].

The question was taken; and on a division (demanded by Mrs. NORTON) there were—ayes 17, noes 54.

Mrs. NORTON. Mr. Chairman, I make the point of order that there is not a quorum present, and I object to the vote on that ground.

Mr. BLANTON. That will not secure a vote on the amendment, I will say to the gentlewoman from New Jersey. It will produce a quorum only.

Mrs. NORTON. That is all that is necessary.

Mr. BLANTON. Mr. Chairman, on that vote I demand tellers.

The CHAIRMAN. Does the gentlewoman from New Jersey withdraw her point of no quorum?

Mrs. NORTON. No. I insist on the point of order. I made the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and sixteen Members are present, a quorum.

The amendment was rejected.

It will be noted from the above that the gentlewoman from New Jersey [Mrs. NORTON] did not even ask for any time.

Then the next day, when the bill was finally passed, I quote from page 3399 of the RECORD for March 6, 1936, as to what actually occurred, to wit:

Mr. BLANTON. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

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

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

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

Mrs. NORTON. Mr. Speaker, I demand the yeas and nays on the passage of the bill.

The SPEAKER. The gentlewoman from New Jersey demands the yeas and nays. All in favor of ordering the yeas and nays will rise and stand until counted. [After counting.] Seven Members have arisen; not a sufficient number.

Mrs. NORTON. Mr. Speaker, I demand a division.

The House divided; and there were—ayes 138, noes 11.

Mrs. NORTON. Mr. Speaker, I object to the vote on the ground that there is no quorum present, and I make the point of order that there is no quorum present.

The SPEAKER. The gentlewoman from New Jersey makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and eighty Members present; not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 290, nays 26, answered "present" 1, not voting 113.

Hence, it will be observed, Mr. Chairman, that not one thing was done by anyone to prevent the gentlewoman from New Jersey from speaking. She did not speak because she did not take advantage of her opportunities. For, as previously stated, she could have spoken at length in general debate had she requested time. She could have moved to strike out the last word after the reading of any paragraph on any of the 83 pages of the bill.

When the paragraph she sought to amend was read, by asking for time before motion for debate had been passed, it would have been granted her, but she did not ask for time. When the Washington newspapers assert that she could not get any time to speak on her amendment they are imposing upon the credulity of the Washington people. She could have arranged for time very easily if she had asked for it at the time the chairman in charge of the bill moved to close debate. But she did not ask for it. It was her fault. She can blame no one but herself when she failed to ask for time. Even if she had spoken an hour, she would not have changed results. Every Member present knew exactly what was the issue. Every Member knew that the issue was whether the people of the United States, in the 48 States, who have to pay all of their own taxes at home, were to be forced to pay $2,700,000 or $5,700,000 on the expenses of the Washington people in the District of Columbia. The lady was able to get only 16 Members to vote with her to add $3,000,000 to the amount the people in the 48 States would have to pay on Washington local civic expenses. And when she forced a roll-call vote in the House on the passage of the bill she could get only 25 Members to vote with her against the passage of the bill, while 290 Members voted to pass the bill.

LAW REQUIRING FULL-VALUE ASSESSMENT GENERALLY VIOLATED

While the law requires all real property in the District of Columbia to be assessed at full value, this law is generally ignored and violated, and in most cases property is assessed at about one-half, or less than one-half, of full value.

I invite the attention of my colleagues, and of the people of Washington, to the renditions of prominent officials and citizens of Washington, shown on pages 19 to 48 of the hearings on the District of Columbia appropriation bill for 1937. Some of these citizens would not sell their property for three times the amount at which it is rendered for taxes.

I challenge the Washington Star to publish a list of its properties and assessed values set forth on pages 20, 21, and 22 of said hearings. It will not dare to do it. The owners of the Star know full well that they would not under any circumstances sell the Washington Star for twice the sum at which it is assessed.

TAXES OF ONLY $2.97 PAID ON TWO PACKARD AUTOMOBILES

Mr. Fleming Newbold is the business manager of the Washington Star. His two family automobiles are both Packards, yet on the two of them he pays only $2.97 annual taxes. This business manager of the Washington Star pays only $1 per year for registration and license number tags on each of his Packard limousines. Is not that ridiculous? There is no other city in the United States that would permit it. This business manager of the Washington Star renders for taxes intangible property at an assessed value of $40,728, upon which he has to pay an annual tax of only $203.64, because the rate here is only one-half of 1 percent—cheaper than the rate in any other city in the whole United States—and he gets away with it because this is the Nation's seat of government; and his big $5,000,000 newspaper, by condemning every Congressman who dares to oppose it, has been able to influence Congress each year to provide a large Federal contribution out of the people's Treasury to pay much of the local civic expenses here that ought to be borne by Washington people; and he and his Washington Star and other Washingtonians are thus relieved of paying a just and fair tax that the people everywhere else in the United States have to pay.

This business manager of the Washington Star has his family library exempt from taxes, no matter how much money it is worth. He has his family wearing apparel exempt from taxes, no matter how much money it is worth. He has $1,000 of household furniture exempt from taxes. He renders all of his tangible personal property at an assessed valuation of only $4,500, upon which he pays an annual tax of only $67.50. This business manager of the Washington Star renders his fine residential property at 1720 Massachusetts Avenue NW. at an assessed value of only $31,543, upon which he pays an annual tax of only $471.82. He has his water for his above properties furnished to him for the nominal charge of only $10.45 per year, less than a dollar per month. Where in the United States, outside of Washington, would this business manager of the Star be able to pay such nominal taxes on his properties? He cannot find another city in the United States that would let him get away with it. Yet his salary, or net income, last year was $31,543, as published recently by several Washington newspapers. Here in Washington he pays only 2 cents gasoline tax. He pays no income tax. He pays no estate tax. He pays no inheritance tax. He pays no gift tax. He pays no sales tax. Yet

people in some other nearby cities have all of these taxes to pay.

This business manager of the Washington Star has no county tax to pay. He has no State tax to pay. He has no special school tax to pay. He has no special courthouse or jail tax to pay. He has no special water tax to pay. Yet citizens in other cities of the United States have to pay all of the above taxes in addition to their city tax. He pays only one tax on real estate, and that is $1.50 per $100, or $15 on the $1,000, with the property here in Washington generally assessed at about one-half of its real value. This business manager of the Washington Star has no sewer-service charge to pay each month. Not since sewer connection was first installed in his residence, and then at less than its cost, has he paid one cent for sewer service throughout all the years he has occupied his residence. He paid not one cent extra for the trees contiguous to his property. They were furnished without charge to him, were planted without charge to him, were protected with lumber frames around them until their growth started, have been pruned every year, have been sprayed every year, and have been replaced when any have died, all without any charge to him, notwithstanding the fact that in every other city in the United States the owner of the property, in addition to his regular taxes, has to pay for all of the above services.

This business manager of the Washington Star has his ashes gathered free; he has his garbage gathered free; he has his trash gathered free, while in some cities citizens have to pay for these services in addition to their regular taxes. This Washington business manager of the Washington Star, Mr. Fleming Newbold, does not have to pay one cent for repairing or replacing the sidewalks in front of and around his property, or for repairing or repaving the street contiguous to his property, while citizens of some other cities have to pay for such service in addition to their regular taxes. And what privileges this business manager of the Washington Star receives here in Washington at such nominal cost all of the other officials and owners of the Washington Star likewise receive in Washington. Yet they are always bellyaching because the Government does not pay more of their own civic expenses, which the people everywhere else in the United States pay for themselves.

ASSESSED BELOW REAL VALUE, EVEN PRIOR TO 1934

If you will look on pages 63 and 64 of our printed hearings, you will see that a citizen bought a piece of property for $4,500 and made the Government pay $11,500 for it; another citizen bought property for $12,000 and made the Government pay $25,000 for it; another bought a lot for $3,800 and then made the Government pay $8,250 for it; another citizen bought two lots for $16,500 and then made the Government pay $37,500 for them; another citizen bought a lot for $11,000 and then made the Government pay $28,500 for it; another citizen bought a lot for $3,500 and then made the Government pay $12,500 for it.

TAX ASSESSOR RICHARDS ADMITTED LOW ASSESSMENTS

I quote from the printed hearings on pages 64 and 65 the following:

PRICE ASKED FOR JEFFERSON JUNIOR HIGH SCHOOL SITE

Mr. BLANTON. Now, concerning the Jefferson Junior High School, at the time the first jury was empaneled for fixing the value of that site, that jury fixed a value of $105,000. That was several times the value at which it was assessed at that time, was it not?

Mr. RICHARDS. Yes, sir. That was the part, the auditor just reminds me, that was in one ownership.

Mr. BLANTON. That was in one ownership.

Mr. RICHARDS. Yes, sir.

Mr. BLANTON. The Government refused to pay that $105,000. They thought it was outrageous.

Mr. RICHARDS. Yes, sir.

Mr. BLANTON. Then the second jury that was empaneled to condemn that property for the Government awarded $294,000.

Mr. RICHARDS. Yes, sir.

Mr. BLANTON. Yes.

Mr. BLANTON. And they fixed the amount the Government should pay for it at $105,000. Then it was condemned in a second proceeding and Washington citizens then fixed its value at $294,000, but we didn't take it.

I wish you would state to the committee the facts in regard to the property that was purchased in the block upon which the New House Office Building was built, and as to the manner in which the Government was held up on the value of that property. You have made a statement on this particular land in that particular condemnation and as to the different ownerships.

Mr. RICHARDS. A part of the land was purchased outright. I appeared before the committee consisting, I think, of the Speaker of the House, the minority leader, and someone else, and made a statement as to what that property was worth, but I do not think it went to condemnation. I think it was finally purchased.

Mr. BLANTON. All of the property that was purchased outright was purchased at a price far in excess of what it was assessed for taxes at that time.

Mr. RICHARDS. Yes, sir.

Mr. BLANTON. Some of it at several times its assessed value.

Mr. RICHARDS. Yes, sir.

AMOUNTS FAR IN EXCESS OF ASSESSED VALUES PAID

I now want to call your attention to what the Government had to pay for the lots upon which the new Supreme Court Building was constructed, and I quote from page 78 of the printed hearings:

SALE PRICE AND SUBSEQUENT AWARDS BY JURY FOR SUPREME COURT SITE

Mr. RICHARDS. These are some figures in regard to the site of the Supreme Court.

Mr. BLANTON. This data refers to the properties acquired, through condemnation, for the new Supreme Court Building.

Mr. RICHARDS. Yes, sir.

Mr. BLANTON. I read from the tax assessor's data. The following lots are in square 727: Lot no. 18 had sold for $4,500, and the jury awarded for $11,500; lot 19 had sold for $5,500, and the jury awarded $8,500; lot no. 39 sold for $11,000, and the jury awarded $16,000; lot no. 40 sold for $12,000, and the jury awarded for it $25,000; lot no. 41 sold for $10,500, and the jury awarded for it $16,000; lot no. 804 sold for $8,000, and the jury awarded for it $14,500; lot no. 32 sold for $3,800, and the jury awarded for it $8,250.

The following lots are in square 728:

Lot no. 801, sold for $4,800, and the jury awarded for it $7,500; lot no. 802 sold for $6,000, and the jury awarded for it $12,000; lot no. 807 sold for $15,000, and the jury awarded for it $26,000; lots nos. 809 and 810 were sold for $16,500, and the jury awarded for them $37,500; lot no. 814 was sold for $11,000, and the jury awarded for it $28,500; lot no. 822 was sold for $5,650, and the jury awarded for it $10,000; lot no. 823 was sold for $8,500, and the jury awarded for it $17,000; lot no. 826 was sold for $14,500, and the jury awarded for it $19,500; lot no. 827 was sold for $15,000, and the jury awarded for it $19,500; lot no. 31 was sold for $5,100, and the jury awarded for it $13,000; lot no. 832 was sold for $3,500, and the jury awarded for it $12,500.

This statement shows that in the case of property which had sold for $163,850, a jury of Washington citizens, who passed on the matter, required the Government to pay $302,750 in order to secure the property for the Supreme Court Building.

SUGGESTION FROM THE OTHER SIDE OF THE CAPITOL

You will remember, Mr. Chairman, that from the one somewhere else who is always insisting on the United States making a large Federal contribution to the civic expenses of Washington, the newspapers carried a suggestion in the early part of 1934 that one way the Commissioners could lower the amount Washington people would have to pay would be to lower the assessed valuation of the property. The Commissioners took the cue immediately. Notwithstanding that it was already assessed at about one-half of its real value, the Commissioners thereafter in 2 years arbitrarily lowered the assessed value of real property $130,000,000. This is admitted by the testimony of the president of the Board of Commissioners, and I quote his testimony given before us in March 1934 from the printed hearings:

Commissioner HAZEN. The Commissioners would like to call attention to the fact that in the fiscal year 1934 the tax rate of $1.70, which had been in effect during the fiscal years between 1928 and 1933, inclusive, has been reduced to $1.50. This reduction represents a saving to taxpayers in the fiscal year 1934 of $2,445,000.

Moreover, in the fiscal year 1934 the assessed valuation of real estate has been reduced by $80,000,000—a saving to property owners of $1,200,000. The District budget for the fiscal year 1935 is based upon continuing the $1.50 tax rate in that fiscal year.

It is also contemplated that a further reduction in the assessed valuation of real estate of approximately $50,000,000 will be made in 1935.

The Commissioners also invite attention to the recommendation under the chapter for the water service for a 25-percent reduction in water rates for 1935, and an increase in the metered allowance now 7,500 cubic feet to 10,000 cubic feet. This means a saving to water users of about $600,000. In the fiscal year 1934 Congress allowed a discount of 10 percent of the amount of any bill for water charges paid within 15 days after the date of the rendition thereof. It is estimated that this will mean a saving of about $100,000 to water users.

Mr. BLANTON. By a reduction in the assessed valuation of real estate to the extent of $80,000,000, you meant that you distributed that over the general assessments?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. Then you further state:

"It is also contemplated that a further reduction in the assessed value of real estate of approximately $50,000,000 will be made in 1935."

Did you make that further reduction?

Commissioner HAZEN. There was further reduction.

* * * * * * *

Mr. BLANTON. And you did make another reduction, approximately $50,000,000, in assessed values, as noted by the assessor, Mr. Richards, of 10 percent in the assessed valuations?

Mr. RICHARDS. Yes, sir.

Mr. BLANTON. And that was general all over the District?

Mr. RICHARDS. Yes, sir.

Mr. BLANTON. So that property owners, generally, got the benefit of that additional $50,000,000 reduction?

Commissioner HAZEN. That is quite right.

Mr. BLANTON. Then this year and last year you have given the property owners in the District a reduction in the assessed values of real estate of $130,000,000, or 15 percent, have you not?

Commissioner HAZEN. Approximately; yes, sir.

Mr. BLANTON. Then you also say:

"The Commissioners also invite attention to the recommendation under the chapter for the water service for a 25-percent reduction in water rates for 1935 and an increase in the metered allowance, now 7,500 cubic feet, to 10,000 cubic feet. This means a saving to water users of about $600,000."

That was provided?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. So that the property owners of the District got a saving of $600,000 through a decrease in water charges?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. In addition to that $600,000 decrease in water charges, they also got the benefit of the increased metered allowance of 2,500 cubic feet of water?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. Without extra charge?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. So that they got a double benefit in the matter of the water charges?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. Then you further say:

"In the fiscal year 1934 Congress allowed a discount of 10 percent of the amount of any bill for water charges paid within 15 days after the date of the rendition thereof. It is estimated that this will mean a saving of about $100,000 to water users."

That was a saving of $100,000 additional approximately?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. To water users here in Washington?

Commission HAZEN. Yes, sir.

Mr. BLANTON. It is a fact, Mr. Commissioner, that the tax rate this year, the fiscal year 1935, is only $1.50 per 100 on real estate and only $1.50 per 100 on personal property, is it not?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. There is no contemplation in the minds of the Commissioners to increase that tax for next year, 1936? You do not contemplate increasing it?

Commissioner HAZEN. We do not contemplate increasing it.

* * * * * * *

Mr. BLANTON. With that $1.50 tax rate, you stated in your preliminary general statement, that you carried over from the last fiscal year to the present fiscal year a surplus of $4,600,000?

Commissioner HAZEN. That is right.

Mr. BLANTON. And you say that you will inherit next July 1 a surplus of——

Commissioner HAZEN. $2,450,000.

* * * * * * *

Mr. BLANTON. You have also, for this coming fiscal year, a trust fund, as you said in your general statement, of $1,430,000.

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. That is a fund to which you have access, which you get out of the Treasury, regardless of what Congress does in this bill, is it not?

Commissioner HAZEN. Yes, sir.

* * * * * * *

Mr. BLANTON. You have no income tax for the District of Columbia?

Commissioner HAZEN. That is true.

* * * * * * *

Mr. BLANTON. * * *. The tax on intangibles in the District is now what, Mr. Donovan?

Mr. DONOVAN. $5 per thousand.

Mr. BLANTON. That is one-half of 1 percent, is it not?

Mr. DONOVAN. That is right.

* * * * * * *

Mr. BLANTON. In the District of Columbia there is a gasoline tax of 2 cents a gallon?

Commissioner HAZEN. Yes, sir.

* * * * * * *

Mr. BLANTON. In the District of Columbia there is a license-tag tax that people pay in order to get their license plates each year. That amounts to only $1 per car.

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. That would be $1 per car for an $8,000 Rolls-Royce limousine as well as a dollar per car for a Ford or a Chevrolet?

Commissioner HAZEN. Yes, sir.

* * * * * * *

Mr. BLANTON. In the District of Columbia the average water tax per family is now approximately what?

Mr. DONOVAN. It is about $8.75.

Mr. BLANTON. Was not that the tax before Congress reduced it?

Mr. DONOVAN. It was that before Congress reduced it.

Mr. BLANTON. But Congress reduced it?

Mr. DONOVAN. You mean the 25-percent reduction?

Mr. BLANTON. Yes.

* * * * * * *

Mr. BLANTON. In the District of Columbia a man who built a house 25 years ago, and then paid for having his house connected with the sewer system of the District, has not in the last 25 years had to pay a single additional monthly service charge for sewers, has he?

Commissioner HAZEN. No.

Mr. BLANTON. And he will not have to pay any in the future, will he?

Commissioner HAZEN. No, sir.

* * * * * * *

Mr. BLANTON. Mr. Commissioner, you have been a public servant for a long time, and you are intimately acquainted with every detail of Washington business and history. On the whole, can you cite the people of any city of the United States who have better privileges, who are better cared for, than those in the city of Washington?

Commissioner HAZEN. I think that it is the greatest city in the United States.

Mr. BLANTON. And Washington people are better cared for, are least taxed, and have greater privileges than any other people in the United States?

Commissioner HAZEN. I believe they do.

NOT INTERESTED ABOUT RAISING ANY ADDITIONAL REVENUE

If you colleagues will look on page 9 et sequentia of our printed hearings for the 1937 appropriation bill, you will see why the Commissioners are not interested in the Mapes bills, to increase the 2-cent gasoline tax, to increase the $1 license tags tax, to pass an income tax, and other taxes that people in other cities pay, and from such hearings, I quote the following:

Mr. BLANTON. You are acquainted with the four Mapes bills?

Commissioner HAZEN. Yes, sir; somewhat.

Mr. BLANTON. One of those bills has for its purpose to increase the gasoline tax from 2 to 4 cents, to make it comparable with the gasoline tax in other cities.

Commissioner HAZEN. Yes, sir.

The answer is that we have a surplus, and we did not feel we could justifiably increase taxes as long as we had a surplus.

Mr. BLANTON. And it is because you have a large surplus—$3,059,748.70—that you are against that increase-of-gasoline-tax bill?

Commissioner HAZEN. We have to consider the surplus.

Mr. BLANTON. What surplus do you expect to have in the general fund on July 1?

Commissioner HAZEN. $1,992,748.70.

Mr. DONOVAN. That is only in the general fund.

Mr. BLANTON. That is in the general fund. Now, what about the water fund?

Commissioner HAZEN. In the water fund we will have $504,000.

Mr. BLANTON. And in your gasoline-tax fund?

Commissioner HAZEN. $563,000.

Mr. BLANTON. So that aggregates a surplus of $3,059,748.70 on July 1.

GASOLINE TAX IN VARIOUS STATES

Mr. BLANTON. Mr. Commissioner, I call attention to the gasoline tax that is now effective in the cities of various States:

Alabama, 6 cents; Arizona, 5 cents; Arkansas, 6 cents; Colorado, 4 cents; Florida, 7 cents; Georgia, 6 cents; Idaho, 5 cents; Indiana, 4 cents; Kentucky, 5 cents; Louisiana, 5 cents; Maine, 4 cents; Maryland, 4 cents; Nebraska, 4 cents; Nevada, 4 cents; New Hampshire, 4 cents; New Mexico, 5 cents; North Carolina, 6 cents; Ohio, 4 cents; Oklahoma, 4 cents; Oregon, 4 cents; Pennsylvania, 3 cents; South Carolina, 6 cents; Tennessee, 7 cents; Texas, 4 cents; Utah, 4 cents; Vermont, 4 cents; Virginia, 5 cents; Washington (State), 5 cents; West Virginia, 4 cents; Wisconsin, 4 cents; and Wyoming, 4 cents.

But in the District of Columbia the tax is 2 cents per gallon.

Mr. ZIONCHECK. Mr. Chairman, will the gentleman yield for just a slight observation?

Mr. BLANTON. Please let me give these facts first, without interruption. I cannot yield at this time.

Mr. Chairman, for fear I shall not have the time to conclude, I ask unanimous consent to revise and extend my remarks and to insert some data and excerpts that I want to use.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to revise and extend his remarks in the manner indicated. Is there objection?

There was no objection.

Mr. BLANTON. Here are some figures that the President of the United States had gathered last year, which were

gathered under his direction, and you can take them as authentic.

TAX RATE IN DISTRICT COMPARED WITH CITIES OF SIMILAR SIZE

This report of the President's committee which he appointed to investigate the tax rate in the District of Columbia as compared with that in other comparable cities, which is entitled "Comparative Tax Burdens in the District of Columbia and Other Cities", and which was filed in the office of the Secretary of the Treasury on April 8, 1935, states that their analysis is based upon data available January 12, 1935, and from which I quote:

"The following cities of between 300,000 to 825,000 population show Washington to pay the lowest tax rate on $1,000, to wit:

	Tax rate on $1,000
Jersey City, N. J	$40.69
Boston, Mass	37.10
Minneapolis, Minn	30.10
Newark, N. J	29.20
Seattle, Wash	28.13
New Orleans, La	27.58
Baltimore, Md	26.70
Portland, Oreg	26.50
Milwaukee, Wis	26.26
Buffalo, N. Y	25.56
Kansas City, Mo	25.23
Louisville, Ky	24.48
San Francisco, Calif	20.09
Cincinnati, Ohio	18.22
Washington, D. C	15.00

"Table 1, appended, clearly demonstrates that the District of Columbia general property-tax rate of $15 per $1,000 is the lowest obtaining in any city of 300,000 or more population, and that a number of cities have adjusted tax rates of more than twice that obtaining in the District."

In our hearings, Mr. Chairman, it was disclosed that the city officials are wholly inactive and unconcerned about the back real-estate taxes that remain unpaid for each year back to 1877. They were not enough concerned to insist on a law being passed to allow the District of Columbia to take good title under proper sale for delinquent taxes. I had to go to the District Legislative Committee and urge the chairman to report such a bill, and we got her to have the bill reported and passed it here in the House a few days ago. I quote the following from the printed hearings:

UNCOLLECTED REAL-ESTATE TAXES, 1877–1935

Now, Mr. Towers, you are familiar, are you, with the statement that has been furnished by Mr. Richards here, and which came through you, I understand?

Mr. TOWERS. Yes; I got that up for him.

Mr. BLANTON. It shows an uncollected balance of real-estate taxes from 1877 to 1935 of $1,599,568.47.

Mr. TOWERS. Yes, sir.

UNCOLLECTED TAXES FROM 1877 TO 1936

The following is an official statement of a list of uncollected balances of real-estate taxes by years from 1877 to January 1, 1936, furnished by Tax Assessor Richards under the official order of Commissioner Hazen:

List of uncollected balances of real-estate taxes to Jan. 1, 1936, in the amount of $1,599,568.47, representing 57 years

	Balances
1935	$687,996.30
1934	247,818.54
1933	210,001.88
1932	98,602.83
1931	80,041.71
1930	80,716.79
1929	22,304.69
1928	18,827.33
1927	25,187.34
1926	56,369.33
1925	1,625.54
1924	2,758.83
1923	7,899.34
1922	12,441.03
1921	7,182.37
1920	4,122.29
1919	3,554.29
1918	3,000.67
1917	3,882.57
1916	2,823.49
1915	3,123.45
1914	1,657.47
1913	2,125.82
1912	1,177.96
1911	1,067.08
1910	1,932.69
1909	644.83
1908	2,086.80
1907	3,278.29

List of uncollected balances of real-estate taxes to Jan. 1, 1936, in the amount of $1,599,568.47, representing 57 years—Continued

	Balances
1906	$1,158.27
1905	1,061.57
1904	586.24
1903	168.63
1902	599.67
1901	520.26
1900	757.04
1899	670.25
1898	1,211.50
1897	1,564.52
1896	2,548.89
1895	1,281.28
1894	1,490.71
1893	1,145.56
1892	835.19
1891	1,034.45
1890	1,205.47
1889	920.63
1888	1,080.32
1887	1,128.33
1886	905.83
1885	1,211.48
1884	1,108.62
1883	1,897.96
1882	2,164.16
1881	3,831.75
1880	10,292.91
1877	8,706.55
	1,622,954.03
Less overcollection for 1910, 1925, and 1928	22,385.56
Total	1,599,568.47

Mr. BLANTON. Colonel Sultan, this list of unpaid taxes on real estate, dating back as far as 1877, shows uncollected, for 1877, real-estate taxes amounting to $8,706 55, and all the way up, every year, there is an uncollected tax balance.

Are there any steps being taken to collect those taxes?

Colonel SULTAN. Oh, yes, sir. Just why there should be an uncollected balance going back as far as that, frankly, I cannot say.

Mr. BLANTON. In other words, there remains now, previous to the present tax year, from 1877 to 1935, uncollected real-estate taxes of $1,599,568.47.

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

Mr. SNYDER of Pennsylvania. Mr. Chairman, I yield the gentleman 3 minutes more.

Mr. BLANTON. Now, remember, Commissioner Hazen admitted that last year and the year before they had given property owners a reduction of $130,000,000 below the then already low assessed valuation.

Mr. NICHOLS. They do that against the law.

Mr. BLANTON. Yes; they arbitrarily reduced it, in violation of the law.

Yet with these conditions prevailing, where the people of Washington, D. C., are the best treated, have the greatest advantages, and are the least taxed, the Washington newspapers are asserting that certain statesmen elsewhere than in this House are assuring these newspapers that they will restore this $3,000,000 the House has cut off of the Federal contribution, and will restore the unconscionable high salaries that some officials here in Washington have been receiving.

Let them do it! But they are not going to do it without their people back home finding it out. And in my judgment their people back home are going to hold them responsible for such action. Their people back home are getting tired of having to pay their own high taxes in the States and then having to help the overpampered people of Washington pay their local civic expenses here. The time has come when this House of Representatives must stop being the goat. It must stop having to carry the load. It must place the responsibility where it rightfully belongs. It must let the taxpayers of the United States know exactly who it is that is annually placing this burden upon them. And I am going to take upon my shoulders the duty of letting the people of the United States know about it. The people of Washington, D. C., receive the most for their money and pay less taxes than the people in any other city in the whole wide world. [Applause.]

Mr. POWERS. Mr. Chairman, I yield 20 minutes to the gentleman from Oregon [Mr. EKWALL].

Mr. EKWALL. Mr. Chairman, I ask unanimous consent that I may read my manuscript and revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. EKWALL. Mr. Chairman, notwithstanding the various differences of opinion of our Members from time to time, I believe that the Members of the House of Representatives are actuated by a desire to enact such laws as will be beneficial to the whole country. We have endeavored for the past few years to alleviate the suffering and privation incident to the business depression, and to devise ways and means to bring the United States out of the economic slough of despond. Our big problem is, of course, to find a method of supplying work for the ten or twelve million of our unemployed men and women. If we could do this, the depression would be over, and prosperity would be a splendid reality. It is a fact, which every economist of any standing will vouch for, that employment at a fair wage of all who are now unemployed would bring such a revival of business that the wheels of industry would hum in order to supply the demand for goods of every nature. Millions upon millions of dollars would be put in circulation, and business stagnation would be a thing of the past.

AMERICA ALWAYS LAND OF OPPORTUNITY

One thing, above every other, which has made America great, and which has made her the envy of the other nations, has been the golden opportunities which have always been open to everyone here. From the time of the War of the Revolution there have been opportunities for the poor boy or girl to start in business, and, by thrift and application, to make a success of life. A healthy body, a clear brain, and the will to win have been the open sesame to success and fortune. Innumerable men and women throughout the life of our Republic have made a very meager and inauspicious start in business, and, by dint of hard work and application and honest endeavor, have become business leaders in their respective communities. We are proud of such Americans, and the records of their achievements has filled some of the brightest pages in our business history. They have been the inspiration to countless others who have profited by their example. These people have not endeavored to find some short cut to fame and fortune, nor have they tried to invent some lotion to take the place of sweat.

Our country's wealth and prosperity have been largely built up in this manner. Real-estate values have been enhanced manifold by reason of the fact that many small, honestly conducted lines of business have brought demands for stores and good locations. This has, in turn, been most beneficial to every section of our country. It has made it possible for the owners of real estate to receive fair returns on their real-property investments, thus enabling such owners to pay their taxes to the political subdivisions. A great number of varied lines of business in the various communities must necessarily employ many men and women, and thus create a corresponding local circulation of buying power. When the Republic was much younger, the manufacturers of articles of various types sold their goods on merit and left to the individual merchants the problem of making a success or failure of merchandising. Strict application to business, scrupulous honesty, the ability to devise economical methods of handling, proper and humane treatment of employees, and the various other human attributes possessed by some and lacking in others since the beginning of time constituted the broad road between success and failure.

MONOPOLIES ARE CREATED

As time went on, however, shrewd men and women began to create methods of combining various lines of business, and huge monopolies came into being. The obvious reason for the creation of such monopolies was to corner as much business as possible and to force competition to the wall. At first those who devised such combinations were hailed as clever financiers. Our country was still comparatively young, and there was work for all who desired it. As the full realization of the effects of these huge monopolies dawned upon the consciousness of our people, and it was observed that they exercised very powerful influence upon the manufacturers of goods by reason of their large buying power, to the detriment of smaller merchants, serious thought was given to the problem of holding them within reasonable limits. As Frankenstein fashioned a man monster which finally slew his master, so did the monster of monopoly threaten to destroy business itself.

Many years ago, Congress, realizing the seriousness of the situation, undertook to legislate on this subject effectively. Various antitrust laws were enacted, and, in a measure, reached the seat of the abuses. Theodore Roosevelt, at the height of his public career, declared monopoly the enemy, not only of the average citizen, but of free institutions. Woodrow Wilson declared private monopoly intolerable, and that those who would preserve democracy must find the way to be rid of it. Congress passed the Sherman Act, commonly known as the antitrust law, to prevent combinations or trusts in restraint of trade. The Clayton Act was passed to prevent price discrimination. The Federal Trade Commission Act was passed to prevent unfair methods of competition, but neither of these laws has been wholly effective.

ROBINSON-PATMAN EQUAL OPPORTUNITY BILL

There is now before Congress a bill known as the Robinson-Patman bill, being S. 3154 and H. R. 8442, which has for its purpose the amendment of section 2 of the Clayton Act. The bill is designed to accomplish what so far the Clayton Act has done in an impotent manner, namely, to protect the independent merchant, the public which he serves, and the manufacturer from whom he buys, from exploitation by his monopolistic competitor.

Section 2 of the Clayton Act as it now stands raises a feeble gesture against price discrimination. That gesture is futile because it still permits quantity discounts without suggesting any measure or standard to limit their abuse; because, further, it permits price discriminations to meet local competition. For enforcement the act relies upon the cumbersome procedure of the Federal Trade Commission, upon civil suits for injunction to be brought by overloaded United States attorneys, and upon private suits for injunction and for the recovery of triple damages. The latter have seldom proved effective, first, because of the weakness of the prohibition in the act itself; second, because of the difficulty of obtaining evidence; and third, because of the difficulty of proving specific damages to competitors, where damages are so obvious in fact but so indeterminable in amount.

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

Mr. EKWALL. I yield.

Mr. PATMAN. I appreciate the contribution the gentleman is making toward the success of the passage of the bill he mentions. In addition to what the gentleman has already said is the purpose of the act, it is to make the Clayton Act more effective by taking some of the weasel words out.

Mr. EKWALL. Yes.

Mr. PATMAN. And putting some teeth back where they have been extracted by the Supreme Court.

Mr. EKWALL. The gentleman's remarks are correct.

EXPLANATION OF AMENDMENT

These difficulties, the proposed amendment meets in this way:

Section (a) prohibits generally price discrimination between purchasers of goods of like grade and quality, but permits differentials between wholesalers, retailers, consumers, and those who purchase for further manufacture. It also permits differentials representing differences in cost resulting from the differing methods or quantities involved in the sales and deliveries to the particular purchasers involved in the discrimination. It thus throws upon the manufacturer or chain, in case of controversy, the burden of showing that a particular discrimination falls within one of these exceptions, a requirement that is obviously fair, since he knows best what his costs are, and who his customers are, and has at his peculiar command the cost and other record data by which to justify such discriminations if such justification exists.

WHEN BROKERAGE AND COMMISSION ALLOWED

Section (b) prohibits the payment of brokerage or commission in any sales transaction where the broker is acting in fact or under the control not of the one who would pay him the commission but of the other party to the transaction. It is directed against the corruption of the true brokerage function as a real and valuable servant of commerce into a subterfuge for those unfair and coercive price discriminations which constitute such a real menace to commerce. It does not prevent or hamper anyone in rendering real brokerage services, but does not require anyone to pay brokerage; it does not forbid anyone to invest or continue his investment in a brokerage business; but it does forbid the abuse of this or other methods of control whereby the broker is converted into a servant of one part to the transaction at the cost of the other.

PSEUDO-ADVERTISING ALLOWANCES

Section (c) is aimed at the suppression of pseudo-advertising allowances, a favorite disguise for price discriminations which will not bear publicily being named as such. Again, it in no way impairs or obstructs legitimate advertising or the selection and use of such means as are economical and effective for that purpose. Where it is advantageous in these respects to do so it permits the manufacturer, for example, to employ or engage the services of his customers in their respective local communities in lieu of sending out a force of his salaried representatives to handle local advertising. It only imposes upon him two requirements, which are sufficient to remove the competitive wolf from this sheep's clothing. It requires the manufacturer either to make that allowance available on proportionally equal terms to all of his customers within the same competitive sphere or to keep the services concerned divorced from any reference to the business of the particular customer whom the manufacturer selects for the purpose.

PRESUMPTION OF DAMAGES

Section (d) is designed to aid enforcement by providing a presumptive measure of damages, thus avoiding the difficulty of proving specific damages that has afflicted this remedy under the Clayton Act heretofore. It makes the amount of the unlawful discrimination itself the measure of such damages as applied either to the volume of sales on which it is given or to the volume of the competitor's business in the same product, which is the business naturally injured thereby. It is only a presumptive rule, however, and when circumstances are such that greater damages can actually be proven the law would still permit their recovery.

This bill is designed to protect and to secure in the field of merchandising fair and decent competition. It establishes again the birthright of every free American to equal opportunity—equal opportunity to devote his talents and resources to the service of the public, where the homely attributes of honesty and fair dealing, of personality and good name, upon which his forebears builded so well, will once again come into their own; equal opportunity to secure for himself that reasonable return which is commensurate with the service, devotion, and quality value of his contribution to the public.

THIS BILL FOUNDED ON GOLDEN RULE

This bill imposes no obstacles to legitimate and productive human endeavor in any path, nor to the utilization of such economical methods or processes as may be devised by the wit of man, nor to the appropriate division of the fruits of those economies between those who make them possible and those whom they serve. It leaves every person free to make what price or terms he will, to use what services or facilities he has available; but where he might otherwise do so in prejudice to the equal opportunity of his fellows, it requires him to treat all alike. It is founded on principles of human conduct as simple as the Golden Rule—it is fair and right and wholesome—it will wrong no one, and, as surely as day follows the night, it will end the retreat in the face of the business depression. The day this law goes into effect will be recorded as the low-water mark in unemployment, and from that date we will begin in earnest the trek to the mountain top where the sunshine of happiness and opportunity and prosperity will once again shine with full force upon us.

In establishing our great Republic our forefathers set forth in the Declaration of Independence a principle that—

All men are created equal and are endowed by their Creator with certain inalienable rights, among which are life, liberty, and the pursuit of happiness.

This has been the keystone of our political structure, without which there would have been no republic. In order to keep our people contented and happy and to preserve for posterity the blessings which we enjoy in this country, we must not only recognize that all men are created equal; we must also, by just and equitable laws, insure to all a square deal, an equal opportunity to live and prosper; we must eliminate favoritism and special privilege wherever possible and thus perpetuate equality and fair dealing. In this manner, and this manner only, will democratic government survive. [Applause.]

Mr. POWERS. Mr. Chairman, I yield 15 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, I am most reluctant to trespass upon the time of the House at this late hour in the afternoon, but I shall avail myself of one of the prerogatives of a Member by inserting in the RECORD some tables with respect to reciprocal-trade treaties as they affect the State of Illinois, and in connection therewith I ask unanimous consent to extend my remarks and to include, in the language of my good friend from Texas, certain excerpts and data.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to extend his remarks and to include therein certain excerpts and data. Is there objection?

Mr. PATMAN. Mr. Chairman, I reserve the right to object. Do they relate to this banking bill now pending?

Mr. DIRKSEN. No; they relate to reciprocal-trade treaties in their effect upon the State of Illinois.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DIRKSEN. Mr. Chairman, a long time ago a Greek or Roman philosopher said: "Remember, oh stranger, arithmetic is the first of sciences and the mother of invention." That is a pretty good rule to bear in mind, because I suppose it was the inspiration of this old adage that gets around so much about liars being able to figure but figures not lying. One can use figures and distort them to his own use and probably exemplify what Shakespeare once said, that the Devil can cite Scripture for his purpose, but in the final analysis one proves exactly nothing.

When I journey from Washington to Illinois and go through Ohio I see a huge signboard out there along Route 40 which says, "Ye shall know the truth and the truth will set ye free." Occasionally we nail truth down, but do not do a very good job, and it comes up again, and when we discuss this matter of reciprocal-trade treaties and bandy figures about, if they are distorted and if they are not founded in fact, they prove just exactly nothing. So the opponents and proponents of the reciprocal-trade treaties are going to prove their case only in proportion as they adhere strictly to the facts and reliable figures. I have undertaken to do that in connection with some tables that I have assembled, dealing with the effect of reciprocal-trade treaties upon the State of Illinois. This Chamber has resounded with a lot of oratory and rhetoric with respect to reciprocal-trade treaties ever since 1933.

Much of the argument that has been advanced has been ineffective because it has been too local, and some of the argument that has been advanced is ineffective because it is too abstract. I thought it might be a rather interesting thing if one took the whole schedule of reciprocal-trade treaties and related them to every item with which imported goods might be in competition with the items manufactured in a State like Illinois or that are produced and

grown on the farms in Illinois. First of all, I want the RECORD to show the number of treaties in effect, and with what countries. Up to and including the 1st of March 1936, 10 trade agreements had been completed, the first one with Cuba on the 3d of September 1934; with Belgium on May 1, 1935; with Haiti on June 3, 1935; with Sweden, August 5, 1935; with Brazil, January 1, 1936; with Canada, January 1, 1936; with the Netherlands, February 1, 1936; with Switzerland, February 15; and with Honduras, March 2. An agreement has been signed with our little sister republic of South America, Colombia, on the 3d of September 1935, but it does not become effective until 30 days after the signature of the President of the Republic of Colombia, attachés, and that signature has not yet been attached. Incidentally, agreements are pending at the present time with Costa Rica, El Salvador, Finland, France, Guatemala, Italy, Nicaragua, and Spain. With exception of the trade treaty that is in effect with Cuba, concessions that are made under this reciprocal-trade program obtain alike for virtually all of the nations with which we have any kind of a trade status, with the exception of Germany.

So that all the concessions that the United States has made thus far under these treaties to the respective countries named in the 10 treaties that have been signed will run alike to all countries everywhere in the world, with the exception of Germany. Now, how do these agreements affect Illinois? That is the whole purpose of what I want to insert in the RECORD. I am not trying to be persuasive this afternoon, because, after all, the figures are far more persuasive than any rhetoric that I may be able to advance.

The first table I am going to insert deals with Illinois industries as reported by the census of manufactures. It shows all manufacturing industries in Illinois, the number of wage earners in 1933, and the value of the products produced. In addition thereto it will show a total of 38 select industries, with the number of wage earners employed and the value of the product.

The second table will deal with Illinois crops, livestock, and livestock products; showing, first of all, the total income to the farmers in 1933 and 1934 for a total of 78 crops. Then the total of seven major crops.

The next table will show livestock and livestock products, with special emphasis upon six different items that constitute the majority portion of the income of Illinois farmers.

The next table will deal with names of imported commodities and the countries from which they are imported. It is all set up so that at a glance you can tell exactly from what countries these items are imported that are in competition with the products grown or produced in Illinois.

The next table will deal with a select group of 45 products, showing the quantity and value of the imports for 1933, 1934, and 1935. It occurs to me that if these tables are examined with any degree of application by the Members of Congress they are in themselves going to present a rather persuasive picture. But they do not go far enough unless we also show the wage scales that obtain in the different countries where the products are manufactured, that are in competition with the fabricated products from my own State. To make it more persuasive, I have included tables of wages paid in selected German industries, Swiss industries, Swedish industries, wages paid in Canada, wages paid to agricultural workers in Poland, wages paid in selected French industries, wages paid in the United Kingdom, various daily wages paid in Tokyo. These figures have been converted so as to take account of the difference in exchange on the basis of the last figure available, so that no proponent of trade agreements can say that we have left out something by which they can establish some point of dissimilarity when they undertake to make an argument.

About the only thing I want to emphasize in connection with these tables is that the meat-packing industry is not only one of the principal industries in Illinois, but that hogs and cattle make up more than half the income of Illinois farmers. However, despite that fact, the importation of meat products jumped from 62,476,133 pounds in 1933 to 115,059,114 pounds in 1935. That is a jump of over 100 percent.

We have three watch and clock factories in Illinois, yet the value of imported watch and clock movements jumped from $1,656,000 in 1933 to $4,359,247 in 1935.

Corn is the principal cereal grain grown in Illinois. Yet the imports of corn jumped from a mere 160,228 bushels in 1933 to 43,242,296 bushels in 1935. That is a rather healthy increase.

Wheat ranks second as a major cereal grain grown in our State, yet the imports of wheat jumped from 31,383 bushels in 1933 to 27,438,870 bushels in 1935.

I might say in connection with corn that a friend of mine by the name of Ralph T. Ainsworth, of Mason City, Ill., who operates the Ainsworth Financial Service and who has spent a lifetime gathering farm statistics right in the Corn Belt, which he sends to farmers, farm-market operators, and others, had this to say with respect to the importations of Argentine corn. I quote him:

> Argentine corn is sifting its way farther into the interior as each week goes by. The Southern Hemisphere flint corn may now be had as far north as Memphis, as far east as Buffalo, and in all that territory west of the Rocky Mountains—

And then get this significant fact—

> at prices far below the price of domestic corn.

If we can ship corn by the boatload from the Argentine and unload it at Baltimore or Galveston and then send it by rail out into the Corn Belt where we grow millions and millions of bushels of corn, and the price is below the domestic market for corn, you can see what will happen. Mr. Wallace can pass that off by saying that the total importation of corn for 1935 does not exceed the corn grown in a single Iowa county, but that is quite beside the point, for if that flinty Argentine corn comes into the corn market it has a most disastrous effect upon the price, and you will see a recession. I am not a market prophet, but I venture to say that within the next 60 days you are likely to see a 10-cent drop in the price of corn largely because of this low-priced Argentine corn. If the starch factories, farmers, feeders, and others can buy this corn cheaper than they can buy domestic corn, you know what will happen to the domestic price.

Oats is the third largest cereal crop in Illinois. The importation of oats jumped from 132,337 bushels in 1933 to over 10,106,903 bushels in 1935.

It is one of the most amazing things in the history of our internal economy that we have to import so much corn, wheat, and oats when we pay good cash out of Uncle Sam's Treasury to take the most fertile acres in the United States of America out of cultivation in the Prairie State and the Illinois Valley.

Nearly one-third of the cash income of our farmers comes from milk, butter, and dairy products, yet importations of butter jumped from 1,021,806 pounds in 1933 to 22,674,643 pounds in 1935.

I am going to wind up my remarks by this very abrupt observation: That I shall be very much interested in the reactions of laboring men and farmers in Illinois when these authentic, authoritative figures come to their attention. It requires no argument and no persuasion on my part. The figures will speak for themselves.

Now, how do these agreements affect Illinois? The Census of Manufactures, published by the Department of Commerce, shows that in 1933 the manufacturing industries in Illinois, which employed more than 2,500 wage earners, had a total pay roll of 420,334 persons, and that the value of the product of such industries was $2,502,175,233. Sixty-nine percent of these wage earners were employed in the 38 industries listed in the table which I am inserting in the RECORD, and the value of the products of these 38 industries was $1,548,343,441. A glance at this table will indicate what these industries are, what they produce, the number of wage earners employed, and the total value of their products for 1933:

Illinois industries as reported by the Census of Manufactures

	Number of wage earners, 1933	Value of product, 1933
All manufacturing industry in Illinois	420,334	$2,502,175,233
Total of 38 industries shown below	288,800	1,548,343,441
Meat packing, wholesale	23,704	310,160,083
Foundry and machine-shop products, not elsewhere classified	19,936	79,267,032
Steel-works and rolling-mill products	17,005	89,468,556
Boots and shoes, other than rubber	15,759	46,116,782
Printing and publishing, book, music, and job	15,738	81,865,204
Railroad repair shops, steam	15,243	33,633,465
Bread and other bakery products	14,919	78,572,059
Electrical machinery, apparatus, and supplies	14,145	55,976,596
Clothing (except work clothing), men's, youths', and boys', not elsewhere classified	13,448	37,748,369
Confectionery	13,099	64,191,558
Clothing, women's, not elsewhere classified	11,846	38,564,714
Furniture, including store and office fixtures	10,055	28,781,617
Printing and publishing, newspaper and periodical	8,240	93,386,000
Steam and hot-water heating apparatus and steam fittings	6,511	19,981,982
Engines, turbines, tractors, water wheels, and windmills	6,439	27,447,602
Agricultural implements	6,312	15,975,632
Radio apparatus and phonographs	5,029	22,817,933
Tin cans and other tinware not elsewhere classified	4,862	45,472,097
Boxes, paper, not elsewhere classified	4,572	23,930,864
Stoves and ranges (other than electric) and warm-air furnaces	4,108	16,778,871
Knit goods	4,052	11,595,230
Motor-vehicle bodies and motor-vehicle parts	3,869	15,285,209
Canned dried fruits and vegetables; preserves, jellies, fruit butters, pickles, and sauces	3,718	24,830,963
Petroleum refining	3,663	58,305,906
Millinery	3,517	8,975,721
Hardware not elsewhere classified	3,482	11,280,105
Chemicals not elsewhere classified	3,448	30,285,286
Leather: Tanned, curried, and finished	3,403	20,585,647
Nonferrous metal alloys; nonferrous metal products, except aluminum, not elsewhere classified	3,382	20,882,384
Cars, electric and steam railroad, not built in railroad repair shop	3,348	9,309,974
Glass	2,933	14,850,688
Paints and varnishes	2,893	40,260,901
Paper	2,868	18,388,233
Railroad repair shops, electric	2,830	5,880,435
Stamped ware, enameled ware and metal stampings; enameling, japanning, and lacquering	2,805	12,934,821
Wire drawn from purchased rods	2,719	17,958,126
Clocks, watches, time-recording devices, and materials and parts except watchcases	2,656	7,707,212
Signs and advertising novelties	2,244	8,889,684

Now consider the agricultural picture in Illinois. The following table is a tabulation of the principal crops and animal products for 1933 and 1934. The values stated represent cash income and do not include the value of goods consumed on the producing farm nor the amount of benefits received from the A. A. A. The crops listed below constitute 82 percent of the cash income for all Illinois crops for 1933, while livestock products listed represent 99 percent of the cash income for livestock and livestock products for 1933. The figures are taken from the United States Department of Agriculture's Income from Farm Production in the United States, 1934:

Illinois crops and livestock and livestock products

Commodity	Cash income (value of produce sold)	
	1933	1934 (preliminary)
Total for 78 crops	$94,198,000	$88,509,000
Total crops shown below	77,412,000	64,240,000
Corn	43,659,000	34,030,000
Wheat	18,397,000	20,653,000
Oats	8,569,000	2,622,000
Truck crops	4,165,000	3,688,000
All hay	1,943,000	3,114,000
Barley	526,000	16,000
Rye	153,000	117,000
Total livestock and livestock products	162,149,000	183,394,000
Total livestock shown below	160,271,000	180,984,000
Hogs	61,699,000	60,081,000
Milk	[1] 50,492,000	[1] 58,263,000
Cattle and calves	26,482,000	34,701,000
Eggs, chicken	10,898,000	14,402,000
Chickens	8,962,000	11,613,000
Sheep and lambs	1,738,000	1,924,000

[1] Includes milk sold at wholesale, milk retailed by producers, butterfat sold and farm butter sold.

A mere glance at the following tables will show the names of 45 different imported manufactured and agricultural commodities, together with the names of the principal countries from which they are imported. Similar or identical items are produced in the State of Illinois. Hence importations of these commodities make them directly competitive with the products produced in my own State. These importations therefore have a direct bearing upon Illinois industries and upon Illinois labor:

Name of imported commodity	Countries from which imported
1. Meat products	Argentina, Uruguay, New Zealand, Australia.
2. Castings and forgings (not elsewhere specified).	United Kingdom, Germany.
3. Steel ingots, blooms, slabs, etc.	Belgium, Sweden.
4. Sheets and plates of iron or steel	Belgium, Germany, United Kingdom, Sweden.
5. Steel bars including concrete reinforcement bars.	Belgium, Sweden, France, Germany.
6. Wire rods	Sweden.
7. Boots and shoes	Czechoslovakia, Japan, Switzerland, United Kingdom.
8. Electrical machinery and apparatus	Japan, Germany, United Kingdom.
9. Furniture	Poland, Italy, United Kingdom.
10. Engines and turbines	Switzerland, Sweden.
11. Agricultural implements	Canada, United Kingdom, Sweden.
12. Paper boxes	France, United Kingdom.
13. Cotton hosiery	Germany, France, Japan.
14. Wool hosiery	United Kingdom.
15. Wool gloves and mittens	Germany, Japan, United Kingdom.
16. Other wool knit goods	United Kingdom, France.
17. Total chemicals and related products	Germany, Canada, Switzerland.
18. Leather	United Kingdom, Germany.
19. Brass and bronze and products, dutiable.	Germany, United Kingdom, Canada.
20. Glass bottles and other containers	Czechoslovakia, France.
21. Glass illuminating articles	Czechoslovakia, Germany.
22. Chemical pigments	Netherlands, United Kingdom.
23. Paints, stains, and enamels	Netherlands, United Kingdom, Germany.
24. Paperboard, pulpboard and cardboard.	Canada, Finland, Sweden.
25. Round wire	Sweden, United Kingdom.
26. Clocks, including movements and parts.	France, Germany, Switzerland.
27. Watches, including movements and parts.	Switzerland.

Now glance briefly at the following list of agricultural products which are imported, together with the name of the country from whence imported, and you get a conclusive idea of the imports which are in direct competition with the farmers of Illinois. Commodities, identical or similar to the commodities listed as imported, are produced on Illinois farms, as indicated by second table in this series:

Name of imported commodity	Countries from whence imported
28. Corn	Argentina, Canada, Mexico.
29. Wheat (for consumption)	Canada.
30. Oats	Argentina, Canada.
31. Hay	Canada.
32. Barley, hulled or unhulled	Do.
33. Rye	Poland, Argentina, Latvia.
34. Hogs (live)	Canada.
35. Fresh pork	Do.
36. Pork, hams, shoulders, and bacon	Poland, Canada, Germany.
37. Milk and cream	Canada.
38. Butter	New Zealand, Netherlands, Denmark.
39. Cheese	Italy, Switzerland.
40. Cattle (live)	Mexico.
41. Fresh beef	Canada.
42. Canned meats	Uruguay, Argentina.
43. Eggs: Whole dried; yolks, dried; albumen, dried.	China.
44. All poultry, dead or alive	Canada, Argentina.
45. Sheep and goats (live)	Mexico, Canada.

Now, let your eye run up and down the following table and you will note this same list of 45 groups of commodities which are being imported, every one of which is in direct competition with commodities that are manufactured or produced in the factories or on the farms of Illinois. This table will indicate, without much waste of time, what quantities and the value of such commodities that were imported for the 3 years 1933, 1934, and 1935. By referring to the preceding table you can tell at a glance from what countries these items are imported.

Imports into the United States, commodities which compete with products of Illinois

Commodity and year	Imports	
	Quantity	Value
1. Meat products:	*Pounds*	
1933	62,476,133	$9,443,164
1934	65,361,589	12,840,447
1935	115,059,124	19,177,835
2. Castings and forgings, n. e. s.:		
1933	3,220,470	203,247
1934	3,117,360	232,111
1935	2,942,542	232,579
3. Steel ingots, blooms, slabs, etc.:		
1933	2,326,334	57,714
1934	4,785,525	113,550
1935	2,821,378	75,155
4. Steel sheets:		
1933	20,833,183	289,544
1934	9,766,414	203,938
1935	24,755,306	464,501
5. Steel bars:		
1933	54,764,576	860,247
1934	46,940,295	1,139,154
1935	65,083,148	1,408,072
6. Wire rods:		
1933	29,880,365	748,163
1934	23,872,657	776,398
1935	37,586,195	1,053,085
7. Boots and shoes:	*Pairs*	
1933	4,278,564	2,390,374
1934	4,965,857	2,708,046
1935	4,579,824	2,325,048
8. Electrical machinery and apparatus:		
1933		1,546,755
1934		1,781,911
1935		2,107,506
9. Furniture:		
1933		1,060,245
1934		919,470
1935		1,048,281
10. Engines, turbines:		
1933		203,500
1934		335,203
1935		319,341
11. Agricultural implements:		
1933		1,061,945
1934		1,921,230
1935		4,597,487
12. Boxes, paper:		
1933		403,309
1934		634,460
1935		434,061
13. Cotton hosiery:	*Dozen pairs*	
1933	576,654	683,325
1934	456,087	515,607
1935	746,011	486,208
14. Wool hosiery:		
1933	217,976	599,831
1934	140,383	435,070
1935	190,748	515,123
15. Wool gloves and mittens:		
1933	46,510	104,998
1934	63,184	144,334
1935	526,904	623,429
16. Other wool knit goods:	*Pounds*	
1933	769,757	1,522,138
1934	409,898	1,129,250
1935	434,719	1,224,778
17. Chemicals:		
1933		30,852,782
1934		33,562,667
1935		33,830,438
18. Leather:		
1933		9,786,192
1934		6,347,160
1935		8,186,049
19. Brass and bronze:		
1933		586,361
1934		483,452
1935		526,281
20. Bottles and other containers of glass:		
1933		632,505
1934		790,063
1935		733,703
21. Illuminating articles of glass:		
1933		185,362
1934		188,614
1935		274,071
22. Chemical pigments (included in total chemicals, no. 17):		
1933	18,342,927	744,932
1934	13,128,521	607,551
1935	15,654,941	733,702
23. Paints, stains, and enamels (included in total chemicals, no. 17):		
1933		505,794
1934		330,447
1935		286,828
24. Paperboard, pulpboard, n. e. s., and cardboard:		
1933	13,682,817	229,692
1934	15,594,084	269,854
1935	17,370,796	285,096

Imports into the United States, commodities which compete with products of Illinois—Continued

Commodity and year	Imports	
	Quantity	Value
25. Round wire:	*Pounds*	
1933	7,043,818	$368,048
1934	5,774,221	398,122
1935	8,789,678	551,836
26. Clocks and clock movements, clock parts:		
1933		72,842
1934		54,186
1935		94,075
27. Watches and watch movements, watch parts:		
1933		1,656,855
1934		3,351,485
1935		4,359,247
28. Corn:	*Bushels*	
1933	160,228	76,609
1934	2,959,256	1,529,993
1935	43,242,296	20,291,889
29. Wheat (for consumption):		
1933	31,383	20,856
1934	7,736,532	6,884,285
1935	27,438,870	21,072,424
30. Oats:		
1933	132,337	47,405
1934	5,580,407	1,647,660
1935	10,106,903	2,939,349
31. Hay:	*Short tons*	
1933	7,376	52,893
1934	23,259	218,542
1935	67,171	664,567
32. Barley:	*Bushels*	
1933	23,657	$12,320
1934	6,579,767	4,939,875
1935	4,839,678	3,747,509
33. Rye:		
1933	8,005,796	3,874,062
1934	7,622,032	3,544,157
1935	9,642,523	4,755,012
34. Hogs (live):	*Pounds*	
1933	6,470	500
1934	7,716	427
1935	3,414,317	312,888
35. Fresh pork (included in total meat products, no. 1):		
1933	538,730	58,017
1934	182,480	26,277
1935	3,922,609	540,514
36. Pork, hams, shoulders, and bacon (included in total meat products, no. 1.):		
1933	1,698,667	398,177
1934	968,869	291,331
1935	5,297,335	1,261,146
37. Milk and cream:[1]	*Gallons*	
1933	73,234	40,154
1934	25,082	5,461
1935	22,854	5,417
38. Butter:	*Pounds*	
1933	1,021,806	160,626
1934	1,253,392	209,580
1935	22,674,642	3,576,942
39. Cheese:		
1933	48,396,740	10,615,267
1934	47,532,895	10,659,446
1935	48,932,643	11,200,943
40. Cattle (live):	*Cattle*	
1933	74,658	652,941
1934	59,444	616,321
1935	364,623	8,497,117
41. Fresh beef (included in total meat products, no. 1):	*Pounds*	
1933	320,775	23,926
1934	313,287	26,197
1935	8,584,114	775,948
42. Canned meats (included in total meat products, no. 1):		
1933	43,024,989	2,812,806
1934	46,780,678	3,048,598
1935	76,653,242	5,626,393
43. Eggs, whole dried, yolks, dried; albumen, dried:		
1933	3,217,943	470,981
1934	2,723,629	371,536
1935	6,431,034	1,494,481
44. All poultry, alive and dead:		
1933		97,951
1934		94,877
1935		94,306
45. Sheep and goats (live):	*Number*	
1933	1,114	6,906
1934	1,508	11,554
1935	6,953	30,004

[1] Cream during the years 1933 through 1935 was dutiable at 56.6 cents per gallon. Imports of cream in 1927, dutiable at the lower rate of 20 cents per gallon, amounted to 4,843,138 gallons.

This factual picture, as far as I have gone, is rather persuasive in itself; but to make it conclusive, it would be both effective and informative to show what the daily wage scales are in some of the countries from which we receive these imported products. These figures have been assembled from the different numbers of the Monthly Labor Review, published by the United States Department of Labor, and the conversions which are shown from foreign into United States currencies are based on the average exchange rates for 1935. I am sure that when the Illinois wage earners become conscious of the kind of competition which they have from imported products of all kinds, produced at the following wage scales, they will appreciate how impossible it is for Illinois industry to compete with this sort of thing and quickly take up the cudgels in defense of their own jobs and their own wage levels. Similarly will the farmers rise to their own defense when they become conscious of the kind of competition which they are facing. The following wage tables will, therefore, be highly enlightening:

Wages paid in selected German industries, 1933

[Conversions on basis of average exchange rate for 1935: 1 mark equals 40.3 cents]

	Rate per hour	
	Marks	Cents
CHEMICAL INDUSTRY		
Cologne district:		
Craftsmen	0.80	32.2
Plant workers, special	.68–.70	27.4–28.2
Helpers	.69	27.8
Young workers:		
Male	.63	25.4
Female	.44	17.7
Hamburg district:		
Factory labor:		
Male	.75	30.2
Female	.50	20.2
IRON AND STEEL		
Rhenish Westphalia:		
Blast-furnace workers, coke and ore transportation workers, etc	.793	32.0
Martin steel workers	.853	34.4
Rolling-mill workers	.795–.905	32–36.5
METAL, WIRE AND CABLE		
Cologne:		
Workers over 21 years:		
Cable workers, wire drawers	.73	29.4
Semiskilled workers	.66	26.6
Unskilled workers	.64	25.8
GLASS INDUSTRY		
Bottles:		
Skilled and semiskilled workers, male:		
Time work	.690	27.8
Piece work	.800–.900	32.2–36.3
Helpers, male over 21 years, time work	.580–.610	23.4–24.6
Females, time work	.330–.370	13.3–14.9
Plate glass:		
Skilled and semiskilled workers, male:		
Time work	.700	28.2
Piece work	.900–1.000	36.3–40.3
Helpers, male over 21 years, time work	.590–.600	23.8–24.2
Females, time work	.350–.390	14.1–15.7
LEATHER		
Hesse & Hesse-Nassau (class 1 localities):		
Skilled workers:		
Over 22 years	.88	35.5
Other workers over 22 years:		
Unskilled, male	.77	31.0
Stitchers, cutters, and portfolio assistants, female	.57	23.0
Handbag workers and skivers, female	.62	25.0
Other workers, female	.51	20.6
TEXTILE INDUSTRY		
Hosiery:	*Pfennigs*	*Cents*
Frame workers:		
Male	75.7	30.5
Female	41.1	16.6
Assistants (over 20 years), female	42.1	17.0
Knit goods:		
Frame workers:		
Male	84.4	34.0
Female	53.1	21.4
Assistants (over 20 years):		
Male	61.2	24.7
Female	43.5	17.5

Wages paid in selected Switzerland industries, 1933

[Conversions on basis of average exchange rate for 1935: 1 franc equals 32.5 cents]

	Average hourly earnings	
	Francs	Cents
METALS AND MACHINES		
Foremen	1.72	55.9
Skilled and semiskilled workers	1.41	45.8
Unskilled workers	1.13	36.7
Women 18 years of age and over	.73	23.7
Young persons under 18 years of age	.52	16.9
WATCH INDUSTRY		
Skilled and semiskilled workers	1.44	46.8
Women 18 years of age and over	.84	27.3
SHOES		
Skilled and semiskilled workers	1.17	38.0
Unskilled workers	.91	29.6
Women 18 years of age and over	.75	24.4
Young persons under 18 years of age	.49	15.9
CHEMICAL INDUSTRY		
Skilled and semiskilled workers	1.51	49.1
Unskilled workers	1.24	40.3
Women 18 years of age and over	.79	25.7

Wages paid in selected Swedish industries, 1932

[Conversions on basis of average exchange rate for 1935: Krona equals 25.3 cents]

	Average earnings per hour	
	Kronor	Cents
IRON AND STEEL		
Men	1.13	28.6
Women	.63	15.9
Minors	.52	13.2
METAL MANUFACTURING		
Men	1.15	29.1
Women	.84	21.3
GLASS FACTORIES		
Men	0.92	23.3
Minors	.33	8.3
BOTTLE WORKS		
Men	1.03	26.1
PAPER AND PASTEBOARD MANUFACTURE		
Men	1.04	26.3
Women	.70	17.7
Minors	.50	12.5
CHEMICAL-TECHNICAL INDUSTRY		
Men	1.16	29.3
Women	.73	18.7
Minors	.58	14.7

Wages paid to agricultural workers in Poland, 1931–32

[Conversion on basis of average exchange rate in 1935, 1 zloty equals 18.9 cents]

	Annual remuneration	
	Zlotys	Dollars
Permanent farm laborers:		
Cash wage	226.9	42.88
Remuneration in kind	366.9	69.34
Lodgings	120.7	22.81
Fuel	177.9	33.62
Maintenance of livestock	167.0	31.56
Total value of remuneration	1,059.4	200.23
Contract laborers:		
Cash wage	687.6	129.96
Remuneration in kind	134.0	25.33
Lodgings	37.3	7.05
Fuel	78.5	14.84
Maintenance of livestock	16.9	3.19
Total value of remuneration	954.3	180.36

NOTE.—About 88 percent of the remuneration received by agricultural workers in Poland is payment in kind. The following tabulation shows the value of this remuneration based upon the prices prevailing in 1931–32. Wages shown are those paid in the western Province and are higher than wages paid in the other 3 Provinces.

Wages paid to farm workers in Canada, 1934

Monthly wage during summer season:	
Males:	
Cash wage	$18
Value of board	15
Total	33
Females:	
Cash wage	10
Value of board	12
Total	22

Wages paid in selected French industries

[Conversion on basis of average exchange rate for 1935: 1 franc equals 6.6 cents]

	Average hourly wage	
	Francs	Cents
METALLURGICAL AND MACHINE INDUSTRY, FOURTH QUARTER, 1934		
Highly skilled workers	6.40	42.2
Skilled workers	5.10	33.7
Ordinary workers	3.95	26.1
TEXTILE INDUSTRY, SEPTEMBER 1932		
Cotton and wool (Lille):		
Card cleaners: Male	2.91–3.07	19.2–20.3
Combers:		
Male	2.72–2.79	18.0–18.4
Female	2.32–2.42	15.3–16.0
Winders:		
Male	2.70	17.8
Female	2.25	14.9
Spinners: Male	4.18	27.6
Weavers: Male	3.43	22.6
Warpers:		
Male	3.69	24.4
Female	2.52	16.6
METALLURGY INDUSTRY, JANUARY–FEBRUARY 1932		
Skilled workers, male:		
Drawers	5.13	33.9
Tube drawers	4.78	31.5
Wire drawers	5.48	36.2
Special wire drawers	5.37	35.4
Wire drawers, copper	5.22	34.5
GLASS BOTTLES[1]		
Saar region: Wages	3.64–8.33	24.0–55.0
PAPER INDUSTRY[1]		
Strassburg district:		
Paper mills:		
Men	3.00–3.80	19.8–25.1
Women	2.25–2.50	14.9–16.5

[1] Period not specified; probably 1932.

Wages paid in selected United Kingdom industries

[Conversion on basis of average exchange rate for 1935: Pound equals 490.18 cents; shilling equals 24.51 cents; pence equals 2.04 cents]

	Earnings per full-time week		
	British currency		United States currency
STEEL INDUSTRY, 1932			
Open-hearth furnaces:	*s.*	*d.*	*Dollars*
First hands	281	10	69.08
Second hands	183	1	44.87
Third hands	140	11	34.54
Pitmen	193	9	47.49
First ladle men	58	5	14.32
Pan fillers	51	11	12.72
Rolling mills:			
Rollers	130	5	31.97
Finishers	65	0	15.93
Heaters	103	5	25.35
Doggers	59	10	14.66
Electric-crane men (5-ton)	53	6	13.11
Steam-crane slingers (put on chains, etc.)	52	5	12.85
Platform boys	15	0	3.68
Do	18	0	4.41
Roll changers, first hands	47	7	11.66

Wages paid in selected United Kingdom industries—Continued

	Earnings per full-time week		
	British currency		United States currency
WOOL TEXTILE INDUSTRY, 1932			
Worsted spinnings:	*s.*	*d.*	*Dollars*
First drawer	23	10	5.84
Do	23	½	5.65
Rover	22	3½	5.46
Twister	23	½	5.65
Winder	21	6½	5.28
Reeler	23	10	5.84
Warper	26	0	6.37
Doffer	19	0	4.66
Spinner	21	0	5.15
BOOTS AND SHOES			
Highest and lowest earnings of male pieceworkers, by occupation, in representative British shoe factory, week ending Sept. 30, 1931:			
Lastings:			
Highest earnings	81	1	19.87
Lowest earnings	60	9	14.89
Pulling over:			
Highest earnings	77	5	18.97
Lowest earnings	60	0	14.71
Pounding up:			
Highest earnings	74	3	18.20
Lowest earnings	69	6	17.03
Heeling:			
Highest earnings	89	11	22.04
Lowest earnings	68	9	16.85
Edge trimming:			
Highest earnings	119	4	29.25
Lowest earnings	82	9	20.28

Daily wages in various industries, Tokyo, June 1935

[Conversion on basis of average exchange rate for 1935; 1 yen equals 29 cents]

	Yen	Dollars
Textile industry:		
Silk reelers, female	0.71	0.21
Cotton spinners, female	.86	.25
Silk throwers, female	.80	.23
Cotton weavers, machine, female	.72	.21
Silk weavers, hand, female	1.30	.38
Hosiery knitters:		
Male	2.00	.58
Female	.70	.20
Metal industry:		
Lathemen	4.70	1.36
Finishers	6.01	1.74
Founders	4.48	1.30
Blacksmiths	4.65	1.35
Wooden-pattern makers	4.45	1.29
Stone, glass, and clay products:		
Cementmakers	2.53	.73
Glassmakers	2.64	.77
Potters	1.99	.58
Tilemakers (shape)	1.40	.41
Chemical industry:		
Makers of chemicals	2.04	.59
Matchmakers:		
Male	1.10	.32
Female	.65	.19
Oil pressers	1.67	.48
Paper industry:		
Makers of—		
Japanese paper	1.37	.40
Printing paper	1.89	.55
Leather industry: Leather makers	3.24	.94
Food industry:		
Flour millers	2.31	.67
Sake brewery workers	1.35	.39
Soy brewery workers	2.10	.61
Sugar-refinery workers	2.22	.64
Confectioners (Japanese cake)	2.00	.58
Canners	1.57	.46
Wearing apparel industry:		
Tailors (for European dress)	2.00	.58
Shoemakers	2.58	.75
Clogmakers	1.12	.33
Woodworking, rope and mat industries:		
Sawyers, machine	1.79	.52
Joiners	1.85	.54
Lacquerers (chemical industry)	2.20	.64
Ropemakers	1.60	.46
Matmakers (tatami)	2.33	.68
Printing industry:		
Compositors	2.95	.86
Bookbinders	2.30	.67

Daily wages in various industries, Tokyo, June 1935—Continued

	Yen	Dollars
Building industry:		
Carpenters	1.95	0.57
Plasterers	2.43	.71
Stonemasons	2.87	.83
Bricklayers	2.67	.77
Roofing-tile layers	2.60	.75
Painters	2.34	.68
Day laborers:		
Stevedores	2.66	.77
Day laborers:		
Male	1.49	.43
Female	.79	.23
Fishermen	1.52	.44
Domestic servants:		
Servants:		
Male	.80	.23
Female	.78	.23

Mr. POWERS. Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, I am very much obliged to the 21 Members who have remained to hear me deliver this speech. [Laughter.]

Mr. Chairman, there has been some criticism against the Columbia Broadcasting System for permitting various speakers representing various sects to use its facilities, but it can be said of the Columbia System that it does not sell out its time before a political convention to one party alone. If it sells $100 worth of time to one side of a question, it sells an equal amount of time to the other side, and I am glad to know that they have never taken any stand other than a stand against the control of the air by money. I had the experience in my own State of seeing the air controlled by the opposition entirely. They bought up the time for 3 weeks in advance, but I think it worked to my advantage, because I got larger crowds when I told them I had been shut off the air. I want to say for the Columbia Broadcasting System that they have been fair, that they treat everybody alike, and do not want the air controlled by cash.

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

Mr. BURDICK. I yield.

Mr. McFARLANE. In regard to whether broadcasting stations are used and how they are using their time, let me ask the gentleman if he does not believe that all speeches broadcast should be made a matter of record subject to public inspection? As it is now it is not possible for anyone to get those speeches, for a record of them is not required by law. Any speech may be read before a microphone and it is impossible for the public to get a copy of it or to tell what kind of a speech it was. I think we should require by law that a record be kept of speeches made over the radio.

Mr. BURDICK. I think the gentleman is correct.

There are Members of this House and many other leaders of the Nation who apparently have the "jitters" when the word "communism" is mentioned. Some Members have already suggested that we must at all costs stamp out this vicious system by preventing anyone, old or young, from having any information about it. I think I am perfectly safe in asserting that there are not 10 Members of this House who know what the word "communism" means.

As we hear the matter discussed around this Capitol, we find that every class of our citizens who demand free speech and the right to assemble and petition and criticize the Government are sooner or later placed in a class with Communists.

If people demand radical changes in the Government, they are at once classed by those who insist upon no change as Communists. This appellation placed against them by the reactionaries of both parties is supposed to squelch them in the court of public opinion. Any unrest is termed the beginning of communistic activities. Many good people would have us believe that every strike, every demonstration against a foreclosure of a home, is led by Communists.

The people of the United States can be driven to a mental state where they will demand some other form of government; they can be driven to rebel against this Government, and yet have no communistic intentions at all. We had a revolution once in this country. We rebelled against the established government, and I, for one, belong to the order known as the Sons of the American Revolution. We set up a form of government that suited us, but it was not communism. The Government set up was the United States of America, operating with many State and Territorial governments under one common Constitution for the General Government. There is no doubt but that the British Government dubbed us Communists. There is no doubt but that the Tories in this country thought likewise.

At the present moment there is much unrest in this country and there will be very much more. This unrest is not communism at all. It is the expression of a great mass of dissatisfied people, and, in my judgment, they have every reason to be dissatisfied. There is a cause for it. Remove that cause and there will be no unrest.

Every person who reads knows that we have enough, and more than enough, food in this country to feed everyone. Yes; we have too much, so much that we permit our Secretary of Agriculture to devise ways and means of destroying food products or in limiting the amount of food products than can be raised normally. Yet, in spite of that, there are millions in this country who today are not getting enough to eat. In the midst of plenty we have wholesale destitution. Maybe Members of Congress are smart enough to explain why this is so, but hungry people cannot explain it.

Our debts, public and private, in the United States today amount to almost twice as much as the value of all our property. If we pursue the policy of scarce money, which we are pursuing, every thinking person knows that this debt cannot be paid. The Supreme Court says we cannot cut the debts down without the consent of the creditors, because we cannot impair the obligations of a contract under the Constitution. We here in Congress refuse to change our monetary policy, so the whole Nation is up against an impossible barrier. One-third of our national income is lost in the payment of interest on a debt that is beyond our ability to pay. One-third of the Nation's buying power is thus destroyed.

Money is high-priced and hard to get; products of the farm are low-priced, labor is low-priced because of high-priced money. We have listened to scholastic advisors, who would die of starvation on a farm in 2 years, who would not be worth 25 cents a day as a laborer. They advise to leave our monetary policy alone with a high-priced dollar, and bring up the price of agricultural products by a process tax, 60 percent of which comes out of the farmers themselves. No matter what process tax they impose on the farmer and everyone else, they cannot bring agricultural products up to a parity with the present dollar.

No small farmer in America ever has or ever will be able to pay his farm mortgage under any A. A. A. bill proposed by these hairbrained theorists. Nothing short of a full value of the farmers' dollar will ever pay the mortgage, and we have now delayed so long in doing this that the accumulated interest has pushed the debt up beyond any ability to pay even under a system of the cost of production.

In other words, unless we have an increase in the volume of money in this country—so much so that money becomes cheap—these debts can never be paid. Mills will never start, men will not be put back to work because the buying power of the American people cannot be restored while they are struggling in a sea of debt and interest.

But those who hold the obligations will not give up. They demand—and they have a right to demand under the Constitution—that the terms of the contract be fulfilled. They are not inclined to wait until the debtors can scrape up enough high-priced money to pay the debt. So there we are—each day more helpless than the day before.

Do you wonder that people become uneasy? Do you wonder there are more strikes? Do you wonder that farmers gather in huge masses to protest foreclosure sales?

We can cure this unrest; we can stop these foreclosures, we can stop this interest burden; we can lower the price of a dollar and increase the value of agricultural products and the price of labor; we can bring back purchasing power; we can open the mills; we can put men to work; we can start up our dead business structure, if we will.

If we have the foresight and the statesmanship to do this, we will hear nothing more about communism.

I openly charge now that if there is any considerable movement toward communism in America that many of those who raise their voices the loudest against it are at the same time doing the most toward its growth. Reactionary business America has been for several years doing yeoman service in the cause of communism. In the meantime those of us who honestly wish to perpetuate this form of government and have the independence to point out clearly and logically those causes which have produced unrest and misery must understand that the forces of reaction will brand us as "reds," "undesirables," "demagogues," or any other name calculated to lessen our influence with the people of the United States.

America needs a new philosophy. We have grown selfish or have become slaves to greed and avarice. We have passed laws, and more laws, in a mad whirl of legislation, but it has been to no avail. Let us get back to first principles. America should reenact the Golden Rule, practice it, and live it in and out of business. We should follow the teachings of Christ and repudiate Mammon. We should melt down the golden calf and worship the God of Abraham. [Applause.]

[Here the gavel fell.]

Mr. SNYDER of Pennsylvania. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, Tuesday, March 17, omnibus claims bills will be considered under the rule. There are many meritorious bills in the omnibus bills, but sandwiched in between these meritorious bills, in my opinion, are many bills that should be defeated.

I have spent a great deal of time going over the bills and reports, have contacted various Government officials, and it is my purpose to briefly refer to the measures that I propose to oppose. I realize it is absolutely impossible for a Member to give special consideration to these measures, and some Members depend largely in voting for or against a bill upon the action of the committee. I have done this myself on numerous occasions.

It so happens, as chairman of the Committee on Expenditures, my attention was called to some of the bills that have been included in the omnibus bills.

There is no good reason in my opinion why a Member who has a bill included in an omnibus bill should support every bill in the measure, and I hope that even though a Member has a bill in which he or she is personally interested that will not in itself warrant a vote for the entire bill. Let us eliminate the bad and support the meritorious bills, and we will be protecting the Treasury and the taxpayer. I have tried to be fair in briefing the bills. The job is not a pleasant one, either from the standpoint of work or opposing a measure which one of my personal friends is interested in, but I feel it is a duty that must be performed. My comments on bills that are included in the omnibus bills to which I object follow:

H. R. 8236 (OMNIBUS)

TITLE I—H. R. 1366—STANLEY A. JERMAN, RECEIVER FOR A. J. PETERS CO., INC.

This bill would waive the statute of limitations to permit the Court of Claims to adjudicate a claim arising out of contracts for delivery of forage to the War Department during the years 1917 to 1919.

The fact that criminal proceedings were pending against officials of the company and others would not have prevented the seasonable filing of a civil suit. Furthermore, I understand all contracts of this company with the Government during the years involved have long since been audited by the Departments of War and Justice and the Comptroller General's office, and a net balance ($2,428.36) found due the company. This audit included the accounts here in question and the company was given credit for the value of all the forage delivered by it.

Does the Congress wish to have still another audit of these accounts by a fourth agency? Does the Congress wish such an audit to be made now, despite the laches of the claimant and at a time when the Government may not have available all of the pertinent documents and necessary witnesses? The amount involved cannot be determined, but is certainly above $31,000.

TITLE II—H. R. 4147—CLAIMS OF EMPLOYEES OF MINNEAPOLIS STEEL & MACHINERY CO. AND OTHER CONCERNS

This bill proposes to pay additional compensation to employees of certain private concerns for work performed in the manufacture of war materials furnished the War Department under contracts during the late World War.

The bill does not cover employees engaged upon work under Navy Department contracts. Does the Congress wish to discriminate between employees engaged upon work under contracts with different departments of the Government?

The War Department did not request and, in fact, was not consulted in connection with the award made by the National War Labor Board in these cases—as was done in the Bethlehem Steel Co. matter; act of March 4, 1925 (43 Stat. 1603), as amended—and what legal or other obligation rests upon the Congress now to authorize expenditures approximating $1,200,000 as gratuities to these employees of private concerns? Would not this be establishing a precedent which will induce the advancement of other similar claims?

Aside from other objections, section 5 of the bill proposes to establish a dangerous precedent whereby the paying agency would pass upon the propriety and legality of its own disbursements with no check or review by any other agency of the Government. Is not this contrary to the procedure established by the Budget and Accounting Act of June 10, 1921, requiring an independent audit of such expenditures? This bill will cost the Government $1,200,000.

TITLE III—ST. LUDGERS CHURCH

This bill passed the Congress and was vetoed by President Roosevelt. It provides for the payment of $3,000 to reimburse St. Ludgers Church, of Germantown, Mo., for occupation and damage caused by Government troops during the Civil War. I considered this bill a legitimate claim and voted for it, but in view of the fact that President Roosevelt once vetoed it why should it be sent back to him again.

TITLE IV—H. R. 2706—VELIE MOTORS CO.

This is another bill proposing to waive the statute of limitations to permit the Court of Claims to adjudicate claims arising out of contracts for supplies furnished the War Department during the late World War.

Not only this contract but all similar contracts with other concerns required the contractor to make deliveries of the supplies, suitably packed, boxed, and marked as instructed by the contracting officer of the Government. Crating these gun carts for export entailed no more expense than crating for domestic delivery. This company did no more in this respect than its contract called for. Does the fact that the claim, even though seasonably filed with the Department, was voluntarily abandoned at a time when the company might have filed suit in the court, justify waiving the statute of limitations at this late date when Government records and witnesses may no longer be available? Does the Congress wish to invite all other World War contractors to present similar requests by waiving the statute of limitations in this case? At least $37,816 is involved.

TITLE V—H. R. 3101—A. C. MESSLER CO.

This bill also proposes to waive the statute of limitations to permit the Court of Claims to adjudicate a claim arising out of a contract with the War Department during the late World War.

Notwithstanding the fact that this claim had been rejected by the War Department on several occasions as being

entirely without merit, this company negligently failed to avail itself of its legal right to file suit seasonably in the Court of Claims seeking to recover the amount believed to be due. Does the Congress wish to encourage such laxity in the conduct of concerns doing business with the Government by extending the time within which to file suit to have another adjudication of a claim which a Government department has rejected time and time again, and the claimant has stood idly by without exercising its right of recourse to the courts within the time allowed by law? What extenuating circumstances are there which would entitle this claimant to such preferential treatment? Of what real value is a statute of limitations if so many exceptions are to be made in such cases?

This claim is for $16,378.68.

H. R. 8524 (OMNIBUS)

TITLE I—S. 941—WILLIAM J. COCKE

This bill proposes to pay a contractor for alleged losses arising out of World War contracts with the War Department for the delivery of garbage to the claimant. The Court of Claims has already denied the claim (62 Ct. Cls. 108, 114).

Does the Congress wish to overrule judicial findings merely because the claimant suffered a loss or did not make anticipated profits under a contract which the Government did not breach? Does Congress wish to establish the policy of insuring that every contractor will not sustain a loss in its dealings with the Government? Is it not the rule that in the making of contracts the risk of loss thereunder must be anticipated and guarded against by appropriate covenants or insurance? Who will say the War Department would make a contract agreeing to furnish sufficient garbage to feed a given number of pigs a contractor bought?

TITLE II—S. 929—SOUTHERN PRODUCTS CO.

Under this bill the claimant would be reimbursed for expenses incurred in removing and reconditioning and for damages to a quantity of cotton taken from a warehouse commandeered by the Government under power of eminent domain during the World War.

The claim has been denied by the Court of Claims (No. A-97, decided Mar. 8, 1926) under the well-established rule that the removal of personal property from real estate taken under power of eminent domain is one of the consequences incident to the exercise of such power and for which compensation is not allowable.

Does Congress wish to overrule the court's decision under this established principle of law and invite a flood of similar claims? The bill says pay $13,000 direct from Treasury.

TITLE III—H. R. 402—UNITED SHIPPING & TRADES CO.

The request to authorize suit against the Government by the United Shipping & Trading Co., against the Government, growing out of a collision at sea in 1918, involves $85,000. Each Secretary of War for the past 15 years has recommended against the passage of the bill.

TITLE IV—H. R. 2713—DAVID A. WRIGHT

This bill would direct the Court of Claims to readjudicate a claim, heretofore denied by both the court and the War Department, for costs incurred by the claimant in its endeavor to secure and preparation for a contract for furnishing supplies to the War Department in 1918.

The War Department officers named in the bill as having negotiated with the claimant had no authority to enter into such a contract and none was in fact entered into as required by law (sec. 3744, Rev. Stat.). Does the Congress wish to modify this law in a particular case and thereby invite other requests for similar modifications? Does Congress wish to modify the established rule that the Government is not bound by the unauthorized acts of its agents? Is it not a fact that every person or concern, hoping to receive large contracts with the Government, incurs such expenses in varying amounts, whether or not contracts are secured? No amount listed, but undoubtedly very large.

TITLE VI—H. R. 4408—SOUTHERN OVERALL CO.

This bill would confer jurisdiction upon the Court of Claims to adjudicate a claim upon the basis of the fair and reasonable value of articles delivered to the War Department under a contract of November 23, 1917. This claim is for $6,000.

Does Congress wish to waive the statute of limitations, when this claimant negligently failed to file suit seasonably in the Court of Claims, after the claim had been rejected by both the War Department and the Comptroller General? What extenuating circumstances would justify such an exception? The claimant has already been paid the fair and reasonable value of the articles delivered exactly as provided in its contract. Are the terms of the contract to be wholly ignored? As Mr. Justice Bradley said:

If the contract did not express the true intention of the parties, it was the claimant's folly to have signed it (*Brawley* v. *United States*, 96 U. S. 168).

TITLE VIII—S. 281—FRED G. CLARK CO.

This bill proposes to pay losses sustained due to claimant's compliance with an order of the War Industries Board issued in 1918 directing that stock of wool grease on hand be withheld from sale or delivery pending further instructions. The amount is $13,000.

Why should this claimant be granted such preferential treatment when other similar dealers are not likewise given relief? Did the Government take any property of claimant? Is there any evidence of a contract, express or implied, obligating the Government to pay for these supplies? Does Congress wish to pay a claim which both the War Department and the Court of Claims—71 Ct. Cls. 662—have denied as being without merit?

TITLE IX—H. R. 3075—MACK COPPER CO.

This bill proposes to confer jurisdiction upon the Court of Claims to reopen and readjudicate a claim arising out of the use and occupancy by the Government during the World War of a tract of land situated in California.

A similar bill, S. 1878, was vetoed by the President on September 7, 1935.

This land was purchased by the claimant for a little over $300,000. The claimant has already been paid, pursuant to judgment of the Court of Claims—rendered on June 6, 1927, No. D-134—the sum of $229,500, with interest on $150,000, for the taking, use, and damages to this property. Does the Congress wish to again have this claim examined and settled, with the possibility of ultimately paying an amount in excess of the cost of the property without acquiring the title to it? Is it not fundamental that damages for use and occupancy shall not exceed the value of the land? Is there to be no end to the number of times a claim is settled and adjusted?

TITLE X—H. R. 2213—CHARLES P. SHIPLEY SADDLERY & MERCANTILE CO.

This bill to pay direct from the Treasury is for the cancelation of a lease held by Charles P. Shipley Saddlery & Mercantile Co., at Camp Funston. The original claim was for $17,000 and the bill authorizes payment of $11,902. The report shows the War Department considered this claim allowed and paid $3,579. The War Department strongly opposes payment of the claim.

H. R. 8664 (OMNIBUS)

S. 267—MATTHEW E. HANNA (DECEASED), WILLARD L. BEAULAC, MARION P. HOOVER

This bill as reported carries separate items for the relief of three Foreign Service officers and employees for losses of personal property suffered by reason of an earthquake at Managua, Nicaragua, and fire immediately following the earthquake.

Earthquakes and fires resulting therefrom are not uncommon in Nicaragua, and no showing has been made that these officers and employees could not have insured their personal property against such hazards. Does the Congress wish to place the United States in the position of an insurer of the personal property of its employees? Or should they be held to provide such insurance themselves; and if they do not, should not the loss be theirs? Why should Foreign Service personnel be afforded relief of this nature and the same protection denied other officers and employees of the Government? There are no legal or equitable obligations on the United States to pay these claims, except the item of $153.08 in the claim of Mr. Hanna, representing the amount of public

money and vouchers lost during the fire resulting from the earthquake, which would appear to be meritorious and proper for relief. Are the United States Treasury and taxpayers to be held responsible for an act of God?

H. R. 8750 (OMNIBUS)

TITLE I—H. R. 796—A. E. CLARK

This bill proposes to pay a per-diem allowance to an employee of the Census Bureau which was disallowed under the provisions of the Standardized Government Travel Regulations promulgated by the President pursuant to law. Under these regulations, there was no authority to pay Mr. Clark travel per diem while at his official station at Longview and no authority in any Government officer to bind the Government to an agreement to do so.

Does Congress wish to give one employee benefits denied thousands of others? When a person enters the Government service, does he or she not agree to be bound by a contract of employment which, if travel is to be performed, includes the provisions of the Standardized Government Travel Regulations? Does Congress wish to cause dissatisfaction and discontent among other employees by ignoring these regulations in a particular case of no more merit than thousands of others? This is a small claim, $566, but it would be setting a dangerous precedent to pass it.

TITLE IV—H. R. 2087—DELAWARE BAY SHIP BUILDING CO.

The bill to permit the Delaware Bay Ship Building Co. to enter suit against the Government is strongly opposed by the Treasury Department, which holds it was the duty of this company to properly protect its property. The damage was the result of a collision with a Coast Guard vessel. The Government department holds there is no reasonable ground for holding the Government responsible but, on the contrary, holds the corporation is responsible to the Government for the damage to the Government vessel.

TITLE VIII.—H. R. 2674—G. ELIAS & BRO., INC.

This bill proposes to pay the claimant $24,139.28 for alleged losses in connection with changes in plans and specifications for airplane parts furnished under contracts with the War Department in 1926 and 1927.

The contracts provided for such changes in plans and specifications and required the contractor to "submit evidence to the contracting officer of the amount involved by such change or changes", and that for any change increasing the cost of performance "an equitable adjustment will be made at the time such change or changes are made." Instead of the contractor submitting evidence of increased cost at the time the changes were made, the contractor accepted the changes with the statements thereon that "Contract price and terms of delivery not affected."

Does Congress wish to allow extra compensation for losses alleged to have been sustained over 9 years ago, when no claim therefor was requested or made at the time the changes were agreed upon? Is it not a condition precedent to the payment of increased costs under a contract that claim therefor, supported by proper evidence, be filed at the time changes are made? (*Plumley* v. *United States*, 43 Ct. Cls. 266, 226 U. S. 545.) Are the terms of the contracts and the principles of contract law to be disregarded entirely?

TITLE X—H. R. 3218—FRED HERRICK

A similar bill, S. 491, became Private Act No. 335, Seventy-fourth Congress, approved August 27, 1935, after this title was included in the omnibus bill, H. R. 8750.

TITLE XIX—H. R. 6661—MAJ. JOSEPH H. HICKEY

A similar bill, S. 2741, became Private Act No. 388, Seventy-fourth Congress, approved February 11, 1936, after this title was included in the omnibus bill, H. R. 8750.

TITLE XX—S. 753—WALES ISLAND PACKING CO.

The claim of the Wales Island Packing Co. for $100,000 results from a favorable decision of the Court of Claims. However, it originated before any Member of this House was ever elected to Congress.

TITLE XXIII—S. 921—C. J. MAST

This bill proposes to pay for damages to claimant's crops from 1924 to 1928 by reason of breaks in a Government irrigation dike caused by muskrats burrowing in the bank of the dike.

Does Congress wish to obligate the Government to pay for damages resulting from ravages of muskrats when the Government was exercising due care in trying to eliminate such predatory pests and was not otherwise negligent in operating the irrigation project? Are not such damages one of the risks assumed by farmers using water from irrigation projects? Is it not just as logical to say that the Government would be obligated to pay a farmer the value of chickens killed by a fox straying from a national forest? Only $255 is involved, but if you pass this bill, how many more will follow?

TITLE XXIV—S. 998—GEORGE LAWLEY & SON CORPORATION

This bill, if enacted, would pay a contractor $92,781 in excess of the contract price of two torpedo boats constructed for the Navy under contracts entered into in 1898. Delivery of the boats was delayed several years due to contractor's inability to secure certain materials promptly and to strikes in contractor's plant. The amount claimed represents increases in wages and cost of materials during the period of delay. It also appears claimant had had no prior experience in constructing torpedo boats. Congress has heretofore referred the matter to the Court of Claims, which has held that the claim is for a gratuity and therefore without legal or equitable merit. Case no. 15005, congressional, decided January 8, 1934.

Does Congress wish to adopt the policy of referring claims to the Court of Claims for hearing and adjudication and then refuse to accept the findings of said court? Are the terms of contracts and established principles of contract law to be disregarded in settling claims against the United States? Will this not encourage other concerns without experience in particular work to secure Government contracts in the belief that the Government will pay any losses sustained by them in the performance thereof?

Include conclusion of law, page 2280.

TITLE XXV—S. 1036—DR. GEORGE W. RITCHEY

This identical bill became Private Act No. 153, Seventy-fourth Congress, approved July 22, 1935. Hence the pending bill, if enacted, would authorize payment of a claim already satisfied in full.

TAX REFUNDS

There are in this bill numerous cases where it is provided to pay certain claimants or to refer their cases to the Court of Claims growing out of payment of taxes, and so forth, which cannot now be paid due to the statute of limitations, and so forth.

It has long been the established policy of Congress by its action on similar bills to refuse to act favorably on such legislation, no matter how meritorious the claim might be. I have had several such claims where the Treasury admitted an overpayment, but the relief bills were never passed.

The Treasury repeatedly has held—

The position which this Department has taken and which Congress has sanctioned is that it is a sound policy to have statutes of limitation and that the policy upon which statutes are based must be adhered to, notwithstanding hardship in particular cases.

Then, again, I quote from a Treasury report:

The Treasury Department has consistently opposed the enactment of special legislation designed to remove the bar of limitations on refunds as unfair to other taxpayers with equally meritorious claims.

One dislikes to deny a taxpayer money illegally paid or money due as an overpayment of income and other taxes, but to open the door would mean claims involving hundreds of millions of dollars. Then again some attention must be paid to the position the Government finds itself in. In making audits the Government has found where money is due, but it cannot collect because of the statute of limitations. This likewise involves hundreds of millions of dollars. It is only in fraud cases where the Government can go beyond the statute of limitations.

H. R. 9054 (OMNIBUS)

TITLE II—H. R. 3559—JOHN L. ALCOCK

Under this bill the Court of Claims would be given jurisdiction to adjudicate a claim for anticipated profits under

executory contracts between claimant and foreign buyers covering spruce lumber, which the United States commandeered for war purposes. Claimant has heretofore recovered damages for the loss on lumber in his possession at the time the Government took over all spruce timber.

Does Congress wish to obligate the Government to pay anticipated and speculative profits? Is it proper to pay a profit on goods which the claimant never owned or had in his possession? Did the claimant suffer any actual loss by having to pay damages to its customers for breach of contract resulting from an act of the United States in its sovereign capacity and as a war measure? Why should this claimant receive preferential treatment over other persons and concerns who were similarly situated?

The report shows the contention of the War Department is assailed by the committee. The War Department says in part:

If the relief be granted, it is believed such action would constitute a precedent too dangerous to even contemplate, as it would open up untold tens of thousands of claims of a like nature, for the reason that during the war the Government not only requisitioned ships which were under contract and charter at the time of their requisition, but undertook the control of wheat, sugar, coal, and other commodities of almost every nature, thereby rendering impossible the execution of previous contracts, respecting these commodities, and took over steel mills, railroads, shipyards, telephone and telegraph lines, the capacity output of factories and other producing activities. If this bill should be enacted into law, it is the opinion of this Department that it will inevitably result in a stampede and gold rush in the nature of claims upon the Government in comparison with which the Klondike gold rush would appear as a solo affair. If this should be passed, it is difficult to understand why, in principle, every soldier who was drafted into the military service would not have an equally meritorious claim against the Government for a special act of Congress for relief to compensate him for the difference between his meager Army pay and the pay, salary, or earnings he was receiving in civil life.

It seems to me, in view of such a statement from the present Secretary of War, Congress should give more than ordinary consideration to this proposed legislation and defeat the bill.

TITLE IV—H. R. 3729—HENRY W. BIBUS ET AL.

The claim of Henry W. Bibus and others grows out of the purchase of land for use by the Government during the war, for which the claimants were paid $472,250.30. There are 11 claimants, and all but 2 received the option price. In one instance the compromise was $5,000 less, and in the other the same amount. In four cases the Government paid more than the option price. The report shows the Government spent millions for improvements. It converted the land into highly desirable industrial property by reason of the expenditure in excess of $6,000,000. Now the former owners want the Congress to pass a bill that might result in their securing the amount between the purchase price and the sale price—over a million dollars. The War Department is opposed to the bill, and the Congress should defeat it.

In direct contrast to this recommendation is the bill for the relief of the Western Electric Co., Inc., which originates with the War Department. This in itself is evidence that the Department is fair, because it admits the Government is obligated, prepares the bill, submits it to the Congress, and asks for its passage.

TITLE VI—H. R. 4841—RELIEF OF CERTAIN ARMY DISBURSING OFFICERS AND OTHERS

A similar bill, S. 556, became Private Act No. 214, Seventy-fourth Congress, approved August 14, 1935, after this title was included in the omnibus bill, H. R. 9054.

TITLE IX—S. 1360—TERESA DE PREVOST

The bill has been pending for many years and grows out of the so-called Alsop award of July 4, 1911, made by the King of Great Britain as arbitrator.

Mrs. de Prevost maintains this money should be paid to her by the Government because of alleged irregularities in the distribution through the State Department to claimants under the Alsop award. The United States Government held the Government of Chile was liable to the United States, acting for certain named persons and their heirs. The King of Great Britain was named as arbitrator, and he decided in favor of the United States. The contentions of the claimant indicate a former Assistant Solicitor of the State Department resigned after the award had been made and within a few days entered the case as an attorney. If the allegations of Mrs. de Prevost are true, then the Assistant Solicitor of the State Department was guilty of unethical conduct, to say the least. This lady has spent many years around the Capitol in an effort to secure the passage of an act to reimburse her. The case is so involved I do not intend to even advance an opinion, but I do say the letter of the State Department which is referred to by the attorneys of Mrs. de Prevost should have been included in the report by the committee. The attorney's answer is printed but the Department's letter is missing. Further, if this bill is now passed, the money, as I understand it, will come out of the Treasury of the United States, as the money collected on the claim has long since been disbursed.

H. R. 9112 (OMNIBUS)

TITLE I—H. R. 237—ROWESVILLE OIL CO.

The bill is to remove the statute of limitations so far as it applies to the linters claim of the Rowesville Oil Co. arising out of a contract it had with the Government in 1919. The Judge Advocate General of the War Department indicates that at this time, with incomplete records, the Government would be at a great disadvantage in defending this suit if the bill was passed. Further, while the plaintiff made a plea at the time of cancelation of contract that it feared bankruptcy, the Judge Advocate General says:

As a matter of fact, the plaintiff did not fail. Like all industries connected with the manufacture of munitions, the plaintiff made great profits as a result of the war.

The company did not protest the cancelation clause at the time the contract was made. When the war ended there was no further use for buying linters used in the manufacture of explosives, and the cancelation clause was in all such contracts so the Government would be protected when it no longer needed the explosives. The amount involved is not indicated by the report or bill. It might be pertinent to say, however, there are now before the Court of Claims cotton linters claims amounting to over $6,000,000.

TITLE II—H. R. 254—FARMERS STORAGE & FERTILIZER CO.

The second bill is for the Farmers Storage & Fertilizer Co., and is similar to the Rowesville Oil Co. bill.

TITLE III—H. R. 3790—WALTER W. JOHNSTON

This bill proposes to pay a balance alleged to be due claimant for services rendered in behalf of the United States Shipping Board Emergency Fleet Corporation during the years 1918 and 1919 in launching ships built for the Government at various shipbuilding yards.

In decision of April 30, 1930, no. E–455, the Court of Claims found the value of the claimant's services in launching the ships to be $20,000, and that $5,495 of that amount had been paid by the shipbuilding corporations, the amount of the judgment being $14,505. Does the Congress wish to authorize this payment notwithstanding the claimant has already been paid in full, in the view of the Court of Claims?

The net judgment was paid by the Government. It amounted to $14,505 and was paid September 6, 1930. This certainly should dispose of the claim. The bill seeking further reimbursement should be defeated.

TITLE V—H. R. 4059—ELLA B. KIMBALL

The bill to pay Ella B. Kimball, daughter and heir of Jeremiah Simonson, is a Civil War claim. It provides for payment of $16,441.81 for furnishing supplies and labor in the construction of the U. S. S. *Chenango*. The findings of the court were submitted in 1907, but all efforts to collect the money by an act of Congress have failed, as have hundreds if not thousands of other Civil War claims.

TITLE VI—H. R. 6356—JOSEPH G. GRISSOM

The claim of Joseph G. Grissom of $1,153.43 is another Civil War claim. This was to cover a period between the time he was commissioned by a Governor and actual date of muster in. One hundred and sixty-three such claims passed the House but were rejected by the Senate. This is the first time since 1914 this claim has been reported by a House committee.

It might be proper to recall here that in 1914 the last omnibus claims bill, including Civil War claims, was passed. At that time the late Oscar Underwood submitted an amendment, which was adopted and became law, which provided that thereafter the Court of Claims should have no further jurisdiction in claims growing out of the War of the Rebellion. I distinctly remember this amendment, as I was at that time a secretary to a Representative in Congress.

TITLE VII—H. R. 7727—GEORGE B. MARX

The claim of George B. Marx grows out of an informal contract to make 200 wire carts for the Signal Corps in 1918. The War Department canceled the order on November 9, 1918, later considered the claim, and paid Marx $139,876.86. Marx claims $76,574.12. The committee, despite the objections of the War Department in the Seventy-first Congress, recommended Marx be paid $58,259.02. The bill was defeated. Now it is proposed to refer the case to the Court of Claims. The Government should not be required to defend such a suit.

TITLE VIII.—S. 2520, T. D. RANDALL & CO.

This bill proposes to authorize the Court of Claims to readjudicate a claim for losses and damages arising out of contracts for furnishing hay to the War Department in the year 1918. The claim was referred to said court by Private Act No. 507, Seventieth Congress, approved March 2, 1929, and denied by the court for the reason there was no agreement or understanding whereby the Government was to provide cars for shipping the hay, and, there being no breach of contract by the United States, no liability resulted for the alleged losses and damages (71 Ct. Cls. 152).

Does the Congress wish in effect to amend the contracts at this late date by changing the rights and obligations of the parties thereunder so as to make the Government liable for risks which the contractor voluntarily assumed in its undertakings? Are not such risks usually assumed by those engaged in similar enterprises? Should not such risks be anticipated and guarded against by appropriate covenants in the contracts or by insurance?

This company wants $20 and $25 a ton for 3,600 tons of hay it contracted to furnish the Government for $14 per ton. The Government paid the contract price.

Mr. SNYDER of Pennsylvania. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, I was reared in west Texas, I represent a west Texas district in Congress, and I do not apologize for my State, my people, or my district. I take pride in my district, and I am devoted to its interests.

Saturday night I went to a Washington theater and saw a picture show. I was astonished by a presentation by the Pathé News, which is, of course, a world-wide attraction. There was flashed upon the screen, in big broad letters, "More Dust." Following this was a view in the Resettlement Administration office showing much activity. Then appeared upon the screen the able Administrator of the Resettlement Administration, Dr. Rexford Tugwell. Mr. Tugwell made a little speech, stating that dust storms are a great menace and that the Resettlement Administration proposes to cope with the situation by the replanting of certain lands to grasses and by other proper methods. He explained that man's misbehavior had brought about this serious condition. Then the voice of a Pathé News man explained the rest of the picture.

A large map of the United States was flashed upon the screen, and the so-called dust-stricken area was outlined to include a broad strip from and including North Dakota, through South Dakota, Nebraska, Colorado, Kansas, Oklahoma, the Texas Panhandle—so ably represented by the distinguished chairman of the House Committee on Agriculture [Mr. JONES]—and down to and including much of my congressional district and some of the congressional district of Hon. R. E. THOMASON, my distinguished colleague. An arrow was then pointed right at the very heart of my district with the statement that this, the southwest portion of this vast dust bowl, was where the conditions were most acute. There follows a picture showing the people leaving the country like refugees from the rim of an erupting volcano. The statement was then made that these people were moving to other and better lands. Then the statement was made that livestock cannot live in this territory and farming is out of the question. Then something is said about the dust of death and the scene is over. The audience is profoundly affected. The women sigh and the men groan. I heard one in the audience remark, with a note of pity, "How do those poor devils live in that country?"

Since it is charged that farming is out of the question and that cattle and men cannot live in my district, I wish to have the RECORD to show some pertinent facts which utterly refute this grossly unfair presentation. In the first place, most every one of my counties in this so-called "dust bowl" broke the record this year in the number of poll taxes paid. I assure you that these people intend to stay in west Texas until the election and many years thereafter. The development of this section of west Texas has been remarkable, indeed. I know of no section in the United States that has had a comparable development. The population increased 134 percent from 1920 to 1930. There has been a great increase since then, but I do not have accurate figures showing the amount, as no official census has been taken. My district that is in this so-called "dust of death" area is devoted chiefly to cotton raising. We produce cotton with a greater economy of effort than any part of the world. If we could get a fair price for it, we would abound in wealth. It is interesting to note that in 1935, with an early frost and a reduction program, the production in the counties referred to by the Pathé News was 435.5 percent greater than in 1920. In other words, just 4 or 5 short months ago my district, most of which is in the area described, harvested 430,029 bales of cotton valued at $28,000,000. It is utterly absurd to suggest that such a productive area has become unsuitable for man and beast in so short a period as 4 or 5 months. As a matter of fact, thousands of people have left their homes in other areas of the United States and have come to west Texas for their health. To say that cattle cannot live there is likewise preposterous. Ask the Department of Agriculture if our vast herds of Hereford cattle do not compare favorably with the finest in the world.

The counties of my district which I refer to as having been so maligned and misrepresented include: Andrews, Bailey, Borden, Cochran, Dawson, Gaines, Hale, Hockley, Howard, Lamb, Lubbock, Lynn, Martin, Terry, and Yoakum. I do not like to see this country referred to as the land of the dust of death.

The Nation's Business for February 1936 has a map of the entire United States with white spots indicating good business conditions. There is a white spot indicating good business conditions right at the spot in my district that is being so maligned by the Pathé News.

If the Pathé News had got in touch with Texas Technological College at Lubbock, Tex., one of the ranking institutions of its kind in this country, the minutest facts could have been secured, and no such mistake could have possibly been made.

I am not condemning the Resettlement Administration. I am 100 percent favorable toward the purpose of its program. I am convinced that it had no intentional part in this misrepresentation. I predict that great accomplishments will be achieved by the regional offices at Amarillo and Dallas which serve my district. Regional Director D. P. Trent, at Dallas, has been doing an excellent work for sometime. Director L. H. Hauter, of Amarillo, is a fine executive. He is launching upon a very worthy program in region 12. I do not question the need of an aggressive resettlement program in this area. I am heartily cooperating with this work. I am sure that Mr. Hauter deplores the injury that has been done my section of the State by the Pathé News in broadcasting to the world that the millions of dollars invested in this area are being carried away by the dust of death, and that this area is unsuited for agricultural development. Those who have given their lives and their fortunes to the development of this area and have millions of dollars invested here are anxious for the world to know the truth about west Texas.

Why, even the cautious, conservative, and efficient Federal land bank and Commissioner have outstanding obligations in Lubbock County, in this area, of $3,851,730, and in Lamb County of $3,236,650, and sizable amounts in other counties of this area.

Now, I do not deny that in the springtime we have sandstorms in the Texas Panhandle and Plains area. We have had them for years, and we will have them in some degree as long as the winds blow across our magnificent prairies. These sandstorms cause erosion in some degree and often injure early crops. I am in complete sympathy with a Government program of education and conservation. If we sit idly by and invoke no remedial and conservation measures, the time will come when all of America will be robbed of its priceless heritage—a fertile soil—and the type of misery and poverty and squalor such as we see in China today will be transported to our fair shores. Water erosion is much more serious than wind erosion, but both types of erosion present a national problem of first importance.

I am not at all satisfied with the new farm bill, but farsighted Americans will long praise this Democratic administration for beginning a soil-conservation program worthy of the name. We must improve this legislation, help secure for our great farming class of people equality under the law, and preserve for unborn generations the soil which is our real source of national wealth. It has been said that cities may be destroyed, but a prosperous agriculture will rebuild them, but if the farm land is washed and blown away civilization will crumble and no man or government can cherish a hope for its restoration.

I have just dispatched a telegram of protest to the main office of the Pathé News in New York requesting that this film be recalled. I should be glad for this agency and all others to know that we will go on developing the industries, institutions, and farm lands of west Texas despite this unfair incident. We in west Texas, in the parlance of the street, know how to "take it." [Applause.]

Mr. McFARLANE. Will the gentleman yield?

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

Mr. McFARLANE. Does not the gentleman believe such publicity as that is very unfair and deals unjustly with our section of the country? It is liable to do great damage not only from a credit standpoint but in giving misinformation to the public generally?

Mr. MAHON. The gentleman is correct, and I thank him for his observation. May I at this time quote the following telegram which I have sent to the general manager of the Pathé News in reference to this matter. It reads as follows:

Mr. JACK CONNALLY,
General Manager, Pathé News,
35 West Forty-fifth Street, New York City:

Your news reel no. 66 playing RKO Keiths, Washington, this date entitled "More Dust" is a gross injustice to a vast Midwestern area. Statements made and scenes flashed are not justified by facts. I would call to your attention that the population in that part of my State included in your presentation has increased 134 percent since 1920 and the production of the one commodity, cotton, has increased 435 percent in the same period. I will not extend this telegram to include other facts just as striking. I do not question the need for an aggressive Resettlement Administration and Soil Conservation program in the area, but I do protest that the presentation exaggerates the true condition. Its continued showing will undoubtedly destroy confidence in the ability of the area to maintain itself financially and will result in direct injury to trade and credit to our people. I respectfully protest the continued showing of this film and urge that you carefully check all facts involved, believing that your investigation will convince you that it should be recalled in the cause of fairness and justice to these people.

GEORGE MAHON,
Member of Congress, Nineteenth District, Texas.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein certain figures which I think will be of interest to the country.

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

There was no objection.

Mr. SNYDER of Pennsylvania. Mr. Chairman, I yield such time to the gentleman from Texas [Mr. McFARLANE] as he may desire.

Mr. McFARLANE. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD and to include certain excerpts.

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

There was no objection.

Mr. McFARLANE. Mr. Chairman, I desire to compliment this Committee for their splendid work in reducing the expenditures under this legislative appropriations bill. I notice from examining same that this bill is $640,092.43 less than the same bill last year, and $877,203 less than the total of the Bureau of the Budget estimates. The appropriations for the Senate and House of Representatives have been reduced $355,279.18 over last year and $168,156 below the Bureau of the Budget estimates, which shows this committee is trying to set the right example for economy, starting within our own department.

Mr. Chairman, there has been much criticism by the plutocrats through their organizations because of the money expended by this administration to restore employment and relieve human suffering, misery, and want. Our critics offer no constructive program, but seem to prefer to sit back and find fault with the wonderful progress now being made under the legislative program worked out by our great leader in the White House, Hon. Franklin D. Roosevelt. This legislative program submitted and as approved by the Congress has done more to relieve human suffering, want, and misery among the people and to bring back our country from chaos to prosperity than any program ever submitted by any President and approved by any Congress since the dawn of our civilization.

THE GREATEST GOOD FOR THE GREATEST NUMBER

This program has been widespread and has touched the lives, directly or indirectly, of all of our people and has been designed to render assistance fairly to all alike, whether it was legislation on social security for the benefit of the aged, the sick, the feeble, the blind, the crippled children, the unemployed worker, or was legislation to improve labor and working conditions, or to assist the farmer, the stockman, or the small-business man, or to better regulate the utility rates or the stock exchanges, or to stop their high rates, graft, and corruption and fraud in such matters. This administration has kept always in mind bettering the working and living conditions of the average man doing that which was best for the greatest number.

Bearing in mind this great constructive program, I want to discuss the P. W. A. relief program worked out to give the farm and home owners of America lower electric-light rates. This is the first administration since these great modern utility services have been available that has seriously attacked this problem by trying to give beneficial relief to the average home owner in the shape of cheaper electric-light and gas rates. I have been glad to cooperate wholeheartedly with this program and have been glad to work to try to secure all the benefits possible under the splendid program now being worked out as above indicated. I was glad to support the Wheeler-Rayburn bill in the last session, which is designed to regulate the utility-holding company and thus make possible better State regulation where adequate State legislation has been enacted to carry out these results.

Under this power program you will remember that I called to your attention on January 3 the municipal light-plant controversy existing in an election being held at Wichita Falls on a P. W. A. project, February 8, 1936.

At the last two city elections held in Wichita Falls, city council members were elected on a platform pledged to install municipal light and gas plants, to improve the water system, to fight for lower telephone rates, and to equalize the city taxes. No sooner had the newly elected city council begun their task to carry out this platform than they found the Power Trust controlled newspapers of the city of Wichita Falls starting a campaign to discredit and block this program in any and every way they could.

The city council members, however, refused to be bulldozed, bluffed, or steered off of the platform upon which they were elected.

They employed engineers, who prepared the data, and they filed applications with the Federal Government for a P. W. A. loan and grant with which to build a light plant and gas plant and to improve the water system. They sent their special counsel on utilities matters, Judge Sartin, and Mr. Mack Taylor, one of the councilmen, to Washington to present their light-plant application. They came to my office and told me of their mission and requested my help. I gladly assisted them in every way I could. You all know how tedious it is to work out and secure favorable approval of these P. W. A. projects. After working on these projects most of last year, last November I drove my car to Washington at my own expense and finally secured approval of the light-plant project—not for $2,220,000, as per application filed, but for $1,750,000, which included a $1,260,000 loan and $490,000 gift or grant with which to build the city a complete municipal light plant.

The citizens of Wichita Falls have now held two elections, December 11, 1935, and February 8, 1936, in which they have voted on this matter, Whether or not they would issue revenue warrants bearing 4-percent interest, and sell them to the Government at par, and use this money to build them a municipal light plant. The last election provided that only the light plant and the revenues received therefrom would secure these warrants, which was as liberal an offer as any city could hope to receive.

It is a little hard to understand how any progressive city such as Wichita Falls could be hoodwinked into voting against such a liberal offer of the Federal Government, especially, when any citizen knows or should know that only through municipal ownership can the citizens of a town ever hope, under the present order of things, to receive a fair and reasonable electric rate.

The Power Trust prevailed in the February 8 election, and the municipal light project was defeated by a vote of 3,172 to 2,805, giving them a majority of 367 votes.

MONEY SPENT

From information received from the citizens of Wichita Falls, it is evident that a large sum of money was spent in defeating the municipal light-plant project. Some estimate that at least $50,000 was spent to defeat this election.

THE SO-CALLED CITIZENS TAXPAYERS COMMITTEE

The Texas Electric Service Co., the local agent for the Electric Bond & Share Corporation of New York, who serve the Wichita Falls area, admit they contributed to the so-called Citizens Taxpayers Committee, which they no doubt organized to carry on their fight against this project. An organization by the same name conducted a similar fight at Chattanooga, Tenn., recently, and one by a similar name is conducting a fight against a similar project at Milwaukee, Wis., and strange as it may seem, in all such contests, the Power Trust follows the same tactics, organizing the same taxpayers' committee, advertising the same malicious, willful falsehoods, hiring their radio speakers and personal house-to-house canvassers, opposing in every way possible such projects. The Federal Trade Commission hearings show that all such expenses are included in their overhead, and thus paid for by the people in the exorbitant rates charged.

At Wichita Falls this so-called taxpayers' committee was under the direction of Shields Heyser, chairman, A. W. King and J. L. Jackson, directors. Mr. Heyser issued the checks on a special account he kept in the Wichita National Bank. Photostats of several of these checks have been sent me.

HOW THE POWER TRUST FUNCTIONS

I feel sure the Congress is interested, and I believe the people generally should know just how the Power Trust sets the stage to defeat one of these P. W. A. municipal light-plant projects. So I will relate the facts as to just what they did at Wichita Falls to defeat this project.

PROPAGANDA SPREAD THROUGH SCHOOLS AND COLLEGES

First let me give you the background the Power Trust uses to take over the political control of any city wherever possible. The Federal Trade Commission hearings show how the Power Trust has hired different professors to write books, articles for magazines, and all kinds of propaganda against public ownership of light plants and how they have distributed this propaganda throughout the schools of the Nation. These hearings show how completely the Power Trust have spread their educational program against public ownership of utilities throughout the schools and colleges of the Nation. Yes; they have even spread their propaganda in the public and high schools of the Nation. It has been truly said they have conducted this program against a city owning its own municipal light from the cradle to the grave.

WRITE-UP AND SHAKE-DOWN

These hearings show how the Power Trust has watered their stock and how they have engaged in write-ups or inflation of same, which according to the hearings before the Federal Trade Commission was known to be $1,491,021,823 for the 18 top holding companies and their subsidiaries. Some of these holding company and subsidiaries write-ups are:

Electric Bond & Share Corporation, $352,243,898; Cities Service, $262,110,708; Central Public Service, $252,462,118; Southeastern Power & Light, $122,603,437; Midwest Utilities, $111,072,732.

CONTROL THE PRESS

They have conducted their Nation-wide preferred stock selling schemes which is nothing more than selling the public their promissory notes bearing 5-, 6-, or 7-percent interest—if they can pay that much, after they get through paying themselves enormous salaries. Hearings further show that their plan is to distribute this stock as widely as possible in order to bribe public opinion. Carrying out this scheme the hearings show how they have distributed from $25,000,000 to $30,000,000 annually among the newspapers of the Nation to advertise the natural monopoly they have. Of course, the Nation being without any adequate regulation or control over these monopolistic utilities and the courts having allowed them a very reasonable profit on these watered stock values, the only thing left for Mr. Average Citizen to do is to construct your own light plant.

Now, having loaded the newspapers and the citizens of the town generally with their preferred stock—6-percent notes—they go about joining the towns' different organizations, such as the chamber of commerce, the service clubs, and so forth, and contributing liberally to civic organizations, and so forth, so that in that way it will be easier for them to continue their program of collecting excessive utility rates. Then when an election comes, being thus entrenched, the Power Trust tries to keep in the background as much as possible and work through other organizations.

HOW THE SO-CALLED CITIZENS TAXPAYERS' COMMITTEE FUNCTIONS

Let me refer to some of the things this so-called taxpayers' committee did in this last election at Wichita Falls.

I will quote a few affidavits from citizens there.

Mr. J. A. Gillentine, of 1215 North Tenth Street, says:

On February 10, 1936, at 9:30 a. m. I went to the office of Shields Heyser, chairman of the citizens taxpayers' committee, and received a check for $17.50, balance due me in accordance with my previous agreement with him for work in connection with defeating the home-owned light plant in Wichita Falls, Tex. I made one affidavit on February 7, 1936, relative to this same matter. I have also furnished you with a photostat of the check above referred to.

Since the election was on Saturday, February 8, and the many workers employed by Shields Heyser and associates had a bonus check coming, I, like others, applied for my check early Monday morning. When I got to the office of Shields Heyser and associates, rooms 320 and 322 Staley Building, I met with about 40 others, and they were coming and going right along getting their checks. Some of these persons of the above 40 were men in charge of certain districts who had a long list of names for whom they were also to get checks. When I got into the office where my check was delivered to me I noticed a stack of executed checks about an inch thick and others being written from a blank pad.

From my observation and knowledge I can state that it is my opinion that four or five hundred persons were working on the same line of work I was.

Mr. George C. Nelson, of 2012 Ninth Street, says:

Dr. A. H. Douglas, former superintendent of the water plant of the city of Wichita Falls, Tex., and afterward city manager, and George Hodgins, former chief of police of the city of Wichita

Falls, Tex., came to me with a petition for the purpose of getting subscribers to recall Alderman J. B. Stokes, seeking my assistance in securing signatures from my friends thereon. For this service I was paid $5 in cash by the above Dr. A. H. Douglas.

On or about December 1, 1935, I was again approached by this same George Hodgins, asking me to report to Shields Heyser's office the next day, which was Monday. I reported at Shields Heyser's office and was carried to another office on the third floor of the Staley Building, Hodgins and Heyser seeking my assistance in connection with defeating the home-owned light-plant proposition in the election of December 11, 1935.

When I discovered that among the crowd were men that led me to understand that it was no one else but the work of the Texas Electric Service Co. I refused to go any further and expressed myself in such a way that it looked dangerous to these men, and Shields Heyser gave me a check for $15 and asked me to keep this matter quiet and forget it.

While I was in the office on the third floor of the Staley Building where this large number of paid workers were assembled, I saw considerable checks pass from Shields Heyser to these different persons.

To show how they put on the pressure, note what Mr. W. T. Sadler, an advertising signman, of 1601 Elizabeth Street, says:

About 1 week before the last election I was in the office of the Texas Electric Co. getting business from that company, when W. W. Rogers again inquired as to whether I had qualified as voter and also my wife, and I advised him that both I and my wife were qualified to vote; but as a matter of fact, I was the only one qualified. Rogers then stated to me that he was going to check on the persons obtaining business from them and that if they found that these persons had not cast their ballot in their favor it would be just too bad, meaning that no further business would be obtained. Since I wished to retain their business and was not certain they could check up on me, I cast a vote against the municipal power plant.

Mr. Craig Boyd, of 1820 Ninth Street, says:

On Saturday, February 1, 1936, Mr. Mark D. Walker, a member of the city council of the city of Wichita Falls, Tex., said he could get me a job with the taxpayers' committee. A few minutes later Mr. Shields Heyser called me and told me to come to work Monday morning, February 3. My understanding was that I would receive $5 per day if the bonds were defeated and if they were not defeated I would receive only $3 per day. I received $3 per day for 6 days' work, a total of $18.

I was working in box 15, and we met at Mr. Leslie Humphreys home 2 nights during this week and checked voters' names that we were calling on to assist in defeating the bonds. Mr. Humphreys is local attorney for the Electric Service Co. here.

From my observation of the people in the taxpayers' committee office, it is my opinion that this committee had at least 400 people on the pay roll.

THE POWER-TRUST DAILIES FUNCTION

And it seems that the Times Publishing Co., owner of both daily papers along with plenty of Power Trust stock, just could not keep from doing everything possible to defeat this election. We find them along with the mill and other large business interests after they had changed the minds of three of the council members and their special counsel on utility matters, Mr. Sartin, we then find them calling upon the M. K. & T. Railroad threatening to transfer their freight to the Ft. Worth & Denver R. R. in order to force Mr. L. C. Rodgers, an engineer of over 20 years' service, off of the council so that they would then have control of same. Then we find these two papers using bitter ridicule and sarcasm toward Mr. Rodgers, gloating over the fact that they had forced him to resign from the council; but they never intimate to the public the part they played in forcing him off the council.

We find the Times Publishing Co., through their agents, spreading every possible kind of willful and malicious misstatements in order to secure votes. For example, Mr. Walter W. Brown of 111 Waco Street, says:

On February 6, 1936, Mr. Jim Allison, of the Times Publishing Co., approached me and offered to pay me $2.50 per day beginning that day and continuing through February 8, the day set for the voting of the bond issue for the municipal light plant. He further stated that I would be paid an additional $2.50 per day, making the total of my services in the event of success at defeating the issue $5 per day.

In this offer Mr. Allison proposed that I visit the irrigation project near this city and all other Federal projects and relate to the employees that they should vote against the bond issue because, if the bonds were voted, no additional benefit would come to them, in that they would not receive any additional wages over the amounts now paid them, which is $29 per month, and that the higher wage rates paid by the P. W. A. would not go to the employees, but would go to the four councilmen known as the "big four", especially Max Taylor and J. B. Stokes, and also to the city manager, Mark Thomas. I advised Mr. Allison that I would not consider his offer for acceptance as I did not believe the transaction was honorable and that I would not double-cross anyone.

Now, Mr. Allison and others there who spread these false statement knew or could easily have known that under the construction of the light plant under the contract the local prevailing wage for whatever the kind and character of work performed must be paid. For example, if common labor there received 50 cents per hour he would work 30 hours per week and receive $15 per week, and wage scales for technical men would be paid according to whatever the established scale there for their service warrants.

Mr. A. L. Miller, of 1320 West Third Street, says:

On February 8, 1936, at 10:20 a. m., Shields Heyser directed me to see Rhea Howard, secretary and treasurer of the Times Publishing Co., to get money to use to buy gasoline, etc., to take voters to the polls who would vote against the bond issue. I immediately proceeded to see Rhea Howard, who gave me $2 in cash for the purpose above stated, instructing me to be sure to carry people to the polls to vote against the bonds.

ADVERTISING PAYS

We find that the Power Trust brought down their advertising experts from Chicago—Bazel & Jacobs—who supervised the local Power Trust advertising. Mr. J. B. Thomas, vice president of the Texas Electric Service Co., from Fort Worth, with his assistants, were on the scene directing their campaign. Based on the price of $1.75 per inch, the newspapers there received several thousand dollars from the Power Trust for their efforts. All forms of advertising, radio, and personal contact were used throughout the campaign.

THE BANKS TAKE AN ACTIVE PART

Mr. J. T. Harrell, president of the City National Bank of Wichita Falls; Mr. W. M. McGregor, president of the First National Bank; Mr. John Hirschi, president, and Mr. Pat Simmons, active vice president of the Wichita National Bank, all took a personal hand in the campaign and sent advertising to all the business houses and the citizens urging them to oppose the light-plant election. It seems that they bitterly opposed the people having lower light rates. It may be that some of these bank officials were more interested in the city's bonds they had purchased from 33 cents to 50 cents on the dollar, and were wanting to control the city's politics for that reason; or it may be that the Power Trust stock ownership or influence had something to do with it. Of course, Mr. Harrell states that he is opposed to the Government entering any kind of business.

TAX-EXEMPT BANK STOCK

Yes; it is all right for the Reconstruction Finance Corporation to purchase $400,000 worth of preferred stock in his bank as it has in many others in order to be of assistance to them, and the preferred stock so purchased by the Reconstruction Finance Corporation from all national banks was held to be tax exempt until the recent decision of the Supreme Court in the case of Baltimore National Bank against State Tax Commission of Maryland, delivered February 3, 1936. And now legislation is pending before the House which would exempt all such preferred stock from State, county, city, school, and district taxation, thus discriminating against other national banks and certain State banks and all other citizens not so favored. And Mr. F. F. Florence, president, Texas Bankers' Association, wired all members to support this legislation. His bank, the Republic National, of Dallas, sold the R. F. C. $2,000,000 preferred stock, and would thus save $86,000 in local taxes, while they pay their president $30,000 per year. For example, this would give the City National Bank a tax exemption, according to Mr. Jesse Jones' estimate, of $4.30 per hundred, or $17,200. Mr. Frank Kell has bitterly opposed the municipal-light-plant elections. He is opposed to lower light rates for the citizens because it would be the Government in business, yet we find he is being well taken care of by the Reconstruction Finance Corporation through a loan of $400,000 to the Wichita Falls & Southern Railway Co. at a very low interest. The chamber of commerce and the heads of the different banks above mentioned sent each business concern in Wichita Falls a telegram on February 7, as follows:

Believing that the interests of Wichita Falls and its citizenship can best be served by the defeat of the bond issue, we respectfully urge you to go to the polls today and vote against the bonds and use your influence with your associates and employees to do likewise.

BANKS FAVORED BY GOVERNMENT

The banks now receive the following special benefits: An exclusive franchise protecting them from competition unless and until additional banking facilities are proved necessary; the free use of Government credit and the right to loan money on the average of $10 to every $1 the bank possesses; has relieved them of the responsibility of paying interest on demand deposits, thus saving them about $250,000,000 per year and a reduction in interest on time deposits amounting at least $200,000,000 per year. The interest received from tax-exempt securities is exempt from taxation, saving them about $50,000,000 per year. They have the right to deposit Government bonds and have the Government print new money for them as needed at actual cost of printing, which amounts to about 30 cents per $1,000. In addition to this the Government furnished $300,000,000 of the $339,000,000 necessary to guarantee the banks' deposits, so it seems that the banks should not complain of governmental aid to others, they being the chief beneficiaries. Yet we find the American Bankers Association and kindred organizations in the forefront opposing a reduction in utility rates or legislation that will give relief in interest rates or otherwise render aid to the average man.

POWER TRUST INJUNCTION SUITS

Many of the poor people in Wichita Falls could not pay their poll tax, much less their property tax, and the city council, recognizing their wants and needs, as had been done repeatedly for other purposes, voted to transfer $75,000 from the water fund to the general fund to allow these folks to have a little work so that they could pay their poll taxes and vote in the municipal light plant election as American citizens should. This would not do, so we find the mayor, who started out in favor of municipal ownership, later flopped over to the Power Trust and filed an injunction suit which would bar these poor people from securing work and a chance to vote. Recently we have noticed that the same Power Trust that has enjoined the construction of municipal and power projects Nation-wide has enjoined the construction of the Brazos and Colorado River Dams. While here in Washington lobbying against the Wheeler-Rayburn bill, the representatives of the Power Trust from Texas all said they favored the Brazos and Colorado River projects. Yet, now we find them, as has been their policy throughout the Nation, enjoining the construction of these two great projects. They do not hope to win these law suits; they want to delay their construction as long as possible, hoping, of course, that they can defeat this administration and all Representatives who have voted with same, and repeal this legislation at the next session of Congress, if they are successful in electing those who will represent them instead of representing the rights of the common people. They want to continue their program of high rates and complete control and domination of the politics of the Nation from the highest to the lowest office, and their policy has always been "rule or ruin."

COMPARISON OF POWER RATES

You will recall that during the fight on the Wheeler-Rayburn bill I spoke in favor of same and at the time pointed out the excessive utility rates charged in the Nation was about $1,000,000,000 annually above what would be considered a fair charge for this service, and that based on the electricity consumed in Texas, the consumers paid about $25,000,000 annually more than what is considered a fair price for this service based on comparisons with the T. V. A. rates, Tacoma, Wash., and Ontario, Canada, rates. We must also take into consideration the unfortunate situation thus brought about because of the great masses of those living on the farms and in small communities that are unable to secure any electricity because of the enormous costs involved. We are now working upon the rural-electrification legislation that we hope will enable this administration to extend this electricity program to every farm home in America so that all farmers, and those living in small communities, may enjoy the benefits of this modern utility at low cost.

Let me again call to your attention the overcharges made by the Power Trust in different counties in my district. I will mention only one town in each county as indicative of the rates charged for comparison purposes with T. V. A. rates which is recognized as a fair price for the services rendered.

ARCHER COUNTY

In Archer City, which is served by the Texas Electric Service Co., 25 kilowatt-hours a month cost $2.60, or $31.20 a year—under the T. V. A. rates 25 kilowatt-hours a month cost 75 cents, or $9 a year, a saving of $22.20 a year; 40 kilowatt-hours a month in Archer City cost $3.35; under the T. V. A. rates it cost $1.20. In other words, the householder in Archer City using 40 kilowatt-hours a month would pay $40.20 a year, whereas under T. V. A. rates he would pay $14.40 a year, an overcharge of 179 percent.

BAYLOR COUNTY

In the city of Bomarton, which is served by the Texas Electric Service Co., 25 kilowatt-hours a month cost $2.85, or $34.20 a year; under T. V. A. rates 25 kilowatt-hours a month cost 75 cents, or $9 per year, a saving of $25.20 a year. Forty kilowatt-hours a month in Bomarton costs $3.60; under the T. V. A. rates it cost $1.20. In other words, the householder in Bomarton using 40 kilowatt-hours a month would pay $43.20 a year, whereas under the T. V. A. rates he would pay $14.40 a year, an overcharge of 200 percent.

CLAY COUNTY

In the city of Henrietta, which is served by the Texas Electric Service Co., 25 kilowatt-hours a month cost $2.45, or $29.40 a year; under the T. V. A. rates 25 kilowatt-hours a month cost 75 cents, or $9 a year, a saving of $20.40. Forty kilowatt-hours a month in Henrietta cost $3.20; under the T. V. A. rates it cost $1.20. In other words, the householder in Henrietta using 40 kilowatt-hours a month would pay $28.40 a year, whereas under T. V. A. rates he would pay $14.40 a year, an overcharge of 97 percent.

COOKE COUNTY

In the city of Gainesville, which is served by the Texas Power & Light Co., 25 kilowatt-hours a month cost $2.15, or $25.80 a year; under the T. V. A. rates, 25 kilowatt-hours a month cost 75 cents, or $9 a year, a saving of $16.80 a year. Forty kilowatt-hours a month in Gainesville cost $2.90; under the T. V. A. it cost $1.20. In other words, the householder in Gainesville using 40 kilowatt-hours a month would pay $34.80 a year, whereas under T. V. A. rates he would pay $14.40 a year, an overcharge of 142 percent.

DENTON COUNTY

In Lewisville, which is served by the Community Public Service Co., 25 kilowatt-hours a month cost $3, or $36 a year; under T. V. A. rates, 25 kilowatt-hours a month cost 75 cents, or $9 per year, a saving of $27 a year. Forty kilowatt-hours a month in Lewisville cost $3.66; under the T. V. A. rates it cost $1.20. In other words, the householder in Lewisville using 40 kilowatt-hours a month would pay $43.92 a year, whereas under T. V. A. rates he would pay $14.40 a year, an overcharge of 328 percent.

FOARD COUNTY

In the city of Crowell, which is served by the West Texas Utilities Co., 25 kilowatt-hours a month cost $2.38, or $28.56 a year; under T. V. A. rates 25 kilowatt-hours a month cost 75 cents, or $9 a year, a saving of $19.56 a year. Forty kilowatt-hours a month in Crowell cost $3.28; under the T. V. A. rates it cost $1.20. In other words, the householder in Crowell using 40 kilowatt-hours a month would pay $39.36 a year, whereas under T. V. A. rates he would pay $14.40 a year, an overcharge of approximately 174 percent.

JACK COUNTY

In the city of Jacksboro, which is served by the Texas Power & Light Co., 25 kilowatt-hours a month cost $2.25, or $27 a year; under the T. V. A. rates 25 kilowatt-hours cost 75 cents, or $9 a year, a saving of $18 a year; 40 kilowatt-hours a month in Jacksboro cost $3; under T. V. A. rates it costs $1.20. In other words, the householder in Jacksboro using 40 kilowatt-hours a month would pay $36 a year,

whereas under T. V. A. he would pay $14.40 a year, an overcharge of 150 percent.

HARDEMAN COUNTY

The city of Quanah is served by the West Texas Utility Co.; 25 kilowatt-hours a month cost $2.25, or $27 a year; under T. V. A. rates 25 kilowatt-hours a month cost 75 cents, or $9 a year, a saving of $18 a year; 40 kilowatt-hours a month in Quanah cost $3.15; under T. V. A. it costs $1.20. In other words, the householder in Quanah using 40 kilowatt-hours a month would pay $37.80 a year, whereas under T. V. A. rates he would pay $14.40 a year, an overcharge of 163 percent.

KNOX COUNTY

In the city of Benjamin, which is served by the West Texas Utilities Co., 25 kilowatt-hours a month cost $2.95, or $35.40 a year—under the T. V. A. rates 25 kilowatt-hours a month cost 75 cents, or $9 a year—a saving of $26.40 a year. Forty kilowatt-hours a month in Benjamin cost $4—under the T. V. A. it costs $1.20. In other words, the householder in Benjamin using 40 kilowatt-hours a month would pay $48 a year, whereas under T. V. A. rates he would pay $14.40 a year, an overcharge of 233 percent.

MONTAGUE COUNTY

The city of Montague is served by the Community Public Service Co. Twenty-five kilowatt-hours a month cost $3.75, or $45 a year—under the T. V. A. rates 25 kilowatt-hours a month cost 75 cents, or $9 per year, a saving of $36 a year. Forty kilowatt-hours a month in Montague cost $5.70—under the T. V. A. rates it costs $1.20. In other words, the householder in Montague using 40 kilowatt-hours a month would pay $68.40 a year, whereas under T. V. A. rates he would pay $14.40 a year, an overcharge of 375 percent.

THROCKMORTON COUNTY

In the city of Throckmorton, which is served by the West Texas Utility Co., 25 kilowatt-hours a month cost $2.75, or $33 a year; under the T. V. A. rates 25 kilowatt-hours a month cost 75 cents, or $9 a year, a saving of $24. Forty kilowatt-hours a month in Throckmorton cost $3.80; under the T. V. A. rates it costs $1.20. In other words, the householder in Throckmorton using 40 kilowatt-hours a month would pay $45.60 a year, whereas under T. V. A. rates he would pay $14.40 a year, an overcharge of 217 percent.

WICHITA COUNTY

In the city of Wichita Falls, which is served by the Texas Electric Service Co., 25 kilowatt-hours a month cost $1.85, or $22.80 a year; under T. V. A. rates 25 kilowatt-hours a month cost 75 cents, or $9 per year, a saving of $13.80 a a year; 40 kilowatt-hours a month in Wichita Falls cost $2.60; under the T. V. A. rates it costs $1.20.. In other words, the householder in Wichita Falls using 40 kilowatt-hours a month would pay $31.20 a year, whereas under T. V. A. he would pay $14.40 a year, an overcharge of 116 percent.

WILBARGER COUNTY

In the city of Vernon, which is served by the Vernon Municipal Light Co. and the West Texas Utility Co., 25 kilowatt-hours a month cost $2, or $24 a year; under T. V. A. rates, 25 kilowatt-hours a month cost 75 cents, or $9 a year, a saving of $15 a year. Forty kilowatt-hours a month in Vernon cost $2.70; under the T. V. A. rates it costs $1.20. In other words, the householder in Vernon using 40 kilowatt-hours a month would pay $32.40 a year, whereas under T. V. A. rates he would pay $14.40 a year, an overcharge of 124 percent.

WISE COUNTY

In the city of Decatur, which is served by the Texas Power & Light Co., 25 kilowatt-hours a month cost $2.25, or $27 a year; under the T. V. A. rates 25 kilowatt-hours a month cost 75 cents, or $9 a year, a saving of $18 a year. Forty kilowatt-hours a month in Decatur cost $3; under the T. V. A. rates it costs $1.20. In other words, the householder in Decatur using 40 kilowatt-hours a month would pay $36 a year, whereas under the T. V. A. rates he would pay $14.40 a year, an overcharge of 150 percent.

YOUNG COUNTY

In the city of Graham, which is served by the Texas Electric Service Co., 25 kilowatt-hours a month cost $2.15, or $25.80 a year; under T. V. A. rates 25 kilowatt-hours a month cost 75 cents, or $9 per year—a saving of $16.80 a year. Forty kilowatt-hours a month in Graham cost $2.90; under the T. V. A. rates it costs $1.20. In other words, the householder in Graham using 40 kilowatt-hours a month would pay $34.80, whereas under T. V. A. rates he would pay $14.40 a year, an overcharge of 141 percent.

I suggest that each consumer of electricity cut out the rates above quoted for your county and then get out your light bills and compare them and see how much you are being overcharged for the power consumed each month.

RADIO BROADCASTS

In the closing days of the February 8 light-plant election several speeches were made against the municipal light plant. I wrote KGKO broadcasting station at Wichita Falls, requesting copies of these speeches by Mr. McDonald, Mr. Montgomery, Mr. Heyser, and others, to which Mr. Harold Hough, Mr. Amon Carter's agent in Fort Worth for this station, replied:

> Many of the speeches were oral, and therefore, we have no way of reproducing them to you. With respect to those speeches, which were written, we are very sure that you would find the manuscript in the possession of the speaker, and we do not doubt that a letter addressed to the speaker, who took part in the campaign, would meet with a ready response.

I then requested copies of these speeches from the Federal Communications Commission, who promised to try to secure copies of same, but after waiting 12 days to reply, they finally replied as follows:

> I regret very much to advise that I am unable to comply with your request, as the Commission does not have copies of these speeches. The Commission has promulgated no regulation requiring a station to transcribe or maintain copies of speeches broadcast over its facilities; nor is there any rule of the Commission requiring persons to furnish copies of speeches in advance of rendition.

I took the matter up with some of the parties who made these speeches, and they advised me that they left a copy of same with KGKO and would not furnish same. I know that this station required me to have my speeches censored by their attorney before they would allow me to broadcast, in addition to requiring a copy to be left with them. It seems to me that all broadcasting stations should require all speeches to be electrically transcribed as delivered, and that proper legislation should be enacted to require this be done. We are entering into a national campaign which, according to Mr. Farley and other leaders, is expected to be one of the most bitter campaigns ever waged in the Nation. We should see to it in advance that proper records are made so that the people of the Nation may be protected.

THE ADMINISTRATION OF OUR TAX LAWS

We have heard a great deal of late concerning new taxes and ways and means of raising sufficient revenue to meet the necessary requirements of the Government.

I have spoken several times, specifically pointing out my views on taxation and offering amendments to existing tax laws to stop the loopholes through which much of our income now escapes.

Let me call your attention to a practice that seems to be growing. Government employees are resigning responsible positions in the different departments, especially the revenue department, and immediately accepting employment from large corporations who are greatly benefited by the confidential information secured by them as Government employees.

Last year while we were considering the amendment of the 10-percent excess profits and limitation law placed in the naval construction bill, H. R. 6604, we found the Navy and Treasury Departments very close together in their recommendations of amendments to this profits and limitation clause, which would practically destroy it. Mr. Moore testified for the Treasury Department, and his testimony shows that he was thoroughly in accord with the views of the Navy Department on amendments that would in effect practically destroy the 10-percent profits and limitation clause. Shortly thereafter, I understand, he was employed at $12,000 per year by the Du Ponts.

Let me read a recent news item from the Washington News:

HOPSON'S A. G. E. HIRES EXPERT IN TAX SUIT

Charles M. Trammell, until 2 weeks ago a member of the United States Board of Tax Appeals, began tracing financial dealings of Howard C. Hopson today in an attempt to save the utilities magnate and his Associated Gas & Electric Co. $40,000,000 in tax claims by the Government.

The claims, protested by the A. G. E. and its 149 subsidiaries, are for alleged income-tax and excess-profits tax deficiencies.

Trammell is a former Florida judge. He was appointed to the Tax Board in 1924 and reappointed in 1926.

Thus we find Mr. Trammell, a recent member of the Board of Tax Appeals, employed by the Associated Gas & Electric Co. to try to defeat income-tax deficiencies due the Government from 1927 to 1933. I do not believe, under the fair interpretation of our laws, that any Government employee should use his confidential information thus received in prosecuting such claims against the Government.

U. S. R. C. S., section 190, reads as follows:

It shall not be lawful for any person appointed after the 1st day of June, 1872, as an officer, clerk, or employee in any of the departments to act as counsel, attorney, or agent for prosecuting any claim against the United States which was pending in either of said departments while he was such officer, clerk, or employee, nor in any manner, nor by any means, to aid in the prosecution of any such claim, within 2 years next after he shall have ceased to be such officer, clerk, or employee.

Yet we find these employees in the different departments, as well as in the Board of Tax Appeals, who have held high positions, taking such employment to help defeat claims that the Government holds against these concerns, running into millions of dollars.

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

Mr. McFARLANE. I yield.

Mr. O'CONNOR. I am in sympathy with what the gentleman states, and I believe something should be done about it. As I read the newspaper article, the technicality in this case, under which the gentleman can accept the employment, is that the statute which the gentleman from Texas just read refers to claims which the taxpayer prosecutes against the Government, and these claims which the Government is properly prosecuting against one of the utility companies, are claims prosecuted by the Government. This is the so-called "out" upon which the gentleman from Florida is relying. I do not believe such was ever the intent of the statute. I believe these employees were not intended to be permitted to go into either side of a case, whether the taxpayer was suing the Government for a refund, which is a common case, or a case like this where the Government is suing the taxpayer for more taxes. If the gentleman will read the statute again he will see it only refers to claims by a taxpayer against the Government, and in this particular case the reverse of that situation is true which Mr. TRAMMELL seems to think justifies his conduct.

Mr. McFARLANE. In answer to the gentleman's statement, let me read a decision of the Department in that regard, which is very much in point and is in keeping with what the gentleman has suggested. This is a decision of the Department of Justice (20 Op. Atty. Gen. 695) construing section 190, Revised Statutes, to apply to all claims pending in any of the departments while the attorney or agent was employed in any department, and is not limited to a claim pending in the department in which the agent was employed, whether later being prosecuted before the same or a different department.

Cases brought before the Board of Tax Appeals are instituted by the taxpayers. The Government has no right to institute a proceeding before the Board of Tax Appeals. Therefore, a Government employee, resigning from such Board and representing claims before such Board, is, as the statute says, acting "As counsel, attorney, or agent for prosecuting any claim against the United States."

All claims pending before the Board of Tax Appeals are cases where the taxes have been assessed and proceedings brought by the taxpayer in the nature of a claim to have these assessments abated.

Every petition before the Board of Tax Appeals is in the nature of the potential claim for refund of any overpayment of taxes which the Board may find has been made. The petition of the taxpayer takes the place of a claim for refund. (See sec. 322–D, acts of 1934.)

There are other decisions of the same kind, and therefore I think the Attorney General's Department has construed this section more liberally than the gentleman thinks.

Mr. O'CONNOR. If the gentleman will permit, I do not think the decision changes the point I am trying to make. "Claims in the Department", I think, refers to claims by a taxpayer, under that decision, while this is a claim by the Government itself.

Mr. McFARLANE. But under a clear and a reasonable interpretation of the law I think it ought to apply and we ought to give it the most liberal interpretation possible, and if the statute is not sufficiently broad, we ought to amend it.

Mr. O'CONNOR. I think that is the remedy—the law should be amended.

Mr. McFARLANE. I believe the above statute has been liberally construed so far; for example, in the case of *Van Meter* v. *Munn* (1912) (116 Minn. 444), the court held that a lawyer who had been chief clerk of an Indian reservation, could not within 1 year of his resignation from same recover from the United States for lobbying fees, for services rendered, in prosecuting a claim against the Government for timber cut from the Indians' land.

Likewise, in the case of *Ludwig et al.* v. *Raydure* (157 N. E. 816) certiorari denied by the Supreme Court. In that case the plaintiff was employed by the defendant to work out certain depletion information on certain oil wells, which plaintiff did within less than 2 years from his resignation from the Revenue Department.

The court held that the plaintiff could not recover for such services because of said statute, section 190 (citing 151 N. E. 645) was decisive of this case. The judge held:

A party who enters into a contract despite a statute prohibiting it cannot thereafter claim the fruits of its performance in a court of justice.

THE BOARD OF TAX APPEALS

This Board was created during the reign of Mr. Mellon (Revenue Act of June 22, 1924) and we find 11 of the 16 members serving at the present time who were appointed under the reign of Mr. Mellon with his approval. The names of these appointees are as follows:

Charles Rogers Arundell, appointed September 1, 1925.
Eugene Black, appointed October 31, 1929.
James Russell Leech, appointed January 31, 1932.
Stephen J. McMahon, appointed May 31, 1929.
Annabel Matthews, appointed in 1930.
Logan Morris, appointed March 23, 1925.
John Edgar Murdock, appointed June 9, 1926.
Herbert F. Seawell, appointed November 20, 1929.
Charles Perley Smith, appointed July 16, 1924.
John M. Sternhagen, July 16, 1924.
Ernest H. Van Fossan, June 8, 1926.

This Board was created to provide an independent review of the taxpayers' cases before assessment of deficiencies. The Bureau by reason of inadequate personnel and incompetent administration imposed ill-considered and unreasonable assessments on taxpayers. Congress sought to stop this by providing an independent review body in the Treasury Department. Unfortunately, however, the members soon surrounded their review by the rules adopted by the equity courts of the District of Columbia. This turned what was intended to be a review body into a highly technical court, before which a taxpayer is forced to employ a specially trained lawyer and provide himself with expensive witnesses in order to be given the consideration which was intended without this great expense.

In looking over the results of this body I find their rulings are so inconsistent that Bureau officials cannot be consistent in administration because of these inconsistencies. These decisions have laid the ground work and have been the cause of a flood of litigation equaled in no other country. Administration of our taxing laws is a practical matter. The

courts have held that these statutes should be construed liberally in favor of the taxpayer. I see no reason why an administrative problem of arriving at the correct tax should be turned into such a mass of litigation as has resulted from the creation of the Board.

I therefore recommend that this Board be abolished. In its stead we should create an independent review body composed not of lawyers only but of practical tax men such as auditors and engineers. Provide that this body shall function purely as a review body and without the technical requirements of a court. Provision should be made for taking testimony when a case was appealed so that the Board's findings will be given the same status as the findings of commissioners of the Court of Claims.

The creation of such a body I regard as the first step in simplification and one of the most important ones.

Mr. Robert H. Jackson, then Assistant General Counsel for the Treasury Department, and now Asst. U. S. Attorney General, in speaking before the Senate Finance Committee last year on the pending tax bill regarding practice before this Board, said:

The device of permitting a litigation of tax first and payment afterward, with no security or penalty or disadvantage whatever for the delay, is proving so costly as to present a challenge to effective enforcement.

It is stated by a retiring member of the Board of Tax Appeals that since 1926 the Government has lost two-thirds in amount of its cases before the Board of Tax Appeals, the average tax case involving a deficiency of $28,000.

This result before the Board of Tax Appeals contrasts with the result in the Court of Claims and the United States district courts where the taxpayer must first pay his tax and then sue for refund, and where the Government appears to win a much larger percentage of the cases.

For the year ended June 30, 1935, trials in these two courts showed the following results:

Decisions in favor of the Government, or dismissals on the basis of decisions in favor of the Government, 252; amount claimed, $16,801,896.

Decisions in favor or partly in favor of the taxpayer, or confessions of judgment on the basis of decisions in favor of the taxpayer, 135; amount involved, $555,479.

Almost a complete reversal of the percentage where they pay first and sue for a refund that exists, as against where they do not.

In addition to this, 151 cases, involving $9,949,000, were dismissed by the taxpayers without refund.

In speaking further regarding this Board, Mr. Jackson said:

The day has come when it is totally inadequate to the problems which it must solve. The Board of Tax Appeals decides in litigated cases about 1,600 cases a year, and we are having four or five or six thousand cases a year commenced. With that situation, where we are compelled to settle two-thirds of our cases, we are not getting the best results in the settlements, of course.

On the work of this Board he said:

The problem of enforcement is a very serious problem. We have general statistics showing a decrease in the number of cases, and I can show statistical figures of decrease in the past year; but there is not a decrease in the actual work, because the little cases get tried and the big cases get stalled. We have one case in Los Angeles that has been on trial a year.

And, further, he said:

I do not believe that we can successfully administer the income-tax laws much longer if we are going to permit the taxpayer without the payment of anything except a $10 filing fee, to get 3 or 4 years' delay in the payment of his deficiency.

On the amount of work accomplished by this Board, he gave these figures:

It is obviously, if the ratio of losses by the Government in cases before the Board is accurately stated, a great advantage to petition for redetermination where the taxpayer can afford it. The Board has capacity actually to decide only about 1,600 contested cases a year. We have in recent years reduced the number of cases pending, but the amount involved in undecided cases has increased. July 1, 1934, we had 12,474 cases, involving $448,493,060, pending, and on July 1, 1935, we had 10,423 cases pending, involving $493,648,417. Thus while reducing the number of cases by 2,051, the amount of asserted deficiencies held in suspense increased last year $45,155,337.

So, bearing in mind the above information, it is easily understood how Mr. Hopson of the Associated Gas & Electric Co., of last year's lobby fame, and other promoters of his type, as well as many so-called captains of high finance, evade tax payment without any serious consequences.

It is interesting to note how Mr. H. C. Hopson, in the case of National Public Utility Investing Corporation, Howard C. Hopson, appellant, against United States, has been able to defeat the investigation of the tax liability of this concern for the years of 1929 and 1933, inclusive, because the books of this concern are in Canada.

Quoting from the Circuit Court of Appeals of the Second Circuit, opinion rendered August 5, 1935, we find the following:

It is undisputed that when the ex-parte order was made on September 8, 1934, the appellant was the president of National Public Utility Investing Corporation as well as one of its directors and its largest stockholder. All of its stock was held by or for the appellant and his near relatives and by or for H. C. Hopson & Co., a partnership consisting of the appellant and members of his immediate family. Its business was conducted from the appellant's own office at No. 61 Broadway, New York City. * * * Until some time in August 1933, all the books and records of these corporations which the appellant has been ordered to produce were at his office in New York. In that month they were taken to Canada for use, so it is now claimed, in connection with the liquidation of the Newfoundland companies, and are now all in the possession of one Gordon McL. Daley, in Halifax, Nova Scotia, who is the attorney for the liquidator of the Newfoundland companies, R. E. Fradsham, of St. Stephen, New Brunswick. * * * On December 11, 1933, National Public Utility Investing Corporation acquired all the property of the four Newfoundland companies.

Thus we see how Mr. Hopson defies the tax examination and gets away with it.

MR. MELLON AND THE BOARD OF TAX APPEALS

We have read much the last several months concerning the trial of Mr. Mellon's tax case now pending before the Board of Tax Appeals. The average citizen no doubt wonders why witnesses for Mr. Mellon are not required to disclose certain documentary evidence the same as required in Federal equity courts. Before the committee, conducting hearings on the revenue bill of 1926, J. Kelmer Korner, Jr., then chairman of the Board, then testified:

We felt that all of the rules of evidence observed in a court of law not necessary, because there is no jury.

Before the same committee Mr. Charles D. Hamel, the first chairman of the Board, testified:

We attempted to adopt in our rules the spirit of the equity rules of the Federal courts. The Federal equity courts, as a general thing, will let nearly anything into the record for whatever it may be worth.

Yet we find Mr. Van Fossan appointed during the reign of Mr. Mellon prohibiting certain bank records from going into the record in the trial of this tax case before him.

On June 30, 1935, there were 1,477 cases before the Board which had been tried but in which decisions had not been rendered. Why is it that it takes from 1 to 2 years after hearing the cases before the Board can make its decision, even in many simple cases?

I have previously pointed out several existing loopholes in our tax laws that should be amended. These measures are now pending before the Ways and Means Committee. Several of these amendments have been favorably acted upon by this committee at previous sessions, only to have their labors stricken out by amendments in another body. I sincerely hope that this committee will give favorable consideration to these amendments in the consideration of new tax legislation soon to be presented in keeping with the President's recommendations on this subject. I heartily favor the President's recent tax message and trust that same will be speedily enacted into law. [Applause.]

Mr. SNYDER of Pennsylvania. Mr. Chairman, I yield such time as he may desire to use to the gentleman from South Carolina [Mr. RICHARDS].

Mr. RICHARDS. Mr. Speaker, some days ago I stated on the floor, during consideration of the Army appropriation bill, that I intended to have something further to say concerning the permanent Neutrality Act which had been reported favorably out of the Foreign Affairs Committee at that time, but which was being put to sleep by its enemies from without and within our country. Since that time the bill has been pronounced dead, and everyone here is familiar with the fact that as a compromise there has been reenacted into law, to cover a period of 14 additional months, the temporary Neutrality Act of 1935, plus only two amendments.

The temporary Neutrality Act passed last year, and which expired on February 29 this year, provided, first, an absolute embargo upon the export of arms, ammunition, or implements of war to belligerent countries; second, prohibition of the carrying of arms, ammunition, and implements of war in American vessels to or for warring nations; third, restriction against the use of our ports by submarines of belligerent countries and the prohibition of the use of the United States as a base for supplying belligerent ships with arms, ammunition, or implements of war; fourth, restraint upon our citizens to prevent traveling upon belligerent vessels.

The so-called administration-McReynolds neutrality bill, which was reported favorably out of the Foreign Affairs Committee, added several provisions to the temporary act, the most important of which are: First, an embargo upon the export of such other articles or materials, above normal exports, as the President may find are used in the manufacture of arms, ammunition, or implements of war or in the conduct of war, when he shall find that such embargo will serve to promote the security and preserve the neutrality of the United States; second, discretionary authority to require all commercial transactions with belligerent countries to be conducted at the risk of the shipper, when such transactions threaten to involve our country in war; third, limitation of use of passports for travel on belligerent vessels from our ports and emphasizing that such travel will be at the risk of our nationals.

The new compromise temporary act expiring May 1, 1937, scraps many provisions of the permanent bill and adds to the temporary act of last year the following two additional provisions: One, prohibition of credits to belligerent governments, except ordinary short-time commercial credits to aid in financing legal exports; two, reasserts the Monroe Doctrine by exempting from its provisions American republics when at war with foreign enemies.

It is useless for me now to dwell upon my disappointment and the disappointment of millions of American citizens that a neutrality policy more comprehensive than the temporary act has not and will not be enacted into law at this session of Congress. We have had the last of neutrality legislation for this year, and everybody here knows it—that is, unless a bomb explodes in our midst, and then it will be too late. Both political parties are afraid of the subject, as this is election year and there is no desire to offend any of those foreign racial groups now so powerful in our country. It is feared that any more extensive legislation on the subject may offend the delicate sensibilities of Englishmen, or Italians, or Germans, or Frenchmen, or whatnots who happen to live within our borders—legally and illegally. These gentlemen call themselves Americans; most of them prosper here and many are fed at the public trough by the taxpayers' money—yet the hearts of many of them seem to be on the other side when legislation comes which may directly or indirectly affect the country from which they came—no matter what the best interest of the United States, their new home, may be.

There is no doubt in my mind that much good will come out of the temporary act. It would serve no useful purpose to lament now the failure of enactment into law of section 4 of the McReynolds bill, which restricted to normal peacetime amounts shipments from this country to belligerents of materials and supplies that are used in the manufacture of arms, ammunition, and implements of war. This was the section of the bill against which the onslaught was made both by certain business interests of this country which were enriched by the World War and hope to be enriched by the next; as well as by certain foreign nations and foreign elements in our own country, who felt that the section would work to the detriment of their warlike intentions abroad. I do not forget, either, that there was also wide divergence of opinion of patriotic Americans, who have no ax to grind, as to whether or not this provision would bring about the desired results. There are two sides to that question, and I am not arguing it pro or con now.

There are, however, two obstacles that proponents of neutrality in Congress have met in their efforts to pass adequate neutrality legislation about which the people of our country should know. The first is the pernicious influence brought to bear upon Congress and the people generally through propaganda by un-American groups against neutrality legislation and the peculiar vulnerability of the United States to influences of that kind. The second is the grave danger we face and the great risk we run in passing neutrality legislation of only a temporary nature. If the principle of neutrality legislation is good for our country, it is good as a permanent policy. The problem is too big to be handled by temporary stopgap legislation. Even if the temporary act already passed is not strengthened this session by added provisions it should at least be made permanent before this Congress adjourns. It is impossible to tell now what the international situation will be or what influences and propaganda will be brought to bear to rob the American people of their birthright of freedom and peace if another great world war comes before this Congress convenes next year.

If you think I am an alarmist, take a look at the world today. Italy and Ethiopia at war. English-Italian relations strained, the press of each country firing broadsides of hate against the other, and the British Fleet, armed to the teeth, guards the Mediterranean, the life artery of the Empire. Russia arming and warning Japan that further invasion of Mongolia means war. France, in deadly fear of Germany, perfecting a mutual-assistance pact with Russia. Germany repudiates the last vestige of the Versailles Treaty and once again sends troops to the Rhine.

What does it all mean? It means that Europe is preparing for war, and only God can prevent it. It means that Europe has learned nothing from the stark-naked horror of the last World War or from the greed and selfish nationalism that preceded and followed it. It means that soon boys will be marching and dying. It means a million broken hearts. It means starvation and bankruptcy. And it should mean to us a determination to stay out of it. We owe that to ourselves. The United States has always shown a sense of obligation to downtrodden peoples all over the earth, but that does not change the fact that our primary obligation is to our own people.

Holy Writ teaches us not only that we are our brother's keeper but also that "If any provide not for his own, and especially for those of his own house, he hath denied the faith, and is worse than an infidel."

I shall not at this time recount the gruesome horrors of war or the physical and moral wounds resulting from war. Humanitarians have written and spoken on the subject for ages. You, yourselves, have seen the fruits of the last Great War. Over 4,000,000 men called to the colors in this country to fight for a great ideal. Over 2,000,000 of these men sent by our country to fight on foreign soil. Tens of thousands of them never came back. Other tens of thousands returned from the camp and battle ruined for life. And what did we get out of it except disappointed hopes for the realization of a great ideal? It cost our Nation at least $50,000,000,000, and we asked for and received nothing in return. We earned the hatred and ingratitude of the people whose national identity we had actually preserved. We have even seen many who profited in this country and elsewhere out of that war attempt to discredit the achievements of our own soldiers. We have seen powerful groups and organizations composed largely of men who made fortunes out of the World War brand as demagogues Members of this Congress who have sought to compensate, in some measure at least, our service men of that war for their wounds and sacrifices incident to their service. It does not take men or nations long to forget.

Propaganda put us in that war, rightly or wrongly, and propaganda can do the same thing again. Let us, therefore, be diligent in the future to find out from what source propaganda comes and the justice of its cause.

Allow me to quote Mark Twain on war—from The Mysterious Stranger:

> There has never been a just one, never an honorable one, on the part of the instigator of the war. I can see a million years ahead, and this rule will never change in so many as half a dozen instances.
>
> The loud little handful, as usual, will shout for the war. The pulpit will warily and cautiously object at first; the great big,

dull bulk of the nation will rub its sleepy eyes and try to make out why there should be a war and will say, earnestly and indignantly, "It is unjust and dishonorable, and there is no necessity for it."

Then the handful will shout louder. A few fair men on the other side will argue and reason against the war with speech and pen and at first will have a hearing and be applauded; but it will not last long; those others will outshout them; and presently the antiwar audiences will thin out and lose popularity.

Before long you will see this curious thing: The speakers stoned from the platform and free speech strangled by hordes of furious men who in their secret hearts are still at one with those stoned speakers, as earlier, but do not dare to say so.

And now the whole nation, pulpit and all, will take up the war cry and shout itself hoarse and mob any honest man who ventures to open his mouth; and presently such mouths will cease to open.

Next the statesmen will invent cheap lies, putting the blame upon the nation that is attacked; and every man will be glad of those conscience-soothing falsities and will diligently study them and refuse to examine any refutations of them; and thus he will by and by convince himself that the war is just and will thank God for the better sleep he enjoys after this process of grotesque self-deception.

There we have eloquent evidence of the utter futility of this Nation's or any other nation's attempting to embark on a new road to neutrality when war clouds hover, propaganda reigns, money comes pouring in, prejudice is rampant, and reason is disenthroned.

Lord Northcliffe, of England, once said that it took about $5,000,000 to get a small nation involved in the World War and 20 times that amount to get America in.

The next time it should be our purpose to see that propaganda alone will not involve us. The other war should have taught the American people a lesson they can never forget.

It would seem that on account of the distance of America from Europe and the absence of direct contact with the nations of that continent, we would not be so glaringly vulnerable to propaganda emanating from that side of the Atlantic. While it is true we have certain geographical advantages in this connection, it is also true that some of the constitutional privileges that helped to make this country great and a free land are the very vehicles often used to stir our people to the point of hysteria where they will be willing to go to war—I refer to the freedom of the press, freedom of speech, and now the comparative freedom of use of radio waves.

The other point of our vulnerability to propaganda is the immediate presence of foreign racial groups in our midst. Let any question come before this Congress affecting the interests of their mother countries, and you see some of these groups go to work creating an atmosphere favorable to the country from which they came. It is true that blood is thicker than water, but such practices are un-American. These people came here through the liberality of our immigration laws of former years, they came here because they knew that in all the world there was no other land to offer them the same chances for life, liberty, and happiness. They should prove themselves Americans in thought, word, and deed, or be sent back to the country from which they came. We have in this country about 16,500,000 foreign born and 7,500,000 aliens. We have here 3,500,000 aliens who are illegally in this country, and many of these are being fed and clothed with American relief money or are robbing real Americans of jobs they are entitled to. Once the mother country of certain of these aliens becomes involved in war in Europe or elsewhere, we will often find that they will exert every effort, through propaganda, to involve this country in war on the side of the home they left to come to this free land. We may just as well realize that something must be done by Congress to clear up this situation. The danger is real and must be met. The Dies bill, which is now tied up in committee, would be a long and proper step in that direction.

I would not have anyone construe anything I am saying in this connection as a reflection upon the Americanism and patriotism of several millions of the foreign-born people now in this country, who came here with the full intention of becoming naturalized at the first opportunity, who have cut away from their old home ties and who have embraced our philosophy of life and government. They are an asset to our country and we welcome them.

In my zeal for a permanent, comprehensive, American neutrality law I would make it plain that I do not renounce the theory that international cooperation is the surest method to prevent war. In fact, international cooperation is the only way to bring about a warless world, and I hope the day will soon come when representatives of every nation can sit down around a table and decide honestly and unselfishly to outlaw war. I believe in the principles of the Kellogg Pact, in the Hague Court, and every other step that has been taken to prevent the recurrence of war that does not involve us in the results of European diplomatic duplicity. The American people turned thumbs down on the League of Nations not because its terms embodied faulty idealism, not because they do not believe in cooperative effort for peace, but because they became convinced that certain European nations, while protesting to the heavens their purity of purpose, were inspired only by selfishness, revenge, and greed.

The international road to peace is growing up in weeds and is cluttered with wrecks brought about by road hogs who attempted to travel that highway in their own selfish interest and not in the interest of peace. Through neutrality legislation we build another highway for our own safety. In the event of trouble on the international highway, we say to our own people, "You cannot travel that way. We circumscribe your rights for your own good." It may be that this new way will be rough at first, and it is possible that the drivers of the magnificent vehicles of munitions manufacturers and others who make millions out of this war business will rave about the roughness of the road and their right to travel where they please. But, gentlemen, this road and this legislation are not proposed for the benefit of those who wish to trade upon the miseries of war. It is proposed in the interest of the great masses of our people who furnish the cannon fodder for war and who shed the tears and starve because of its folly.

I would protect this road with an adequate Army and a powerful Navy, with the hope that we would never be forced to use either; but should it be necessary in defense to use them, then use them to the last grain of powder, to the last gun, to the last ship, to the last man. [Applause.]

Mr. SNYDER of Pennsylvania. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to; accordingly the Committee rose, and the Speaker having resumed the chair, Mr. BUCK, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 11691, the legislative appropriation bill for 1937, had come to no resolution thereon.

LEAVE TO ADDRESS THE HOUSE

Mr. CROSSER of Ohio. Mr. Speaker, I ask unanimous consent that on Tuesday, March 17, after the reading of the Journal and disposition of matters on the Speaker's table, I may address the House for 30 minutes.

The SPEAKER. Is there objection?

There was no objection.

SUBCOMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. CARPENTER. Mr. Speaker, I ask unanimous consent that the Subcommittee on the District of Columbia may sit during the sessions of the House for the rest of the week.

The SPEAKER. Is there objection?

There was no objection.

THE NEW PHILIPPINE COMMONWEALTH AND CONGRESS

Mr. KOCIALKOWSKI. Mr. Speaker, on yesterday I received permission to extend my remarks in the RECORD. I have been informed by the Public Printer that it will make two and a half pages of the CONGRESSIONAL RECORD and cost $113. I accordingly ask unanimous consent to insert the remarks in the RECORD according to the regulations of the Joint Committee on Printing.

The SPEAKER. Is there objection?

There was no objection.

Mr. KOCIALKOWSKI. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by former Senator Harry B. Hawes, on March 6, 1936:

The Philippine problem has not been solved, contrary to popular understanding. We have laid the groundwork for its solution in a spirit of cooperation and friendly feeling.

But there is a 10-year period intervening between the inauguration of what is now the Philippine Commonwealth and what may then be a free Philippine republic.

What transpires during this 10 years will give the solution, or the revival in more difficult form, of the Philippine problem.

The eyes of the world were turned on our attitude to these 14,000,000 people when Congress had before it the bill by which we offered them their ultimate liberty as a free nation.

The eyes of the world looked to the islands, watching their reaction to our offer. Today the world, and especially the Orient, closely observes what we are doing with respect to the islands, and watches with equal interest what the islands do of their own accord.

We face the decision of crowning our 37 years of fine effort with respect to these people with the hope of a completed task or ruining the record of those 37 years by selfish blindness to our present duty.

During the 10-year period we can make or break the future of this new Christian nation.

In my opinion, there are two factors of civilization which have contributed more than any others to human progress.

The first is the Christian religion; I mean the philosophy of Christianity.

The second is colonization, where one nation takes possession of the land and directs the conduct of peoples of a different race.

The continents of North and South America were penetrated by colonization efforts of England, Holland, France, and Spain. All tried or experimented with colonization in these two hemispheres. Their problem was not so difficult because of the vast areas in these hemispheres and the small native population which inhabited them.

The United States has never been a colonizing nation for the very simple controlling reason that colonization was unnecessary. It has not, even to a limited degree, developed its own acreage. Expansion, therefore, has not been necessary.

With the exception of the acquisition of Alaska, which came into our possession by purchase to round out, as we might say, our Pacific coast line and for the protection of our fishing rights, colonization has never been approved by our people.

Some 40 years ago there was established in the Sandwich Islands an independent Hawaiian government, with an American as president, Mr. Dole, which requested the assumption of sovereignty by the United States. This was granted by our Government. The acceptance at that time—and it was my privilege as a young lawyer to represent this Republic—involved such considerations as safety for the American coast and shipping to securing a defense against the development by a foreign power of a point of naval advantage within short sailing of our shores.

With the intelligent cooperation of the American Government, one of its harbors will some day make it a Gibraltar which, if properly equipped, will do more than any one single enterprise to protect us from war in the Orient; or, in case it comes, to effect a decision favorable to the interests of the American people.

The other two noncontinental areas both came to us not by intent to colonize or acquire offshore property, but as an incident—we might almost say an accident—connected with our War with Spain in 1898.

In that year the repeated and ineffectual struggles of the people of Cuba to secure either an advance in local self-government or independence—a movement which had been successful in the larger continents of North and South America—had been a record of continuous brutalities and atrocities.

The American Nation was shocked; its sympathies were aroused by the methods then employed by the Spanish. Enterprising American newspapers told the story each day to our people, and when finally one of our great American battleships, the *Maine*, was destroyed in the harbor of Habana—it was believed at the time that it was the work of Spanish agents—our Government declared war upon Spain, distinctly stating that it was not a war of conquest for territorial expansion but one for humanity.

As the result of this war we came into possession of the Philippine Islands, a responsibility which at the time could not be avoided.

IN THE PACIFIC

The Spanish squadron in Cuban waters was quickly captured or sunk, but some 7,000 miles away, in Manila Bay in the Philippine Islands there was another squadron of Spanish warships.

Admiral Dewey was assigned the task of destroying this Pacific squadron, and on May 1, 1898, our American vessels entered the Manila harbor and secured the surrender of this Spanish squadron.

This was accomplished without the loss of a single American ship, without the loss of a single American sailor. Only one man died in our battle fleet. This was the result of a heart stroke. And Americans for the first time entered into the life of the Filipino people.

The natives of Cuba had been unable to secure their liberation from the domination of Spain, but when Admiral Dewey arrived in Manila Bay he found that, without the assistance of the United States or any other foreign nation, the native population of the Philippine Islands had swept the Spanish from all the islands and had them surrounded in the capital city of Manila.

He found a condition where it was merely a matter of time when the Spanish, driven into one spot and surrounded, would be forced to surrender to the Filipinos.

It is necessary to relate the foregoing because we cannot understand the new Philippine Commonwealth until we become familiar with some of the historical facts back of our acquisition of these islands.

The Spanish squadron had been destroyed. Our American troops (wonderful men they were) were on the way. Upon their arrival, the Spanish commander requested that the Philippine troops be not permitted to enter the city at the time of surrrender, so the Filipinos who had penned them in waited outside while the American troops marched in and took possession.

Out of this incident came bad feeling and bad blood, and after a while some fighting between the Filipino troops and our American soldiers.

This precipitated a conflict between American troops and Filipinos, a conflict which lasted over 3 years, in which we lost 4,165 men, and the Filipinos, so far as I have been able to ascertain, lost 16,000 men. We expended in this war $185,000,000.

We went to war to liberate Cuba. We finished the war in that sector in a little less than 4 months, with a loss of only 353 in combat. Compare this with what happened in the Philippines. Three and a half months in Cuba, 3 years in the Philippines; 353 casualties in Cuba and 4,165 in the Philippines. The war in the Philippines took the lives of 20,000 men.

At that time the population in Cuba was approximately 2,500,000 or 3,000,000, and the population in the Philippines over 9,000,000.

It is probably one of the most curious facts in all history that we gave sovereignty to the Cubans in a brief struggle and we assumed sovereignty over the Philippines in a struggle lasting 3 years.

After having assumed sovereignty, there was on our part uncertainty, hesitation, and indecision as to what we were to do with them.

We were faced with the situation of restoring them to the sovereignty of Spain or transferring them to England, France, Germany, or some other colonizing nation. It was a difficult problem for our American statesmen, and they finally decided to retain American sovereignty.

Another historical fact which stands out conspicuously should always be remembered—that in our treaty of peace with Spain we granted her a period of 10 years of uninterrupted trade intercourse with the Philippine Islands.

It is interesting because the Filipino people claim, and with entire justification, that if Spain was allowed 10 years of uninterrupted trade relationships, certainly the new Commonwealth is entitled to at least this consideration, or stating it another way, to equal consideration with the right accorded Spain of uninterrupted trade relations for that period.

They believe that if we did this for Spain there are many more compelling reasons why the same consideration should now be given to the Filipino people and for at least the same period.

Our Americans found in the Philippines a race of Malays who had been under the domination of Spain for over three and a half centuries, a race which had continuously fought for its freedom, there having been 22 distinct and separate armed efforts to secure this freedom.

The Filipinos are a likable people, vivacious, with a love of music, a keen sense of humor, a ready laugh, and a courteous deportment for which we must give some credit to the Spanish. An authoritative English writer describes them "the natural gentlemen of the Orient."

Of all the teeming millions in the Orient, they are the only Christian nation. With a present population of some 14,000,000, 13,500,000 are Christians and belong to the Christian Church. Only approximately 500,000 are Mohammedans and pagans, a matter well worthy of our earnest consideration now and in the future; that is, if we believe that Christianity is one of the foremost elements in civilization.

During our occupancy of the islands there have been no violent disturbances, there have been no insurrections. Our American Army and Navy have never been compelled to fire a single gun or make an arrest since the early days immediately succeeding the war.

On the contrary, when the United States entered the World War, and we withdrew our Army and our Navy, the entire defense of the islands was entrusted to Filipino Scouts. They volunteered enlistment in the American Army, and this assistance would have been utilized had the war lasted longer. They raised money for the Red Cross and offered to donate an armed vessel for the use of our Navy.

There are in the Philippine Islands today only about 6,000 Americans; about 58,000 Chinese; scattered throughout the islands about 6,000 Japanese, but, concentrated in one spot, 14,000 additional Japanese. Of other European nationalities the total will probably not exceed the American population of 6,000.

WHAT WE DID FOR THE PHILIPPINES

While even today some of the administrative activities of our Government in the Philippine Islands are in the War Department, represented by the Bureau of Insular Affairs, the actual administration was quickly placed in the hands of a civil commission, and it was the influence of this commission and its successors, and the very able men we sent out as Governors General, which developed

a theory of governing a dependent people unique and without parallel in the history of colonial government throughout the world. Indicating that all of our American national administrations have considered our sovereignty to be more or less of a temporary character.

The administration of our other noncontinental areas, Puerto Rico and the Virgin Islands, has in recent years been given to the Interior Department. Alaska has never been under the direction of the War Department. So we find this colonial possession the only one remaining under the War Department.

It is an interesting historical fact that no other nation—and that includes England, France, Spain, Holland, and Italy—administers its colonial affairs through its department of war. They are all under some civilian direction.

The work performed by our civil commissions and the Governors General in the Philippines are models of thoughtful, considerate progress toward self-government and preparation for future responsibilities.

There was a gradual extension of Philippine autonomy, an increased replacement of American with Philippine officials, of American teachers with Philippine teachers, of an American constabulary by a Philippine constabulary, of American health officers by Philippine health officers, until today the number of Americans retained or employed in executive capacity is extremely limited.

I have read repeatedly the statement that our Government has spent $850,000,000 on the Philippines.

This statement is fallacious if we consider the civilian population, for, as a matter of fact, with the single and sole exception of $3,000,000 appropriated by Congress for population rehabilitation after the conclusion of the Philipipne war, not a dollar has left our Treasury for the benefit of the civil population of the Philippines.

The salaries of the Governors General of the Philippines was $18,000 a year, and the moneys spent for the support of his house, his yacht, his automobiles, and his servants have from the beginning all been paid from the treasury of the Philippine Islands.

In addition, he had set aside for his use, in the way of a cabinet or official advisers, the annual sum of 250,000 pesos (translated into American dollars, $125,000) a year, which he spent in selecting men of his choosing to act for him in the capacity of a cabinet. This exceeds the salaries of the Cabinet officers of the President of the United States.

From the beginning of our occupancy until the present day the only money for civil purposes that ever came out of our Treasury was for the payment of the salaries of the two Resident Commissioners to the United States, amounting to $20,000 a year.

We read of the leper colony, and one not informed believes it was financed by the American Government, but this is not correct; the support came from the Philippine treasury, not from our Treasury.

The great works of sanitation, education, and the building of roads was done with Philippine money, not American money.

The philosophy that we have given to the Philippine people from the earliest days is remarkable, distinct, and unique. We sent there school mistresses and school teachers, fine, earnest types of Americans.

Whether wisely or not, their earliest lessons to the youth of the Philippines contained our struggles for liberty, of Patrick Henry, George Washington, and of our battles for freedom.

Our soldiers who remained in the islands each year patriotically celebrated the Fourth of July. It was the occasion of patriotic speeches, all describing the struggles for liberty, independence, and self-determination.

We could not expect that it would not impress youthful minds with the value of liberty and independence. Their natural inclinations were stimulated by our American teaching.

It may be that the English and the French and the Hollanders were right in their theory of colonization and that we were wrong; but, whether right or wrong, we adopted our own course, and I, for one, am proud of it.

WHAT THE PHILIPPINES DID FOR THEMSELVES

We have seen how, during our sovereignty, the Philippines have paid the entire cost of government, but no matter what our example or what our guidance might have been, if there had not been cooperation and peaceful acquiescence to our leadership, small progress would have been made.

We must give credit to these people for this cooperation; we cannot deny it to them. We cannot take away from them the credit of no disorder, no revolt during all these years, and of quiet, peaceful acquiescence under the sovereignty of the United States, working in harmony with the plans for their development.

Their standard of living has been raised until it is now much higher than that of any oriental country.

It therefore costs them more to live in the manner taught them by Americans.

But the most amazing record is that of literacy. According to the last census, that of 1918, people who could read and write were 49.2 percent of the population over 10 years of age. It is estimated that the percentage of literacy today is at least 60 percent—higher than that of many nations, greater than that of any of the Cenral American Republics.

One visiting the Philippines will find, if he has the desire, Philippine graduates from practically every one of the great American universities. They have an overwhelming desire for education. They have been criticized for it by some practical-minded people who believe that they are overeducated; that is, that they are educated out of a class of manual labor and made dissatisfied with its occupations. This may be true. It may be that their ambition has produced more lawyers, doctors, and engineers than their nation requires, but that is true in other portions of the world, even in our own country.

So while we take credit for raising these people to the highest standard in the Orient, we must be fair about it and give them credit for the things they themselves have done.

A PROMISE FULFILLED

Beginning with the administration of President McKinley and continuing through each national administration since, we find a promise more or less definite for ultimate independence. Sometimes it has been qualified by "when they are ready for it", or "when they have reached the capacity for self-government", but without exception, subject to these qualifications, we have told them and promised them that they should have their freedom ultimately if they so desired.

And now we have kept our promise.

On a recent visit to the islands our great Vice President, the Honorable John Nance Garner, referred specifically to a promise which Americans had kept and it was referred to by the able Speaker of the House, the Honorable JOSEPH W. BYRNS.

This promise was kept by finally offering them independence at the end of 10 years provided they would write a constitution which would be acceptable to our President, and that they would do certain things and preserve in the constitution those vital elements contained in the first 10 amendments to our Constitution, which we call the Bill of Rights, religious liberty, freedom of the press, trial by jury, protection against unlawful search and seizure, and all the fine things that the Anglo-Saxon people had fought for during generations.

Let me say, in passing, this constitution was written in the Philippines by Filipinos. It was not an American production submitted to them for their approval. It was the result of the work of Philippine brains.

WILL THE NEW COMMONWEALTH SUCCEED?

The Philippine Commonwealth will succeed if Philippine officials will preserve law and order and write into statute law those things that their constitution provides, and if they will continue their work of education, sanitation, and health. That is their part of the job.

But it is within the power of the United States Congress to utterly destroy them by wrecking their economic life.

It is within the power of our Congress to wreck a world record in enlightened colonization; to tear down an American ideal of 37 years; to destroy the belief in the Orient that Americans are great and liberal administrators.

It is within the power of our Congress to blot out, blur, or destroy some of the most illuminating pages of American history.

We must retain under consideration the stern fact that during our entire period of sovereignty the American Congress, by legislative enactments, has controlled all of the exports and imports of these island people.

We confined them to trade exclusively with the United States.

Until the recent unprecedented infiltration of Japanese goods into the islands, within the period of the last 5 years, the Philippines were the eighth best customer the United States had in the world.

That is something to think about. They have had no trade relations with the outside world that is worthy of consideration. They have had no opportunity to build up a trade with foreign countries. The American Congress by statute prevented this being done.

Just as some of our States depend upon their prosperity upon manufactures, others upon agriculture, others upon mining, others upon special productions of one kind or another, the three great sources of national life in the Philippines which furnish its life-blood are its sugar, its coconuts, and its hemp.

We gave Spain 10 years in which to adjust its relations with the islands subsequent to our victory. Now the question is whether we are going to destroy piecemeal the sugar business and the coconut business of the islands, and will we preserve the free flow of raw material of hemp—not the manufactured article but the raw material—for the use of our manufacturers?

Let us review what we have done almost since our offer of independence was made.

With a production of 1,570,000 tons of sugar, we have given the Philippines a quota of 1,015,000, and thus cut their exports to the United States by 500,000 tons, approximating a loss of $35,000,000.

We have put an excise tax of 3 cents a pound on the products of their coconut groves. That is equivalent to a duty of approximately 100 percent on coconut oil.

We authorized a payment of $23,000,000 to the islands to meet the situation arising out of the gold-clause order, merely placing their currency reserves on a parity with that of the United States, and an attempt is now being made to take that money away.

We passed a bill to give them the benefit of the excise tax on coconut oil, and there is now in the Treasury of the United States, due them under the law, approximately $26,000,000. And it is now proposed that we take that away.

These accumulated losses of $35,000,000, $26,000,000 in coconut-oil-tax revenue, and $23,000,000 under the gold clause propose a loss to them of approximately $84,000,000 at the very beginning and in the most critical years of their experiment in national self-government.

We find, therefore, that no matter how efficiently the Filipinos may develop in the matter of government, after all it lies within

the power of our Congress to break them, to smash them, to destroy their economic and financial life.

They have selected as their President the Honorable Manuel L. Quezon, an experienced, patriotic Filipino statesman, who, with his associate, Hon. Sergio Osmena, was elected by a majority so conclusive, so overwhelming, without disorder, that they have been accepted as the voice of the people. The Filipinos are putting their house in order. It is a difficult task.

They have sent to the United States as their Commissioner—in effect their minister—an able lawyer who has served in an advisory cabinet capacity under our American Governors General and as the speaker of their legislature, the Honorable Quintin Paredes.

We have in the islands, as the representative of the President and the United States Government, a distinguished and able man, the Honorable Frank Murphy, trusted and beloved.

They are all doing their part.

With this joint leadership and an understanding American Congress, with the sympathy and interest of our President Roosevelt, the new Christian Republic is on its way, unless its economic life is destroyed by acts of our own.

Right-thinking Americans all hope that when we say "goodbye"—if we do—10 years from now, it will be done with a handshake, in a gracious manner, according to fine American traditions and in keeping with our previous record in the islands.

But, if, in reality, through misunderstanding or selfishness, it should develop that it is not a handshake—that it is in effect a kick—it would be a disgraceful gesture for our Government to make toward its long-time honor.

This we cannot do with honor.

We cannot do it without immediate loss of American prestige throughout the Orient.

It cannot be done without criticism throughout the world.

Our 37-year guardianship should not now be dimmed with littleness or uninformed selfishness.

POWERS OF THE UNITED STATES SUPREME COURT

Mr. GAVAGAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by publishing a speech that I made over the radio.

The SPEAKER. Is there objection?

There was no objection.

Mr. GAVAGAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered recently over the radio:

The right of the Supreme Court of the United States to declare invalid acts of Congress in conflict with the Constitution is a principle of our Government so self-evident as to need no proof, and the contention that such right and power does not and should not exist is an argument so unsound on its face as to appear to need no reply. Nevertheless, exactly that contention is now being made in certain quarters in this country, has appeared in certain newspapers with considerable demagogic appeal; it must be answered, not to disprove that which needs no disproving but in order that statements the uninformed might accept as sound may not go unchallenged.

The argument has been made that the power of the Supreme Court to declare acts of Congress contrary to the Constitution void does not exist in law and is an arbitrary assumption of power unnecessary and harmful to our form of government.

I repeat, this contention is so unsound that it carries its own refutation on its face, but I shall endeavor to refute it at some length to make the answer completely clear and conclusive. I do not purport to give here the results of an exhaustive investigation of this question, not because such investigation might weaken my argument, but solely for the simple reason that no exhaustive investigation is necessary to show that this power of the highest court in our land is founded upon the highest authority, and to show that without it American constitutional government, as we know it, would cease to exist.

Before going forward with this discussion, I wish to state I do not believe that I should be criticized as being a Tory or a reactionary. To defend the power of the Court to declare improper acts of Congress contrary to the Constitution does not mean that I am opposed to a liberal interpretation or to amendments of that instrument; nor does it mean that I am opposed to progress or innovations in our system of government necessary or advisable as the result of modern developments in our economic and social situation. Nor do I feel that there is anything so sacred in the Supreme Court, or the Constitution, as to make them immune to constructive criticism, or that there is anything so immutable in each and every part of the Constitution as to condemn those who may suggest changes therein.

Now, it may be admitted at the outset of this discussion that the Constitution does not state, in so many words, that the Court may nullify acts of Congress contrary to the Constitution, but though that power may not be expressed in so many words, it is so clearly implicit in the document itself, and so obviously was intended to exist as a part of the American system of constitutional government, that no man in all our history has been able to successfully deny it, despite the many attempts, largely motivated by political expediency, to do so. For 150 years that power has been recognized and obeyed by every loyal citizen of the country, and obeyed even though, as Oliver Lodge once said:

"The court can neither lay taxes nor raise armies and is helpless to enforce its decrees unless the Nation as a whole will willingly obey them."

Though it may be argued that a reading of the Constitution nowhere reveals a power granted in express words to the Court to declare acts of the legislature invalid, a simple analysis of the principles of political economy upon which the Constitution is based and even a very slight acquaintance with the history of that document will convince even the most skeptical that the Constitution contains a grant of such power expressly and impliedly, and that without it the continued existence of the Constitution, as we now know it, would be impossible.

Well before the American Constitution came into being courts in the American Colonies, as well as in England, had refused to recognize acts of Parliament or of the colonial legislatures as binding and effective where such acts were contrary to natural justice or to the fundamental law of the land. Precedents are many and it will be possible in the short time here available to cite only a few.

David Brearley, chief justice of New Jersey, and subsequently a member of the Constitutional Convention, in the case of *Holmes* v. *Walton*, considered the exercise of such judicial power where the New Jersey Legislature had provided a six-man jury for certain types of trials, and the case was argued in the Supreme Court of New Jersey in 1779 on constitutional grounds. On certiorari the court held the statute void. Typical of resultant comments was that of Gouveneur Morris, who, speaking of this decision, wrote the Pennsylvania Legislature in 1785 and said:

"Such power in judges is dangerous, but unless it somewhere exists the time employed in framing a bill of rights and framing the Government was merely thrown away."

In 1796 the decision of *Holmes* v. *Walton* was followed in New Jersey in the case of *Taylor* v. *Rodney* (4 Halstead 427). In Rhode Island, in 1786, *Trevett* v. *Weeden* (Pamphlet of J. B. Varnum, Province, 1787), reached a similar result. In Virginia, as early as 1782, the courts had clearly asserted the power to declare a law void for lack of conformity to the constitution. George Mason, one of the members of the Constitutional Convention, as far back as 1772, in the case of *Robbins* v. *Hardaway* (Jefferson's Reports Va. 109), argued against the validity of an act as being in violation of the natural law.

In 1776, in the case of *Commonwealth* v. *Caton* (4 Call (Va.) 1), the court unequivocably stated its power to declare invalid an unconstitutional act of the assembly. When the question was raised George Wythe, subsequently a member of the Constitutional Convention and in this very case sitting as a judge, declared:

"If the whole legislature (an event to be deprecated) should attempt to overleap the bounds prescribed to them by the people, I, in administering the public justice of the country, will meet the united efforts at my seat in this tribunal, and (pointing to the constitution) will say to them: 'Here is the limit of your authority, and hither shall you go, but no further.'"

All the judges on that bench concurred in this opinion, including Chancellor Blair, subsequently a member of the Constitutional Convention.

In 1778 the Virginia Legislature passed an act of attainder, and upon the trial of defendant for the crime of highway robbery the court disregarded the act of attainder and ordered the prisoner to be tried (Burke, History of Virginia, vol. 4, pp. 305, 306).

Again, in 1788, the year before the adoption of the United States Constitution, the question was raised in the *Case of the Judges* (4 Call (Va.) 15), when the court held that "the constitution and the acts (of the legislature) were in opposition; that they could not exist together, and the former must control the operation of the latter."

In Connecticut in 1785 in the *Symsbury case* (Kirby's Reports (Conn. 444)), the courts invalidated an act of the State assembly as being in violation of the provincial charter, which was then the fundamental law of the State.

In 1787, 2 years before the adoption of the United States Constitution, and while the Constitutional Convention was in session, the Supreme Court of North Carolina elaborately argued and considered the power of the judiciary to declare unconstitutional an act of the legislature in the case of *Bayard* v. *Singleton* (1 Martin, 42). The court stated that it had such power and declared an act of the legislature unconstitutional. The court said:

"But that it was clear that no act they could pass could by any means repeal or alter the constitution, because if they could do this they would at the same instant of time destroy their own existence as legislature and dissolve the government thereby established. Consequently the constitution (which the judicial power was bound to take notice of as much as of any other law whatever), standing in full force as the fundamental law of the land, notwithstanding the act (of the legislature) on which the present motion was grounded, the same act must, of course, in that instance stand as abrogated and without any effect."

In 1792 the South Carolina courts, in the case of *Bowman* v. *Middleton* (1 Bay 252), declared an act of the provincial legislature passed in 1712 void as a violation of Magna Carta.

Again, in New York, in the well-known case of *Rutgers* v. *Waddington*, decided in 1784 (Dawson's Pamphlet, 44), Alexander Hamilton contended that the Trespass Act was unconstitutional. Hamilton argued that the law violated natural justice, and the decision was placed upon that ground.

The effect of all these cases cannot be better set forth than in the words of Hampton L. Carson, Esq., former attorney general

of Pennsylvania, who states, in an able article in the University of Pennsylvania Law Review (vol. 60, p. 692):

"It is beyond the reach of controversy, therefore, that when the Federal Convention met in 1787 for the purpose of framing a constitution for the United States, the idea of controlling the legislature through the judiciary was familiar to its leading members. It had been asserted in New Jersey, Virginia, New York, Rhode Island, and North Carolina."

With these decisions in mind, we may now proceed to a consideration of what transpired with respect to this question during the proceedings of the Constitutional Convention itself.

Various proposals were made in the Convention to provide for a review of acts of Congress by various agencies of one sort or another, one suggestion being that a "council of revision", to be composed of the members of the Court and the President, be established to review legislation of doubtful constitutionality. Such suggestion was voted down by the Convention, and it is argued from that premise that the Convention never intended to give the Supreme Court the power to review acts of Congress. This argument, however, expounded from a proper historical viewpoint, instead of supporting, itself refutes the very contention made. Some slight investigation of the proceedings of the Convention is all that is necessary to make this clear.

On the same day this suggestion was turned down, the existing clause in the Constitution covering the question (article IV) was adopted. This clause was written almost entirely by Luther Martin, of Maryland, who publicly stated that he had framed it to put in the hands of the judiciary, not the Congress, this power (Farrand, vol. II, pp. 28–29). What more complete refutation of this argument could be found, then, than the words of Luther Martin, voting against the council of revision and advocating his own clause, then adopted in substantially the same form as it now stands, when he said:

"As to the constitutionality of laws, that point will come before the judges in their official character. In this character they have a negative on the laws."

Admitting the soundness of Martin's view, Mason, of Virginia, another member of the committee, said of the proposed Federal judiciary:

"They could declare a constitutional law void."

And Rutledge stated on the floor of the Convention:

"The judges never ought to give their opinion on a law until it comes before them."

As was said by Gerry of Massachusetts, speaking of the judiciary under the new Constitution:

"They will have a sufficient check against encroachments on their own department by their exposition of the laws, which involves a power of deciding on their constitutionality. In some of the States the judges had actually set aside laws as being against the Constitution. This was done, too, with general approbation." (Farrand, vol. I, p. 97.)

Farrand, in his The Records of the Federal Convention, volume II, page 28, states:

"Mr. Gov. Morris was more and more opposed to the negative (by council). The proposal of it would disgust all the States. A law that ought to be negatived will be set aside in the judiciary department."

Again, Rufus King stated:

"The judges will have the power of expounding those laws when they come before them; and they will no doubt stop the operation of such as shall appear repugnant to the Constitution." (Farrand, vol. I, p. 109.)

The Convention assembled then voted down the proposition to create a "judicial council" to review unconstitutional legislation. The delegates did so, not to limit the judiciary's powers but to retain them in status quo.

Thus the proposal for the council was defeated, not on the grounds that the judges should not have the power to negative unconstitutional acts of Congress, but solely on the grounds that such a council was unnecessary and inadvisable inasmuch as the judges already possessed that power and it would be inadvisable to join them with the executive branch of the Government in the exercise of it. The Convention retained in the framework of the new government the judicial review of unconstitutional legislation, and refused to create a legislative review.

Pinckney, of South Carolina, clearly and succinctly gave the reason for the rejection, when he said:

"It will involve them (the judges) in parties, and give a previous tincture to their opinions."

So it is clear that rather than the Convention at any time denying the power of the Federal judiciary to declare an act of Congress unconstitutional, the argument solely turned on the question whether the judiciary, already possessing such power, should be joined with any other authority in reviewing legislation. It was an undisputed assumption throughout the discussion that the courts possessed the power and right, in their judicial capacity, to hold any statute violating the Constitution to be a nullity.

Having considered the precedents that existed prior to the adoption of the Constitution in 1789, establishing the judiciary's right to pass upon acts of the legislature, and realizing that all of these precedents were familiar to many of the framers of that document, let us now consider what the members of the Convention had to say in the Convention itself, and to their various State legislatures when the question of the adoption of the Constitution was before each State.

It has already been shown, and will be shown again, that many members of the Philadelphia Convention continually stated it to be their opinion that the judiciary in the normal and customary exercise of its functions would be empowered to pass upon the validity of an act of Congress. If this was not the understanding of the framers of the Constitution and of the people at large, it can only be concluded that such contentions would have been vociferously met, and an attempt made to disprove them. Furthermore, many members of that Convention, in order to persuade their individual States to ratify the Constitution, as will be shown, made statements that the National Supreme Court was empowered to invalidate acts of the National Congress contrary to the Constitution. Again, one would necessarily conclude that if such were not the prevailing opinion at the Convention and in the State legislatures when the Constitution was being considered, such statements would have been disputed. Yet, neither in the record of the Constitutional Convention itself, nor in the records of any State convention convened to adopt the Constitution, can one find anywhere a statement denying that power.

It is to be remembered, that at the time of its adoption there was keen and hard-fought opposition to the Constitution, that the powers of the newly created President, Congress, and judiciary were everywhere debated, yet nowhere does it appear that anyone directly and substantially contended that the National Supreme Court would not have the power which we have been discussing. Continuously, various members of the Constitutional Convention and other influential citizens stated in support of the new Constitution that the national judiciary had the power to invalidate improper acts of the National Congress.

Prof. Charles A. Beard, of Columbia University, one of the ablest of present-day American historians, has come to the conclusion that there were 25 men who constituted the dominating element of the Convention; that of these, at least 16 expressly stated their belief in the power and right of the Federal judiciary to pass upon the constitutionality of an act of Congress. Seven more are on record in favor of the doctrine, while only five, or at least six, members ever opposed the policy of judicial review; and of these latter, not one ever denied that the power existed, though they may not have approved it. The evidence is overwhelming.

Upon the floor of the Convention this power was stated repeatedly, it was affirmed after the Convention, and while the Constitution awaited adoption by the States, and it was again stated by many high in authority in all three branches of the new Government after it was established, and never was its existence denied, even by the few who thought it inadvisable.

As was said by Charles H. Burr, Esq., in 60 University of Pennsylvania Law Review:

"When the Federal Constitution was submitted to the several State conventions for ratification, complete unanimity of interpretation was given to the judiciary clauses. To the proposition, repeated again and again, that the power had been granted to the Federal judiciary to declare void an unconstitutional act of Congress, no voice was raised in doubt, criticism, or dissent. This power of the judiciary to protect the States and the people from the aggressions of Congress was the one all-potent argument wielded by the supporters of the Constitution. And, however its distracters may have persisted in their opposition, they united in recognizing the validity of the argument."

Oliver Ellsworth, who had been a member of the Constitutional Convention and subsequently the United States Supreme Court with John Marshall, stated to the Connecticut convention met to adopt the Constitution that, "This Constitution defines the extent of the powers of the General Government. If the General Legislature should at any time overleap their limits, the judicial department is a constitutional check. If the United States go beyond their powers, if they make a law which the Constitution does not authorize, it is void; and the judicial power, the national judges, who to secure their impartiality are to be made independent, will declare it to be void. On the other hand, if the States go beyond their limits, if they make a law which is a usurpation upon the General Government, the law is void; and upright, independent judges will declare it to be so" (Elliott's Debates, vol. II, p. 196).

Again, James Wilson, a member of the Constitutional Convention, said to the Pennsylvania convention met to adopt the new Constitution: "If a law should be made inconsistent with those powers vested by this instrument in Congress, the judges, as a consequence of their independence, and the particular powers of government being defined, will declare such law to be null and void, for the power of the Constiution predominates. Anything, therefore, that shall be enacted by Congress contrary thereto will not have the force of law" (Beard, the Supreme Court and the Constitution, p. 71).

James Otis, a member of the Convention, said in support of the Constitution that "if the reasons that can be given against an act (of Congress) are such as to plainly demonstrate that it is against national equity, the national courts will adjudge it void. This may be questioned by some, though I make no doubt of it, whether they are not bound by their oaths to adjudge it void."

In North Carolina William R. Davis, delegate to the Federal Convention, discussing, in the State convention, the judiciary clause of the new Constitution, said:

"Every member will agree that the positive regulations ought to be carried into execution and that the negative restrictions ought not to be disregarded or violated. Without a judiciary the injunction of the Constitution may be disobeyed and the positive regulations neglected or contravened" (Elliott's Debates, vol. IV, p. 156).

And Governor Johnson, of the same State, said:

"Every law consistent with the Constitution will have been made in pursuance of the powers granted by it. Every usurpation of law repugnant to it cannot have been made in pursuance of its powers.

The latter will be negatory and void" (Elliott's Debates, vol. IV, p. 188).

Charles Pinckney, a delegate from South Carolina to the Constitutional Convention, speaking at the State convention to adopt the new Constitution, said of the Federal judiciary that:

"[Its] duty would be not only to decide all national questions which should arise within the Union, but to control and keep the State judicials within their proper limits whenever they shall attempt to interfere with its power." (Elliott's Debates, vol. IV, p. 258.)

At the Virginia convention, met for the same purpose, Madison declared:

"It may be a misfortune that in organizing any government the explication of its authority should be left to any of its coordinate branches. * * * There is a new policy in submitting it to the judiciary of the United States." (Elliott's Debates, vol. III, p. 532.)

Randolph, of the same State, said:

"If Congress wish to aggrandize themselves by oppressing the people, the judiciary must first be corrupted."

And, stated Grayson, supporting the same position:

"If the Congress cannot make a law against the Constitution, I apprehend they cannot make a law to abridge it. The judges are to defend it. They can neither abridge nor extend it." (Elliott's Debates, vol. III, p. 567.)

Patrick Henry, given in all school books as one of the greatest of American patriots, at the same convention proudly boasted of the independence of the Virginia judiciary, and said:

"* * * they had firmness to counteract the legislature * * *. Yes, sir; our judges opposed the acts of the legislature. We have this landmark to guide us. They had fortitude to declare that they were the judiciary and would oppose unconstitutional acts." (Elliott's Debates, vol. III, p. 324.)

In replying to Henry, John Marshall, later Chief Justice of the United States Supreme Court, declared:

"If they (Congress) were to make a law not warranted by any of the powers enumerated, it would be considered by the judges as an infringement of the Constitution which they are to guard. They would not consider such a law as coming under their jurisdiction. They would declare it void." (Elliott's Debates, vol. III, p. 93.)

Alexander Hamilton expressed his views in the Federalist, volume 78, when he said:

"No legislation could, therefore, contrary to the Constitution, be valid. To deny this will be to affirm that the deputy is greater than his principal; that the servant is above his master; that the representatives of the people are superior to the people themselves; that men acting by virtue of powers may do not only what their powers do not authorize but what they forbid. The interpretation of the laws is a proper and peculiar province of the courts. The Constitution is, in fact, and must be regarded by the judges as a fundamental law. * * * If there should happen to be any irreconcilable variance between the two, that which is the superior obligation ought, of course, to be preferred; in other words, the Constitution ought to be preferred to the statutes; the intentions of the people to the intention of their agents."

Again, James Madison, who unquestionably contributed more than any other framer toward the formation and development of the Constitution, also expressed his complete approval and support of the power of the judiciary to review acts of the legislature in the Federalist, no. 39. Madison at times appeared to doubt its value, but he never questioned the power. At the Federal Convention, for instance, Madison stated upon the floor of the house:

"A law violating a constitution established by the people themselves, would be considered by the judges as null and void." (Farrand, The Records of the Federal Convention, vol. II, p. 93.)

Madison was present throughout the Convention proceedings, and, though he may have doubted its wisdom, never did he contend that the judiciary did not have such power under the Constitution. Furthermore, Madison, shortly before his death in June 1836 after he had had an opportunity to hear all that was to be said on the subject and after observing the Federal judiciary in operation and after having had before him the decision and results of Marbury against Madison (infra), wrote and said:

"The jurisdiction claimed for the Federal judiciary is truly the only defensive armor of the Federal Government, or, rather, for the Constitution and laws of the United States. Strip it of that armor, and the door is wide open for nullification, anarchy, and convulsion, unless 24 States, independent of the whole and of each other, should exhibit the miracle of a voluntary and unanimous performance of every injunction of the parchment compact." (Writings of James Madison, vol. IV, pp. 296–297.)

Again one may gain much light on this question by considering what transpired upon the passage of the famous resolutions of Virginia with respect to the alien and sedition laws of 1798. A number of States adopted counterresolutions, the following being typical:

Rhode Island: "The second section of the third article on the Constitution * * * vests in the Federal courts exclusively, and in the Supreme Court of the United States ultimately, the authority of deciding on the constitutionality of any act or law of the Congress of the United States."

Massachusetts: "The decision of all cases * * * arising under the Constitution of the United States, and the construction of all laws made in pursuance thereof, are exclusively vested by the people in the judicial courts of the United States."

New Hampshire: "The duty of such decisions (as to constitutionality of congressional acts) is properly and exclusively confided to the judicial department."

In Vermont the resolutions read: "It belongs not to State legislatures to decide on the constitutionality of laws made by the general Government; this power being exclusively vested in the judiciary courts of the Union."

The Virginia Legislature was obliged to consider these resolutions of other States, and a report was drawn up by Madison, as a member of that body, who admitted:

"That the judicial department is, in all cases submitted to it by the forms of the Constitution, to decide * * * in relation to the authorities of the other departments of the Government."

Authoritative excerpts from the foregoing speeches and writings of the leading members of the Constitutional Convention, both at that Convention itself and at the various conventions met in the several States to adopt the Constitution, and the excerpts from the resolutions passed by the various States following the Virginia resolutions in 1798, are clearly sufficient to show that beyond any shadow of doubt it was universally understood, both before and after the United States Constitution was adopted, that the Federal judiciary had the right and the power to limit Congress within its constitutional powers and to invalidate any ultra vires acts passed by the National Legislature. Again, not only do the judicial decisions antedating the Constitutional Convention prove this power but other judicial decisions immediately after its adoption affirm it. In 1792 Attorney General Randolph, in an argument in a case in the Supreme Court, said:

"The sum of my argument was the admission of the power (of the Court) to refuse to execute an act of Congress" (*Hayburn's case*, 2 Dall. 409).

Again, the effect of the decision in the case of United States against Yale Todd was to determine an act of Congress of 1792 unconstitutional. (See note, 13 How. 40–52.)

Again, in *Cooper* v. *Telfair* (4 Dall. 194), Chase, J., held:

"It is a general opinion—indeed, it is expressly admitted by all this bar, and some of the judges have, individually, in the circuit courts decided that the Supreme Court can declare an act of Congress to be unconstitutional, and, therefore, invalid; but there is no adjudication of the Supreme Court itself upon the point. I agree, however, in the general sentiment."

In the Federalist, nos. 78 and 80, the independence of the newly created Federal judiciary is elaborately discussed, and the existence of the power to pass upon questions of constitutionality is taken for granted. It is there commented upon, not as a mere possibility but in order to remove any lingering objections there might be to such a practice. And, in no. 39, Madison specifically states:

"Some such tribunal is clearly essential to prevent an appeal to the sword and a dissolution of the compact."

And so we find that provision in article IV of the Constitution, which reads:

"This Constitution and the laws of the United States which shall be made in pursuance thereof and the treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land; and the judges in every State shall be bound thereby."

And the judicial authority established in article III, reading:

"The judicial power of the United States shall be vested in one Supreme Court, and in such inferior courts as the Congress may from time to time ordain and establish. The judges * * * shall hold their offices during good behavior * * *."

By article IV the supreme law of the land constitutes (1) the Constitution, (2) the laws made in pursuance thereof, and (3) treaties. So an act of Congress not made in pursuance to the Constitution, but violating its provisions, is no part of the supreme law, as defined by the express language of the Constitution; and when the Court, exercising the judicial power vested by article III, is confronted with the provisions of the Constitution, on one hand, and an act of Congress in violation thereof, on the other, the Constitution alone is the supreme law, and the only power and duty of the Court is to enforce the Constitution and declare the act invalid.

And so, in the earliest case in which the question was directly brought to a point (*Marbury* v. *Madison*, 1 Cr. 137 (1803)), John Marshall, greatest of the Chief Justices of the United States, stated and affirmed the absolute power of the Court. Marshall cited no precedents, and for that reason some persons have argued that none existed. The answer to that contention is clearly that there were precedents so numerous that citation would have been superfluous. The principle was so obvious to Marshall and so fully recognized by the Nation at large, that he was concerned only to enunciate and affirm in clear and forceful style the principle in words that have yet to be improved upon. He said:

"The Constitution is either a superior, paramount law, unchangeable by ordinary means, or it is on a level with ordinary legislative acts, and, like any other act, is alterable when the legislature shall please to alter it. If the former part of the alternative be true, then a legislative act contrary to the Constitution is not law. If the latter part be true, then written constitutions are absurd attempts on the part of the people to limit a power in its own nature illimitable—if an act of a legislature, repugnant to the Constitution, is void, does it, notwithstanding its invalidity, bind the courts and oblige them to give it effect? Or, in other words, though it be not law, does it constitute a rule as operative as through it was a law? This would be to overthrow in fact what was established in theory and would seem, at first

view, an absurdity too gross to be insisted upon. It shall, however, receive more attentive consideration. It is emphatically the province of the judicial department to say what the law is. Those who apply the rule to particular cases must of necessity expound and interpret that rule. If two laws conflict with each other the courts must decide on the operation of each. This is the very essence of judicial duty. If, then, the courts are to regard the Constitution, and the Constitution is superior to any ordinary act of the legislature, the Constitution, and not such ordinary act, must govern the case to which they both apply. Those, then, who controvert the principle that the Constitution is to be considered in court as a paramount law, are reduced to the necessity of maintaining that courts must close their eyes on the Constitution and see only the law" (in the sense of law as the acts of legislature).

There are those who have presumed to characterize such reasoning as an argument of sophistry and a mere assumption of power without authority. To so characterize one of the greatest decisions ever written in any court is to pervert history and to reduce argument to mere partisan propaganda. That Marshall was eminently sound in his opinion, "is as demonstrable as any mathematical proposition and requires only an examination of the Constitution itself."

Some have stormed at the opinion in anger, and some have presumed to call it a mere dictum, but notwithstanding all assaults, it remains in all the force of its unquestionable truth and logic and forms an unassailable keystone in the American system of constitutional government.

In over 50 cases since the establishment of the Constitution the Court has invalidated acts of Congress contrary thereto, and its right so to do has never been questioned. Probably the greatest commentator on the American theory of government, Lord Bryce, has said:

"No feature in the Government of the United States has awakened so much curiosity in the European mind, caused so much discussion, received so much admiration, and been so frequently misunderstood than the duties assigned to the Supreme Court and the functions which it discharges in guarding the ark of the Constitution."

Furthermore, states Bryce—

"Few American institutions are better worth studying than this intricate judicial machinery; few deserve more admiration for the smoothness of their working; few have more contributed to the peace and well-being of the country."

De Tocqueville, in his Democracy and America, says:

"The power of the judiciary to declare a law invalid if it transcends the powers given by the Constitution is one of the strongest barriers ever devised against the tyrannies of political assemblies."

So one could go on piling precedent upon precedent, citation upon citation, and authority upon authority, proving beyond the shadow of a doubt that the Constitution gives to the Supreme Court expressly and impliedly the full power to refuse to recognize any law or act of any branch of the Government, including the Congress, that contravenes the Constitution; but this proposition is so self-evident and so clearly ingrained in the American system of government that to make further citation of authority would be superfluous. It suffices to state that that power of the Court has stood unquestioned in the minds of all reasoning men since the foundation of the Republic, despite popular recrimination, the assaults of demagogues, the attacks of those who would wish to usurp the Constitution and make of themselves dictators, despite wars and even actual rebellion.

Such is the fact; and as we stand today admittedly this power can only be curtailed and excised from the fabric of our Government by a constitutional amendment. Whether the power is assumed or was granted is today an academic question, and the controversy is reduced to the question, Should such an amendment be made? I shall now address myself to that contention and conclude this discussion proving that such amendment is inadvisable in the highest degree and would constitute the downfall of American constitutional government. This power in the Court is absolutely imperative, it is the very essence of constitutional government in this country, and without it the Constitution becomes a mere scrap of paper.

The gist of the general argument against the Court's powers is as follows:

"That an act may be passed by the Congress, representing the sovereign will of a sovereign people, approved by the Executive, also representing all of the people * * * only to have it stricken down years later by the assumed unconstitutional exercise of power by an appointive judiciary, is, I say, an anomalous and unbearable state of affairs, and one wherein we fall short of the ability to exercise the sovereign powers of a nation."

That argument, to sum up, claims that Congress represents the sovereign will of the Nation and that therefore any act passed by Congress cannot and should not be invalidated by the Court. A nodding acquaintance with the United States Constitution is sufficient to refute such contention in anyone's mind. The Constitution, not Congress, represents the sovereign will of our people. That sovereign will is expressed only through the Constitution and Congress expresses only the will of the people under the Constitution. It has been recognized since 1789 that Congress expresses the will of the people in the ordinary course of events, but that that expression is always controlled by the sovereign will of the people, expressed, and only expressed, in the fundamental law of the Constitution.

Furthermore, it is quite elementary, but it seems necessary to repeat that this country is made up of a union of 48 sovereign States, and superimposed thereon there exists a sovereign Federal Government. To the Federal Government, under the Constitution, are delegated certain powers, and to the individual State governments are reserved the remainder. Again, under the Constitution, to the President are delegated certain powers, to the Congress others, and to the judiciary still others. One need not stop long to realize that under this system an attempted exercise of power by the President may overlap that of Congress, and that of Congress the Supreme Court, and conversely; and that, again, an attempted exercise of power by the Federal Government may overlap that of the States, and those of the States overlap those of the Federal Government. To continue the smooth working of the Government under such an arrangement and division of functions, it is perfectly obvious that a power must be lodged somewhere in the Government to define the limits of the powers of these various organs and to say where the powers of one begin and of another end.

If it were not for the Supreme Court the State governments could arrogate to themselves powers clearly only within the jurisdiction of the Federal authority, and conversely the Federal Government could reach out throughout the land and assume powers clearly reserved to the States. Worse yet, if it were not for the existence of this power in the Court, the President could assume to himself powers reserved to the Congress, and, conversely, Congress could assume powers of the President or the courts. The President could, for instance, make Executive orders of any sort on his own volition and give to them the effect of absolute statutes.

The people elect the President, but no one has yet had the temerity to assert that they elect the President to make the laws. Even a schoolboy knows the President is supposed only to execute the laws that are made by Congress. Going further, the Congress—which, under the Constitution, is limited to certain very definite powers—could pass laws of any sort whatsoever if it were not for the existence of the judicial veto in the Supreme Court. Congress would become even more omnipotent than the British Parliament. It may be admitted here that no court in England would invalidate an act of Parliament, despite what Coke said in Dr. Bonham's case, that "an act of Parliament against common right and reason would be adjudged void." But it suffices to say with respect to the British Parliament that safeguards exist in England upon the Parliament's powers that do not exist in this country with regard to Congress. The American Congress is in substance comparable not to the Parliament as a whole but only to the House of Commons. In England the House of Lords may at least stay an act of the Commons for at least 2 years. Again, though it may not have been exercised since the reign of Queen Anne, the British Crown does have the power of veto over an act of Parliament. Again, the British constitution, though unwritten, has, in a country such as England, heavily imbued with tradition, a force almost equivalent to that of the laws of nature.

Congress in this country, if it were not for the Supreme Court, would be the most omnipotent lawmaking body on the face of the earth. The existing Congress could permanently legislate itself into office and prevent all future elections. If at the next election the Republican Party by some unpredicted turn of events should attain a majority in Congress, that Republican majority could legislate the President out of office and replace him with anyone it saw fit, save for the Supreme Court. Congress could violate every single provision of the Constitution; it could, for instance, establish a state religion and disqualify all those adhering to any other belief in God from voting; it could abolish freedom of speech and of the press and permit to exist only those newspapers which expressed the ideas and demands of the dominant party; it could quarter troops in any home; it could abolish every constitutional protection against the security of the people in their persons and in their homes against unreasonable searches and seizures; it could abolish trial by jury and place a person in double jeopardy for the same offense: it could abolish completely all the principles of law which have been built up in a thousand years of strife in Anglo-Saxon history to protect the citizen and his life, liberty, and property; it could pass bills of attainder and expropriate property without compensation; it could abolish courts and constitute in place of our existing judicial system dishonest and political star-chamber proceedings; it could restore prohibition; it could remove the right of suffrage for sex, religion, race, or any other conceivable reason; it could establish forced labor; it could abolish any branch of the Government and create any other. One could go on ad infinitum illustrating the evils and excesses which Congress could impose upon the Nation were the protective powers of the Supreme Court once removed. It is no answer to say that if Congress exceeded its constitutional powers the people would vote its Members out of office on the next election. The people might not even get the opportunity; Congress might legislate itself into office permanently or make illegal all political parties except the dominant one, and in any case irreparable injury could be done before the following elections.

That this is no idle talk and does not represent the far-fetched excesses of an overactive imagination is amply illustrated by current events in other parts of the world. One has only to consider the countries of Europe to realize what can be done by a dominant political party or a successful demagogue in the way of destroying the rights of the common citizen and establishing an absolute dictatorship and tyranny over the people through the control of a legislative body with those very same rights that the opponents of the Supreme Court would vest in Congress.

The very situation that exists in Europe could come to pass in this country if Congress were once given the omnipotent powers

that the opponents of the Supreme Court advocate. It is perfectly obvious that if the Court is deprived of the right and power to interpret the Constitution and to refuse to recognize any governmental act not within the Constitution, that the Constitution, for all practical purposes, would cease to exist. Both in theory and in fact that document becomes but an interesting scrap of paper to be entombed in a museum. Future generations could point to it as a "classic" example of what depths a nation may descend to when popular clamor, created and steered by clever but unscrupulous demagogues, is permitted to override the counsel of reasoning men. Is every lesson of our history to be thrown aside, is all that we have fought for to give security to the citizen in his life, liberty, and property, and his chance in the "pursuit of happiness" to be nullified in order that doubtful virtues of a dictatorship be established? The dictatorship of a majority political party, be it Democratic, Republican, Socialist, Communist, or what not, is no less hateful than the tyrannies of kings or emperors.

The unfortunate part of the arguments against the Supreme Court is that they subtly ensnare the very people whom the Court is most zealous to protect—the ordinary common man in the street. Under the guise of an interest in the mass of the people and under the cloak of promoting legislation designed to promote their social and economic welfare, the opponents of the Court argue that the Court in its decisions is in effect legislating against all social reform, and therefore to achieve that very necessary reform it is necessary to abolish the Court as we know it. Whether inspired by motives of ignorance or malice, the result that these people seek to achieve would be harmful to a degree impossible to conceive. They make the argument that the Court is a reactionary body of "old men" with "horse and buggy" ideas, who are more zealous to protect "property" than "life or liberty." Even if this be so, which it is not, is that any reason for abolishing protection of life and liberty, as well as to property? They argue that the Court's decisions represent in effect legislation created by the "nine old men" and the basis of their own personal beliefs and opinions. Nothing could be further from the fact. The Court's power is only negative, never positive; it cannot and does not legislate. It makes no statutes; it levies no taxes; it does nothing except uphold the lawful and negate the unlawful. As for the assertion that the Court's decisions represent merely the personal ideas of its members, no better answer can be given than the known fact that men who were so-called liberals when nominated have written so-called conservative opinions, and members known as conservatives when nominated, like the present Chief Justice, have consistently been on the liberal side. Probably no body of men on the face of the earth act with a greater devotion to law and duty, with more complete impartiality, or with a more objective viewpoint.

I do not propose to argue the merits of various statutes of a primarily social or economic nature passed by Congress but declared unconstitutional by the Court, such as the N. R. A. It should be sufficient for me to state here that I do not for one moment deny the probable necessity of certain economic and sociological reforms under present conditions in this country. But under the Constitution, unless one is willing to pervert plain English, the power does not exist in the Congress to create many of the lately proposed reforms. No better example could be cited than the N. R. A., which, for the moment, I shall assume to be a universally desired statute. But the answer to the existing lack of power in Congress to so legislate is not to cut off the power of the Court to protect the people, but to increase the power of Congress to benefit them. And the way to increase that power in Congress is clearly set forth in the Constitution itself (art. V) by amendment. The United States Constitution very possibly is not an up-to-date document and does not give to Congress the powers which may be necessary to meet modern needs. But that does not mean that the Court should be obliged to pervert its language, to rewrite the Constitution of its own notion, or to interpret that document in a so-called flexible manner to meet such needs.

If the Constitution does not meet modern needs, let it be amended. When one asks for an amendment to the Constitution, one is immediately met by the argument on the part of those whose social concerns are exceeded only by their haste and ill consideration that the process of amendment is too slow. One needs only to cite the last amendment to the Constitution to refute such a contention. The twentieth amendment, repealing prohibition, was introduced in Congress on February 20, 1933, and was ratified on December 5, 1933. Seven months had elapsed. If necessary, I do not doubt that the process could be speeded up to 3 or 4 months. What more speedy process for creating social reforms could be asked for than one that permits the alteration of the fundamental law upon which this country operates within a period of a few months? But the opponents of the Court do not advocate amendments giving Congress the powers needed; rather, they prefer to curtail the power of the Court. Why so? Because curtailing the power of the Court would not give to Congress merely the additional power needed and which the country might wish the Congress to have, but it would give to Congress omnipotent power so that Congress might, at the dictation of one political party or one political leader, commit the catalog of acts above set forth. What a paradox would be created—that a Congress acting under the United States Constitution could do anything under the sun in violation of that very same Constitution!

These so-called liberals who advocate the overthrow of the Court are, whether purposely or unconsciously, advocating the very antithesis of true liberal principles and attempting to pave the way for the overthrow of the American system and the establishment of a system that would put us on the same low plane on which the nations of Europe now find themselves.

I can do no better, in closing, than to quote the opinions of Lord Brougham, who said:

"The power of the judiciary to prevent either the State legislature or Congress from overstepping the limits of the Constitution is the greatest refinement in social quality to which any set of circumstances has ever given rise or to which any age has ever given birth."

And of Gladstone, who stated:

"* * * the American Constitution is the most wonderful work ever struck off at a given time by the brain and purpose of man."

THE WORLD WAR DEBTS

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a short table.

The SPEAKER. Is there objection?

There was no objection.

Mr. SHANLEY. Mr. Speaker, there is no subject, with the possible exception of neutrality, that presents the picture of international affairs and world-wide opinion with such cogent emphasis and dangers, as well as focal points of irritation, as that of the collection of the World War debts. Certainly everyone must admit that the ultimate goal of all peace-loving, sincere nations must be won by the eliminations of these points of friction which obstruct mutual and multilateral concord.

Insofar as the three great sovereignties of the Old World—England, France, and Italy—are concerned the failure of each of them to respectfully treat their debts to us is seemingly as provocative of resentment and anger as any other imaginable subject. However, coolness, understanding, and pitiless logic are needed in the discussion of this subject; and retaliation, which precludes study and blinds perspective, should be absent in all sympathetic considerations.

Roughly we know that England owes us more than four billions, Italy over two billions, and France more than three and one-half billions. We know further that the transfer of money out of a country has very limited possibilities, and this is especially true with the existent paucity of gold and silver supplies in these countries. Beyond this, too, the paper currency cannot be utilized except in very limited payments. No one should forget that paper money fluctuates in value with the possibilities of its convertibility into gold. Certainly, if we accept paper money from a foreign nation, it would be practically worthless unless we could send it back for gold when the stress came.

Private citizens of a defaulting nation sell goods and services, carry supplies, accept and use remittances, entertain tourists and travelers, and for these acts they may be said to receive foreign exchange. We have placed in appendix B a statement of international balances over a period of 38 years. Let us assume that the debtors receive actual checks of American citizens on American banks and also get American money. Obviously, if the French Government could have all of those checks and species of American currency it might well turn them over to the United States Government in lieu of the debt. But this could only be done by taxation on the part of the French Government to permit them to purchase those checks or specie of currency from French citizens and in no other practical way.

Quite the contrary, we know that such is not the case, and that those who are receiving payments from Americans obtain it almost invariably in foreign exchange without the transfer of such checks, gold or currency. The somewhat baffling intricate operation of foreign exchange must be understood before one can proceed.

A debtor country must sell to foreigners more goods and services than it purchases from those foreigners, or, conversely, the creditor nation must be willing to purchase more goods than it sells. Let us take an absurd example to illustrate. Suppose that French citizens have sent over a half billion dollars worth of goods to American citizens. American importers pay for those importations directly to the Treasury of the United States, and the Government of this

country credits that half billion dollars to the French debt. What is the situation in France? Thousands of French nationals hold paper debts against American citizens who have just substituted the United States in their places. It is clear that the French Government must step in somewhere and make whole these debtors. It orders all such French exporters to turn in their invoices to the French treasury and receive equivalent value. But before it can purchase these obligations the French Government must have money only obtainable by legislative authorization and a tax program permitting such exchanges. Under such circumstances the taxes imposed to buy these obligations must be borne by the people of France. Even under this simple theoretical plan the citizens of France pay, and they must pay in the practical manipulations of international exchange also.

Certainly, if the rich treasures of art were to be sold to citizens in the United States, such a four-corner transaction might be employed.

However impracticable these two suggestions might seem, they should disclose the overpowering need for the debtor country to effect a surplus credit in the creditor country. It had been said by some that the problem resolves itself into the power of a debtor country to earn foreign exchange, otherwise expressed by saying that the debtor nation must have a surplus of exports over imports or a favorable balance of trade.

United States may therefore have an opportunity of receiving debt payment if it is willing to accept an import surplus, thus securing more goods and services than it exports to the country in debt.

Many times during the debt discussions we have had suggestions offered that all France needs to do is to purchase all the bonds of French citizens covering American investments and turn them over to the United States. Our country would then be forced to sell these bonds to obtain the money to credit the French Government. So far as it goes, this is a worth-while expedient, but the volume of such transactions is relatively small.

However, its proffer might at least display willingness on the part of the French Government. It must be explained, moreover, that the removal of this capital income would of necessity eliminate the possibility of future annual interest payments, a by no means small factor in international exchange.

Here is another suggestion. Senator J. HAMILTON LEWIS said recently in the United States Senate:

> I now invite the attention, sir, of this honorable body to the prospect of the payment of some of these debts by the transfer to us of land adjacent to and connected with the American Continent and not in use by our debtors.
>
> When this subject was touched upon by me not long since, suggesting transfer to the United States of islands in the Caribbean Sea, continental America, to this England, through one of her spokesmen, rightfully intimated that to transfer certain sections of her populated islands to the ownership of the United States would result in the transfer of some of its citizens, against their will, to become Americans. In that connection I suggest that a short while past we yielded to England in a boundary commission Alaskan territory claimed as property of the United States under treaty of purchase from Russia. This concession was for the purpose of peace and harmony. In this procession of proceedings at London I held a very insignificant portion, being then a Member of the House of Representatives as Congressman at Large from the State of Washington, the farthest western State and nearest to Alaska.
>
> Sir, I propose that the strip of country which we then yielded be now returned to the United States as part compensation for the debt due by England. I propose, sir, that that part of Alaska, not being occupied, having no citizens of the British dominions upon it, may be transferred as any other land; and therefore, sir, go to the payment of the debt due by England and thus contribute to the peaceful relations which ought to exist between debtor and creditor when the debtor has paid his debt to the creditor under which friendly relations as now prevail between the United States and its debtors.
>
> Incidentally, in this, seeing the loan of France to Italy, as is her privilege, I suggest that in the Antilles there are islands uninhabited in any form whatever, possessing, it appears, some area which the United States might use for aerial bases upon which to prepare for defense against assaults in that direction upon our country. Let France yield that territory, where there are no French citizens, and both nations, as described by me, contribute to the payment of their debts to the United States in the manner I define.
>
> Thus upon these international questions I suggest, sir, that as an example of peace and harmony and newly devised brotherhood we have the transfer of this land as a contribution on the debts due to the United States, looking to the payments by these debtors to the United States of debts which at this time are long since due. On this debt not even the installments of interest are offered. Senators, it is high time this, our Government, sustained the resolution I tender—that our Government now take up the question with these nations for the purpose of having yielded to us in perfect fairness, in absence of money to pay, this tribute of land in part payment of the debts and as a just recognition of our sacrifice.

Mr. Levinson, former aide on the Kellogg Pact and alleged author of the phrase of the "outlawry of war", has a plan which he terms "liquidating world depression" which in the matter of debts recommends a reduction of the round total of ten to six billions. From that sum he would take the two and seventh-tenths billions already paid by the allied nations. The remainder of three and three-tenths billions would be accepted as a base for a 12-year payment plan of two hundred and seventy-five million a year with no provision for the payment of interest except that the installments are to bear 5 percent after maturity.

He offers no plan for individual contributions, but suggests that this be left to each nation to work out. His plan also touches credits for the army of occupation costs, Mixed Claims Commission, a holiday on armaments, a gold-standard return, and other phases not pertinent to the debt discussion.

Other suggestions include the sale of rare paintings, crown jewels, and articles of great intrinsic value. Still others favor the extension of university education in debtor nations whereby, for instance, 1,000 American boys and girls would go to Italy, for example, and enjoy all the comforts of education, culture, and convenience at the expense of the Italian Government. The Kingdom of Italy would reimburse by taxation proceeds, of course, the merchants or institutions of that nation for the expense of these quasi-Rhodian scholars. How would we benefit? Well, if the fair value of these expenses was $10,000,000, we would credit that amount to the Italian account. Our Government would then either grant these scholarships outright as a Federal aid or charge a reasonable fee for them to the colleges, the States, or persons interested.

The latest proffered scheme is said to be linked up with the reciprocal-trade treaties wherein the debtor nations might well be allowed to ship their surplus products to this country. In a less euphemistic sense we might say that we are allowing them to dump their exportable surpluses on these shores in credit for their debts, a dangerous precedent.

Another phase of this many-sided question is presented by Mr. Truman Winslow in an article entitled "How We Could Collect Part of Our War Debts":

> For several months Treasury officials have been worried by the continued flow of gold to the United States, because the loss of gold in foreign countries may complete the wreckage of foreign exchange and cause a further decline in world trade. This condition removes hope of recovering part of the debts in gold. And the shipment of goods in settlement of the debts would clutter up our domestic market.
>
> There seems to be only one other way. Many foreign countries have large stocks of silver and others can add to their stocks. Great Britain can draw on the silver hoard of India; other nations can draw on the world bullion market.
>
> If we should reduce the war debts about 50 percent and accept payment in silver over a period of years, the war-debt problem could undoubtedly be worked out. The question is, What would we do with the silver? But it might also be asked, What would we do with the gold? Gold and silver have little use in themselves. Their chief service is in settlement of international debts.
>
> A silver-settlement policy would have advantages from the standpoint of economics and no great disadvantages.
>
> Silver thus received would not increase the amount of paper money in circulation, since it would be deposited in the Treasury without issue of new paper money. The same applies to gold received in settlement of war debts.
>
> As many nations turned to the silver-bullion market for silver, its value would increase in terms of gold money, which means that gold money would decrease in terms of silver money. This would

tend to break the gold corner, bringing hoarded gold into the world bullion market.

The increased price of silver in terms of our gold money would cause a corresponding increase in the foreign-exchange price of silver money. This would decrease the price of our farm products in silver-standard countries, since their silver money would buy more American gold dollars. Thus the farmer could sell more in silver-standard countries, and surpluses now being destroyed might be sold abroad without decreasing the domestic value of farm products.

The American farmer could produce more and receive good prices for his entire crop. He would, in turn, have more money to spend. Industrial centers would benefit.

The increased price of silver exchange, furthermore, would decrease the volume of oriental products dumped on our domestic market.

Our Government could agree to accept silver at a fixed price at $1.29 an ounce, and for a while foreign governments would profit, since they can purchase silver on the open market now for about 53 cents. However, as foreign purchases began to remove silver bullion from the world market the price would increase rapidly to the true economic price of $1.29 per ounce or more. The silver now held by the Treasury would then represent a true profit for our Government, since most of it was purchased for 60 cents or less.

Clearing up the war debts would improve trade. They have contributed to the world depression.

If our Government sees the practical side of the war-debt question, much may be done toward restoration of normal world trade. The fact that silver settlement may not be considered orthodox should carry little weight when compared to the practical benefits.

In one of the loftiest speeches on the debt question ever delivered to a representative body, the President of the United States set out the basis of all future discussion of the war debts in his speech on June 30, 1934. He used particularly two phrases, "determined effort" and "substantial sacrifices", as necessary characteristics of the efforts of the debtor nations in their attitude toward the payment of these debts. He talked also of the scrutiny which the American public might justifiably impose on defaulting nations in their employment of their available resources, and he strongly intimated that the exploitations of these resources for unproductive nationalistic expenditures would be a cause of apprehension in this country.

Such a warning is, of course, consistent with our policy looking toward adequate disarmament on a world-wide basis. We all know only too well the lying propaganda which allowed British expenditures in naval increases before the Great War on the false supposition that the Germans were expending huge sums secretly on their navy. It was intimated in England that the public expenditures were improperly and secretly handled to hide these secret payments. We know that that lying propaganda was used to force greater increases in the English House of Commons, and it was exposed during the World War by Lloyd George and Winston Churchill. As a matter of fact, Germany never spent over fifty-eight million prior to 1914 in any single year, while, on the contrary, the English did raise ninety-three million in 1914.

All of these war scares, especially in the matter of armament, should be viewed with suspicion and apprehension by us in this country. If there is real sincerity in the world in the effort to reduce armaments, it ought to be manifested in the efforts of debtor nations to square themselves in their desire to either try payments in part or reduce their armaments.

No sensible person can read the following excerpts from the great speech of our Chief Executive delivered on June 30, 1934, without realizing that we in America are anxious to do something to clear our slates of this vexatious problem.

I am aware that the President in his speech is anxious to deal at all times with these nations individually and with that there should be no objection, although some provision ought to be made for a change to group discussions if made necessary, by the conditions of today.

The Chief Executive said in part:

It is a simple fact that this matter of the repayment of debts contracted to the United States during and after the World War has gravely complicated our trade and financial relationships with the borrowing nations for many years.

These obligations furnished vital means for the successful conclusion of a war which involved the national existence of the borrowers, and later for a quicker restoration of their normal life after the war ended.

The money loaned by the United States Government was in turn borrowed by the United States Government from the people of the United States, and our Government in the absence of payment from foreign governments is compelled to raise the shortage by general taxation of its own people in order to pay off the original Liberty Bonds and the later refunding bonds.

It is for these reasons that the American people have felt that their debtors were called upon to make a determined effort to discharge these obligations. The American people would not be disposed to place an impossible burden upon their debtors, but are nevertheless in a just position to ask that substantial sacrifices be made to meet these debts.

We shall continue to expect the debtors on their part to show full understanding of the American attitude on this debt question. The people of the debtor nations will also bear in mind the fact that the American people are certain to be swayed by the use which debtor countries make of their available resources—whether such resources would be applied for the purposes of recovery as well as for reasonable payment on the debt owed to the citizens of the United States, or for purposes of unproductive nationalistic expenditure or like purposes.

In presenting this report to you I suggest that, in view of all existing circumstances, no legislation at this session of the Congress is either necessary or advisable.

I can only repeat that I have made it clear to the debtor nations again and again that the indebtedness to our Government has no relation whatsoever to reparations payments made or owed to them, and that each individual nation has full and free opportunity individually to discuss its problem with the United States.

We are using every means to persuade each debtor nation as to the sacredness of the obligation, and also to assure them of our willingness, if they should so request, to discuss frankly and fully the special circumstances relating to means and method of payment.

What is the approach? and shall it be revision downward? Prof. Nicholas Spykman, of Yale, in The United States and the Allied Debts, says in his closing pages of a splendid monograph, which though written some years ago, still is pertinent and suggestive:

Statesmanship is not merely a question of sound economics and strength of moral conviction, but it is above all an intuitive understanding of political possibilities and a fine feeling for choosing the right moment. The present is not the right moment. There is little hope of obtaining a revision just now. The present Congress is not likely to be any more lenient than the previous one and too much occupied with internal problems to be in a mood for a generous consideration of Great Britain's difficulties.

If Great Britain wants to obtain a more lenient agreement, it must first create a more favorable public opinion. A mere request based solely on the justice of her claim is not going to bring results. What is needed is a practical proposal that will not be too expensive for the American taxpayer. Not only would this improve the general attitude toward Great Britain in the United States but it would also provide a practical talking point. The reduction in receipts from Great Britain could then be balanced by a reduction in naval expenditures and the American taxpayer could afford to be generous without having to pay for it. This applies not only to Great Britain but also to the other debtors. If Europe wants the United States to make further reductions, it will have to make businesslike proposals which the American Government can accept without having to increase the tax burden of its citizens and which offer the Nation clear and substantial benefits.

The form of proposal most likely to receive a favorable reception would be an offer to pay in a lump sum instead of over a long period of years. The American people will show themselves exceedingly reluctant to accept a downward revision of the yearly payments, but they will undoubtedly be willing to grant a very substantial discount in calculating present values of future payments. Such a proposal would be an offer of a cash benefit to the present generation of American taxpayers in exchange for promises of doubtful value to pay their grandchildren. The American business sense can be trusted to see the advantage of such a proposal and to allow a very substantial discount. But the possibility of making such offers rests in the last instance on the possibility of the commercialization of the present debts and reparations.

The road toward further readjustment must therefore go through the Young plan. But if Europe wants to succeed in making the United States assume a larger part of the burden of the world catastrophe, it must open its eyes to the political realities of American life and cease its criticism of American blindness to the economic realities of European life. Only businesslike proposals from individual governments presented in a form that takes account of American prejudices and avoids emphasizing the relation between debts and reparations is likely to find acceptance. If Europe is capable of that much statesmanship, it will find the people of the United States willing to do their share in the final liquidation of the horrible nightmare of useless destruction of life and wealth which almost caused the complete annihilation of western civilization.

Another authority in the person of Prof. Herbert Wright, of Catholic University, in his introduction to a study of the same problem by Wildon Lloyd, has said about Lloyd's valuable study on the debts:

After removing some popular illusions and misconceptions concerning the nature of the war debts, he shows with inexorable logic that the war debts are not ordinary commercial debts and that payments on them cannot be met in full by any nation and by some of them not at all. In view of these facts, he contends:

a. That no interest whatever should be charged on debts of such a character;

b. That equity and justice (as well as enlightened self-interest) demand that the principal of the war debts be reduced by at least one-half because of the difference between war-time prices and normal prices; and

c. That all cash payments already received by the United States be deducted from the revised principal.

We, however, should not forget that under section 9 of the refunding debt agreement we have the privilege of asking for marketable obligations from our debtor nations. The following extract from the British agreement is identical with all the others and expresses our power under that agreement. It ought to be clear from the realization of this unexercised privilege and right that this country has been more than fair in withholding its privileges under this compact. But it does exist, as this excerpt shows:

EXCHANGE FOR MARKETABLE OBLIGATIONS

Great Britain will issue to the United States at any time or from time to time, at the request of the Secretary of the Treasury of the United States, in exchange for any or all of the bonds proposed to be issued hereunder and held by the United States, definitive engraved bonds in form suitable for sale to the public, in such amounts and denominations as the Secretary of the Treasury of the United States may request, in bearer form, with provision for registration as to principal, and/or in fully registered form, and otherwise on the same terms and conditions, as to date of issue and maturity, rate or rates of interest, exemption from taxation, payment in bonds of the United States issued or to be issued after 6th April 1917, payment before maturity, and the like, as the bonds surrendered on such exchange, except that the bonds shall carry such provision for repayment of principal as shall be agreed upon; provided that, if no agreement to the contrary is arrived at, any such bonds shall contain separate provision for payments before maturity, conforming substantially to the table of repayments of principal prescribed by paragraph 6 of this proposal and in form satisfactory to the Secretary of the Treasury of the United States, such payments to be computed on a basis to accomplish the retirement of any such bonds by 15th December 1984, and to be made through annual drawings for redemption at par and accrued interest. Any payments of principal thus made before maturity on any such bonds shall be deducted from the payments required to be made by Great Britain to the United States in the corresponding years under the terms of the table of repayments of principal prescribed in paragraph 6 of this proposal.

Great Britain will deliver definitive engraved bonds to the United States in accordance herewith within 6 months of receiving notice of any such request from the Secretary of the Treasury of the United States, and pending the delivery of the definitive engraved bonds will, at the request of the Secretary of the Treasury of the United States, deliver temporary bonds or interim receipts in a form to be agreed upon within 3 months of the receipt of such request. The United States, before offering any such bonds or interim receipts for sale in Great Britain, will first offer them to Great Britain for purchase at par and accrued interest and Great Britain shall likewise have the option, in lieu of issuing to the United States any such bonds or interim receipts, to make advance redemption, at par and accrued interest, of a corresponding amount of bonds issued hereunder and held by the United States.

All of these suggestions point to one necessity, and that is that if we are ever to have a real armament conference the pressure and the Archimedean lever of international influence may well come from the insistence of this country in the matter of debts.

In 1926 there appeared in the Irish Statesman this suggestive paragraph:

The forgiveness of war debts will only make it easier for any of the countries forgiven to start cheerfully on some new war. There is a great deal to be said for the Shylock attitude. If wars have to be paid for, there will be much more hesitation before starting on wars in the future.

Can we finally ignore the privilege afforded us under the refunding agreement as quoted above in the typical instance of section 9 of the British agreement? Is it not time to act and show these nations that we have been exceptionally fair and reasonable and that their apparent inattention is a cause of spirited misgiving?

I have a resolution which calls for a conference of nations with especial reference to our rights to demand marketable obligations. I trust that my colleagues will study this question and afford the House the benefits of that study.

APPENDIX A

International trade balance between the United States and the world, 38 years, 1896–1933, inclusive

[Figures in millions of dollars]

	July 1, 1896–July 1, 1914	July 1, 1914–22	1923–29	1930–33	Total
UNITED STATES BILL OF ITEMS TO WORLD					
1. Merchandise exports	31,033	46,952	33,711	9,554	121,250
2. Shipping and freight charges received	86	1,793	836	389	3,104
3. Interest and dividends received on United States private capital invested in foreign countries	760	1,470	4,770	2,440	9,440
4. Foreign tourists' expenditures in the United States	-------	-------	941	409	1,350
5. Immigrants' remittances and charity received in the United States	-------	-------	269	52	321
6. Foreign government expenditures in the United States	-------	-------	216	143	359
7. Miscellaneous items	409	537	2,193	1,043	4,182
8. Unestimated items, errors, omissions, etc. (net)	243	3,766	-------	696	4,705
9. United States currency exported (net)	-------	166	-------	-------	166
10. Gold exported (net)	-------	-------	-------	119	119
11. Interest and principal received by United States Government on loans to foreign governments (war debts)	-------	800	1,442	473	2,713
Private capital items					
12. Net increase or decrease in foreigners' long-term investments in the United States	2,000	[1] 2,422	2,131	261	1,970
13. Net increase or decrease in foreigners' short-term investments in the United States	-------	200	2,437	[1] 2,550	87
	34,531	53,262	48,946	13,029	149,768
WORLD BILL OF ITEMS TO UNITED STATES					
1. Merchandise imports	22,180	25,766	28,735	7,923	84,604
2. Shipping and freight charges paid	727	1,966	1,117	617	4,427
3. Interest and dividends paid on foreign private capital invested in the United States	3,800	965	1,787	557	7,109
4. United States tourists' expenditures in foreign countries	3,230	700	4,617	2,062	10,609
5. Immigrants' remittances and charity paid to foreigners	2,850	2,800	2,404	766	8,820
6. United States Government expenditures in foreign countries	-------	2,225	466	444	3,135
7. Miscellaneous items	570	11	2,152	1,021	3,754
8. Unestimated items, errors, omissions, etc. (net)	-------	-------	143	-------	143
9. United States currency imported (net)	-------	-------	210	160	370
10. Gold imported (net)	174	1,746	175	-------	2,095
11. United States Government loans to foreign governments (war debts)	-------	10,304	-------	-------	[2] 10,304
Private Capital Items					
12. Net increase or decrease in United States long-term investments in foreign countries	1,000	6,509	5,843	14	13,366
13. Net increase or decrease in United States short-term investments in foreign countries	-------	270	1,297	[1] 525	1,032
	34,531	53,262	48,946	13,029	149,768

[1] Decrease.
[2] Accrued interest at time of refunding is not included in this amount.

WASTE AND TAXES

Mr. SNELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by publishing a speech that I made over the radio.

The SPEAKER. Is there objection?

There was no objection.

Mr. SNELL. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address which I made over a National Broadcasting Co. network, March 6, during the program "Congress Speaks":

Good evening, ladies and gentlemen of the radio audience. The Republican floor leader in the House of Representatives must spend so much of his time nowadays digging for the important facts of government so artfully concealed in the flowery verbiage of New Deal reports that he finds little time to speak in Congress.

I am doubly appreciative, therefore, of this opportunity to discuss the present urgent Budget situation in Washington before the vast audience of the National Broadcasting Co.

The Federal Budget sometimes may appear far removed from the daily life of the American citizen. But when new and burdensome taxes are proposed, every contributor to the national wealth is eager to know how much of the added revenue is to be wrung from his own anguish and toil.

In the crowded but not too pleasant news of this week two items of major interest stand side by side. One notes the Treasury's March financing, which floated the largest issue of Government securities ever offered by a National Treasury in time of peace in all human history.

And beside this news is the American Federation of Labor's monthly survey of unemployment, showing 12,600,000 workers still seeking jobs—as many as there were at the height of the depression in the summer of 1932—and there are still over 20,000,000 on relief.

The third news item illuminates completely the prevailing policy of New Deal bootstrap recovery. This item, of which we shall hear a great deal during the next 3 or 4 months, is President Roosevelt's demand for $1,137,000,000 in new taxes.

Viewed together, these news reports present the whole picture of boondoggling triumphant.

For 3 years the substance of the Nation has been dissipated recklessly in ill-considered experiment, in waste, incompetence, and political spoils. Now the bill must be paid.

The official Treasury statement for March 2—that is, last Monday—shows us how fast New Deal squandering is devouring the substance of real national recovery.

The fiscal year 1936, which began on July 1 last, now has been under way for 8 full months.

During these 8 months, Treasury outgo has exceeded Treasury revenues by $2,400,000,000.

Quite naturally, we all ask, as so many have asked almost daily during the last 3 years, "Where's the money coming from?"

In a word, this showing means that the Treasury is operating "in the red" at the rate of $300,000,000 a month—or $10,000,000 every day of the week, including Sundays and holidays.

Reckless squandering of other people's earnings and savings has been a first principle of New Dealism, in every phase of every vision, for 3 long years.

But until the current fiscal year the Treasury deficit averaged only about $8,000,000 a day.

Increasing the national deficit by $2,000,000 a day in the face of the glorious "recovery" so often proclaimed by the President and his Postmaster General represents an historic accomplishment in Wallingford finance.

The new economic law patched together by the New Dealers since 1933 can almost be set to music. It just goes round and round. The more recovery we have the more money is demanded for relief and "emergency" agencies.

Perhaps the whole program does not hang together. Often it does not make sense. But it is going to cost more billions of dollars than America can pay without a dangerous drain upon her productive energies—more billions than the people can pay without facing a lowered standard of living, in our own as well as in future generations.

A report this week from the United States Civil Service Commission shows 805,000 people on the pay rolls of the executive branch of the Government as of February 1, 1936.

This represents an increase of 245,000 pay rollers since March 1933.

And now Secretary Wallace is just launching a new venture in political farm relief, which will call about 5,000 more of the party faithful to the Government pay rolls.

The report of the Civil Service Commission shows the transfer of 1,395 employees from the temporary rolls of the defunct N. R. A. to the permanent rolls of the Department of Commerce during January.

The legislation under which the "little N. R. A." has functioned since the Supreme Court declared the "big N. R. A." unconstitutional 8 months ago expires on April 1.

But the gentleman who manages the Democratic patronage has contrived by some means to transfer the N. R. A. payrollers to places of safety in the permanent establishments.

Emergencies may come and emergencies may go, but the spoils' pay roll marches on forever.

The country understands clearly by this time, I think, that the message sent to Congress by Mr. Roosevelt on Tuesday was not a fiscal program to buttress the strained resources of the Federal Treasury.

The message simply computed the additional money needed to carry the measures which the present session of Congress has lashed upon the Nation's back.

But the tax bill to raise this needed revenue is yet to be written. I expect it will be written by the Democratic majority of the House Ways and Means Committee.

At present that committee is a council of many tongues. Denounced from all sides as sheer folly, the President's proposal to tax all corporate reserves out of existence already has been abandoned. But what sort of a tax bill ultimately will be presented to the House of Representatives is a mystery still confounded by an astonishing bewilderment in the New Deal high command.

Their dilemma is very real. They must have new revenues at this session of Congress—or else they must find something else to use for money.

But the New Deal is not yet ready to present a tax program which will actually bring in the needed funds.

The New Deal called the tune but is not yet ready to pay the piper.

It is ready, however, to prosecute anew its dangerous and unconscionable warfare upon the Supreme Court of the United States—the Court which has dared to say six times during the last 2 years that the Constitution still lives!

The New Deal is ready to play political hide-and-seek with the entire Nation by proposing a half-baked tax program, which obviously will not yield the revenue needed.

But if you can fool all of the people all of the time, these tax proposals may yield rich political revenues.

They embody an alluring demagogic appeal to a Nation harrassed and distracted by long-delayed recovery—a recovery still held back by the repeated blows of New Deal politics.

In brief, the President's tax suggestions to Congress present but one more verse in the New Deal's unchanging theme—"soak the saver."

But the National Budget cannot be balanced by political vengeance.

No matter where taxes are levied, every man and woman in the Nation pays them. They are paid in daily toil, in higher prices for every necessity of life, in cruel assessment upon industry, thrift, and frugality.

Excessive taxes, wherever laid, sap the productive energies of a people and prostrate the spirit of ambition and invention, which is the keystone of Americas greatness.

The choice is before the Congress today.

There is but one way out!

It is to curtail reckless spending, stamp out spoils, restore the competitive civil service, and enact an honest tax measure to bring in revenues equal to outgo.

If the New Deal Congress will not enact such a program, a Republican House of Representatives will assume the task after the November elections.

I thank you, and goodnight.

THE CAUSE OF UNREST AND HOW TO REMOVE IT

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

The SPEAKER. Is there objection?

There was no objection.

Mr. BURDICK. Mr. Speaker, in normal times—that is, from 1909 to 1914—the average number of persons out of work was approximately 1,500,000 annually. Today it is no exaggeration to say that 12,000,000 are out of a job who could fill one if there was an opportunity.

The number of those unemployed has increased every year since 1914, and unless we make radical changes in our national policy, that number will increase naturally. We first realized the great perplexing problem of the unemployed in 1932, and it was frequently charged that this situation was due to the Republican administration. The administration at the moment was not responsible alone for this situation. Since Roosevelt has been President the Congress, which has been overwhelmingly Democratic, has given the President everything asked for to carry out the policy of feeding the hungry and supplying jobs for those who could get no jobs. Appropriations were made without giving time for debate, because the situation was said to be urgent. The money has been appropriated, and the program was put into operation to artificially create jobs. But the plan did not work, and there are about as many out of a job now as there were before the program was started.

In my judgment there is more behind this steady condition of unemployment other than the fault of the Democratic Party, or, at least, it is fair to say that the Democrats, like the Republicans, have failed to understand that much of this unemployment was due to causes which they have neglected to carefully examine and understand. No amount of relief appropriations will ever solve the situation, and if we do not go to the root of the trouble we will be alarmed to discover that in spite of all we can do the ranks of the unemployed will be gradually increasing. When enough of the population are without jobs and hungry the present Government will be changed and something else tried. The majority of the people under our Constitution have the right to change the Government or destroy it altogether.

The whole danger ahead lies in the fact that a discouraged and hungry people, suffering from a loss of confidence in this Government, may set up a much worse form for themselves and for the minority who do not wish to change the present form of government. There will inevitably follow, in some part of the course of change, a dictatorial government such as is now in operation in Russia, Germany, and Italy. When that time comes we can be said to have lost the free Government intended by the framers of this one.

It is also a historical paradox that those who desire most to preserve any given form of government, through their own

ignorance and refusal to meet new situations, contribute the most toward the defeat of the thing they most desire.

A few examples may be in order: Insurance companies who hold mortgages against farmers have for the past 3 years insisted on foreclosing on farmers who cannot pay interest and principal. When asked to delay and let the farmer have a chance to pay out when conditions will warrant the mortgagee appeals to the court and asserts his right to his "pound of flesh" under the Constitution. The courts grant their prayer and the farm is foreclosed and the occupants turned out to the tender mercies of public and private charity. Today there are 10,000,000 farm people whose 2,000,000 homes are subject to foreclosure. The Frazier-Lemke Bankruptcy Act was designed to delay proceedings, but the mortgagees appealed to the courts to brand this act as unconstitutional. The Supreme Court said it was unconstitutional, as it clearly denies the mortgagee certain rights guaranteed to them under the Constitution. The act was repassed with changes, but the mortgagees are busy getting the act before the court again with the object of having it declared a violation of their constitutional right. What will it avail in the struggle to bring about normal conditions in this country to dispossess 10,000,000 people? Where will they go? What will they do? Will they swell the great tide of the unemployed? Will this action hasten the day when government and the Constitution will be a memory instead of a fact? Do the mortgagees want to save the Constitution? Yes. Do they want to save the Government? Yes; but they take a course to accomplish their ardent wish which dispossesses 10,000,000 people and compels them to enter the ranks of the unemployed and the hungry. It means just 10,000,000 more people added to the distressed million now who will compose the great mass of the people who some day will assert that this form of government is incapable of sustaining justice and equality and should be terminated.

Several hundred thousand city home owners with mortgaged homes and without jobs are about to be put out of their homes. The bondholders are as helpless as the home owners. The bondholders made the mistake of turning their business over to the banks. The banks organized pools and trusts. Through this method high salaries, commissions, and fees have taken about all that could be collected. The owners are being foreclosed upon by a wholesale method and will finally be put out of their homes. Where will they go? What will they do? Will they swell the soup lines? They will be forced into the line-up of the distressed millions. The soup lines will become stingy in doling out soup because of so many to feed. Millions will suffer. Millions will prematurely die. Thus more fuel will be added to the fire now burning, which in time will destroy this Government. Who is working overtime to drive the people to desperation? It is the very class which shouts the loudest to "save the Constitution" and save the Government.

No further examples are necessary to establish the fact that instead of the decrease of unemployed we can look to the increase of unemployment if we follow the methods of dealing with people who are financially distressed.

You may say this all sounds bad, that it is pictured worse than it really is; I pledge my word that, knowing intimately the actual condition of poor people, I am not overstating the situation. The next natural query is, What is actually wrong; what is the source of all this manifestation of unrest, unemployment, and suffering?

It is unnecessary to point out in figures all the details of our present situation. It may suffice in this discussion to say that fully half of our population are on some form of relief, either public or private; that there are 12,000,000 people looking for a job that can find no job no matter what steps the Government takes to supply an artificial job. Some more data may, however, be added that is of great concern to those who desire and are determined to bring peace and quiet out of confusion.

Fifty percent of the farmers of America now do not own their homes. A larger percent of the workers in fields other than agriculture have no homes of their own. These two classes constitute the great buying power of American business.

The factors which have contributed the most to this situation to the exclusion of all other factors are:

The granting of special privileges to a relatively small class, which conferred advantages not enjoyed by all. This was done through acts of Congress and acts of the State legislatures.

Permitting our natural resources to be used and controlled by private interests instead of operating them for the benefit of all the people.

Permitting private interest to use the money and credit of the Nation for their own profit while the mass of the people have been and now are compelled to carry an unbearable load of interest. At the present moment the interest on the private and public debt take annually one-third of the national income. Instead of lightening the burden of interest on the people, it is becoming more unbearable as each month passes. Every dollar handed over the counter of business is actually 66 cents, and the other 34 cents is a payment of interest. The buying power, therefore, is discounted one-third, and as a result the purchasers, the sellers, the manufacturers, and labor are all in turn penalized by this ever-present and never-satisfied institution of interest.

While the frontier lasted, this program was quite unnoticed, but with the last homestead taken and with every acre exploited, we suddenly have come face to face with actual facts as they are. Those who have exploited our frontiers and our resources, our property and our homes, have nothing left to exploit except human lives, and that is being done at this very moment. Millions in this country are not living on a standard of living conducive to health and decency.

What shall we do now to change the situation and permit the great mass of the American people to live in a land of plenty under a standard of living commensurate with the opportunities offered by the greatest country on earth?

We were 150 years getting into the present situation, but we cannot take that long to get out. Imediate action is necessary. This Congress can do much, if it will. I would suggest the following action:

First. A national moratorium to suspend for a period of 2 years the collection of all mortgages against homes in the United States in which the Government is interested as endorser of notes, bonds, or otherwise.

Second. Build a new finance system for farmers and home owners like the proposal offered in the Frazier-Lemke farm-refinance bill.

Third. Establish a Bank of the United States and junk the Federal Reserve System, making the Bank of the United States a bank of issue, reserving in that bank the sole and exclusive right to issue money.

Fourth. Permit the Bank of the United States to issue sufficient media of exchange to do the Nation's business. Call in the outstanding bonds which draw interest and are tax free, and pay them in full in cash, and thus reduce the interest on the public debt over a billion dollars annually.

Fifth. Provide a home including a house and a tract of ground for every family in the United States by loans by this Government at interest rates that will pay the cost of administration and create a surplus fund in a home-building administration. Make every such home when paid for not subject to any mortgages or lien.

Sixth. Establish a just system of transportation rates that will not destroy the interior of this country and thus encourage the diffusion of manufacturing throughout the country. This can be done by the development of our natural waterways and thus release the interior from freight rates that strangle all attempts of manufacturing.

Seventh. Provide for the aged of this country with adequate social security and put out of business poorhouses, poorfarms, and said social workers and relief administrators.

Eighth. Adopt a national policy of taxation that will tax the American people according to their ability to pay. Those who have large incomes should shoulder the burden of taxation. If they have been more fortunate than others, they should be willing to bear the burdens of the less fortunate. Those who are the recipients of large inheritances have the ability to bear a heavy tax burden and should be willing to

do so. Large fortunes and large estates are usually the result of an unfair division between capital and labor, and being so, there is an added reason why this property should not escape taxation.

Ninth. Make a declaration of war impossible, except through a referendum to the people of the Nation, except in case of invasion.

Tenth. Destroy the blind adherence to party government.

It goes without saying that many who read this program will find themselves ready to condemn it as too radical and, purely from selfish motives, oppose it. Those are still unconvinced that any radical change is necessary and that in some way they may be able to cling fast to their property created under the banner of some special privilege or the monopolization of some natural resource. If those are unwilling to embrace a reasonable change, they may prepare themselves for an unreasonable one. If we are to maintain our present form of government and make it respond to the greatest good to the greatest number, the program announced will not fall far short of accomplishing this purpose. Anything less will not be acceptable to the mass of the people.

The day is fast approaching when the American people will demand action; failing in that, they will take action themselves. When they do, it will be hasty action, mad action, unreasonable action; but only such action as has been forced upon them.

Edwin Markham's poem The Man With the Hoe has described more than one instance of misgovernment in the history of the world in these lines:

> How will it be with kingdoms and with Kings,
> Those who have made him the thing he is,
> When this dumb brute shall rise to answer God,
> After the lapse of centuries?

If we do no more than we have done in the past 3 years in the way of legislation, our condition will not improve and will get worse, and we will have more out of a job 3 years from now than we have today.

There is nothing wrong with the territory in which we live. It is the same territory we have always had in days of great prosperity when people were busy and happy. It still produces enough—and more—for all. Our great natural resources hold in store benefits for the millions now living and those to be born in generations to come. Yet, in spite of the greatest blessings ever bestowed by Providence on a free people, we have substantially half of our population in distress. We have too many who have more than they need and millions without anything—even hope itself has been taken away from them. Since this situation exists in a land of plenty, it must be due to the way we have managed our affairs.

I think every Member of this House will concede we have the best form of government ever established on earth. We still have, and there is nothing fundamentally wrong with it. Under it we could enjoy the blessings of free government to all. The fault, and it is a grevious fault, lies in the fact that we have failed to correct abuses which have grown up in that Government. Selfish interests have eaten holes in the bottom of our ship of state. We refuse to rid the ship of the destroyers and spend our time in trying to cork the holes.

Why do we remain idle? Have we no leadership of this age capable of foresight enough to protect the Government and preserve the principles of free government to future generations? I do not think we have lost the power to think and reason and do justice. I think we are capable of measuring up to the responsibilities of government and in the education of the people in that system. In Congress, from my own personal observation, I am sure that Congressmen follow party more than they do their own dictates of conscience. Many Members—perhaps most Members under our election system—are primarily concerned with their own reelection and the reelection of their party. To take this or that stand might jeopardize their chance of reelection. The party whip is cracked and their own independent judgment is submerged in the party call.

The people tire of one administration and put in another pledged to every reform asked by the people. That new party starts out on its journey, but before it ever begins to undertake what it promised to do the obstacles to be overcome prevent action. The party in power subsides in its ardor to carry out its pledges, even if it ever had any intention to do so. The welfare of the party becomes the issue. The welfare of the people is forgotten. That is true no matter which of the two major parties may be in power. When powerful business interests contribute to both parties it should be evidence enough that the contributors know both parties.

The remedy is to break down the power of political parties as such and vote men into office on the sole question of principle. I think the hour has struck when the voters must cast aside the halo of the name of the party and march to the polls to elect men who stand for a principle regardless of party. When that time comes, and it should come quickly, the abuses that have grown up in this Government can be eliminated. Only through such means can the Government be perpetuated.

The gravest situation with respect to unemployment and the future of this Government concerns the youth of this country. Our young people have always been the actors, the doers of things in the history of all our past. They were the best pioneers, the best soldiers, and in many ways the best statesmen.

The youth of America today demand an opportunity for expression—they have the same right to plan, to hope, and build for the future that we all had when we were young. To throttle this instinct in the youth of America is the most dangerous thing that is being permitted today. All opportunities to them are shut off; they are met daily by the statement that there is no job open to them; around them they see the never-ending line of the unemployed. No matter what their school advantages have been, there are millions of the youth of this country who cannot find any opportunity anywhere to actually begin their life as a useful citizen of this Republic. To my mind, this situation is the most deplorable result of our financial and economic break-down. To delay one day longer in establishing economic order, if we have the power to do so, is to throttle the ambition and hopes of youth. Being responsible for a continuation of this situation rests to a great degree upon Congress. Delay means playing with dynamite.

Abuses or the use of this Government in favoring private interests which through the years have become powerful, sometimes more powerful than the Government itself, has brought about a situation of distressed millions in a land of plenty. Nothing but sheer, unafraid independence can now rescue this Government from the hands of those interests. The party system of today has utterly failed in this task. It is urgent that this independence of thought and action take form immediately. The voters of this Nation are equal to the situation; we have leaders who are equal to the occasion; but the thing we lack is an "idea." Once the thought of independent action, not stifled by party ties, once takes root with the people, the undertaking to substitute the general welfare of all the people for the old doctrine of "special interests" will be under way. Under this interpretation of the functions of government, we can reestablish equal opportunities for all, a chance for all, a living for all who will work; we can establish justice instead of injustice, and bring the blessings of liberty to a free people, as was described in the preamble of the Constitution of the United States.

No government in all the world ever made a greater assertion in the interest of freedom; read it:

> We, the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution of the United States of America.

Our duty as Congressmen is to make this provision of the Constitution actually mean what it says.

LEAVE OF ABSENCE

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

To Mr. HAINES, for 2 days, on account of death in family.

To Mr. CALDWELL, for 1 week, on account of important business.

To Mr. LARRABEE, for 1 week, on account of important business.

To Mr. WOOD, for 2 weeks, on account of important business.

To Mr. GRANFIELD, for today, on account of attending funeral.

To Mr. LANHAM, for today, on account of illness.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 8458. An act to provide for vacations to Government employees, and for other purposes.

H. R. 8459. An act to standardize sick leave and extend it to all civilian employees.

ADJOURNMENT

Mr. SNYDER of Pennsylvania. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock p. m.), the House adjourned until tomorrow, Thursday, March 12, 1936, at 12 o'clock meridian.

EXECUTIVE COMMUNICATIONS, ETC.

705. Under clause 2 of rule XXIV a communication from the President of the United States, transmitting supplemental estimates of appropriations for the legislative establishment, United States Senate, for the fiscal year 1936, in the sum of $115,000 (H. Doc. No. 423), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SIROVICH: Committee on Patents. H. R. 10492. A bill granting a renewal of patent no. 60731 relating to the badge of the Girl Scouts, Inc.; without amendment (Rept. No. 2152). Referred to the Committee of the Whole House on the state of the Union.

Mr. SIROVICH: Committee on Patents. H. R. 11562. A bill to renew patent no. 25909, relating to the badge of the United States Daughters of 1812; without amendment (Rept. No. 2153). 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. McFARLANE: Committee on Naval Affairs. H. R. 7546. A bill to correct the military record of Anthony Marszelewski; without amendment (Rept. No. 2151). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 11672) granting a pension to Charlie J. Dupree, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COLMER: A bill (H. R. 11738) granting the consent of Congress to the State Highway Commission of Mississippi to construct, maintain, and operate a free highway bridge across Pearl River at or near Monticello, Miss.; to the Committee on Interstate and Foreign Commerce.

By Mr. DISNEY: A bill (H. R. 11739) to amend the last paragraph, as amended, of the act entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States", approved February 7, 1925; to the Committee on Indian Affairs.

By Mr. GREEN: A bill (H. R. 11740) to provide for registration of aliens and a certificate of identification; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 11741) to provide for the suspension of immigration of aliens into the United States; to the Committee on Immigration and Naturalization.

By Mr. HOEPPEL: A bill (H. R. 11742) to increase the authorized strength of warrant officers of the Army; to the Committee on Military Affairs.

By Mr. McSWAIN (by request): A bill (H. R. 11743) to promote national defense by creating a separate promotion list for Air Corps officers in the United States Army; to the Committee on Military Affairs.

By Mr. SCRUGHAM: A bill (H. R. 11744) to provide that the capital-stock tax and the stamp tax on issues of stock shall not apply in respect of certain corporations organized solely for the purpose of taking over the assets of insolvent banks; to the Committee on Ways and Means.

By Mr. TONRY: A bill (H. R. 11745) to amend the World War Adjusted Compensation Act; to the Committee on Ways and Means.

By Mr. MILLER: A bill (H. R. 11746) to amend sections 3 and 4 of the National Stolen Property Act, approved May 22, 1934; to the Committee on the Judiciary.

By Mr. RANKIN: A bill (H. R. 11747) extending the time for making the report of the Commission to Study the Subject of Hernando De Soto's Expedition; to the Committee on the Library.

By Mr. HILDEBRANDT: A bill (H. R. 11748) to amend the act of February 28, 1925 (43 Stat. 1053), relative to postal rates on third-class mail matter; to the Committee on the Post Office and Post Roads.

By Mr. SAMUEL B. HILL: A bill (H. R. 11749) to provide funds for cooperation with Wellpinit School District No. 49, Stevens County, Wash., for the construction of a public-school building to be available for Indian children of the Spokane Reservation; to the Committee on Indian Affairs.

By Mr. KING: A bill (H. R. 11750) relating to the pensioning of justices of the Supreme Court of the Territory of Hawaii upon resignation or retirement or removal upon the sole ground of mental or physical disability; to the Committee on the Judiciary.

By Mr. KOCIALKOWSKI: A bill (H. R. 11751) to provide a civil government for the Virgin Islands of the United States; to the Committee on Insular Affairs.

By Mr. McFARLANE: Resolution (H. Res. 449) directing the Comptroller of the Currency to transmit certain information to the House of Representatives; to the Committee on Banking and Currency.

By Mr. MAY: Resolution (H. Res. 450) requesting the President of the United States to reinstate Maj. Gen. Johnson Hagood to active duty and assignment to his former command of the Eighth Corps Area; to the Committee on Rules.

By Mr. McKEOUGH (by request): Joint resolution (H. J. Res. 520) for the purpose of restricting the application of section 1 of article XIV of amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. MONTET: Joint resolution (H. J. Res. 521) to provide for the modification of the contract of lease entered into on December 29, 1930, supplemented by agreement of October 20, 1931, between the United States and the Board of Commissioners of the Port of New Orleans; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. CROSBY: A bill (H. R. 11752) granting a pension to Alice Eppler; to the Committee on Pensions.

By Mr. COLMER: A bill (H. R. 11753) for the relief of Norwood W. Alley; to the Committee on Claims.

By Mr. ELLENBOGEN: A bill (H. R. 11754) granting a pension to Henrietta F. Lowry; to the Committee on Invalid Pensions.

By Mr. FISH: A bill (H. R. 11755) granting an increase of pension to Mary E. Frank; to the Committee on Invalid Pensions.

By Mr. JENKINS of Ohio: A bill (H. R. 11756) granting a pension to Ted Spires; to the Committee on Pensions.

By Mr. POWERS: A bill (H. R. 11757) granting an increase of pension to Bella J. Roberts; to the Committee on Invalid Pensions.

By Mr. ROBSION of Kentucky: A bill (H. R. 11758) for the relief of D. L. Mason; to the Committee on Claims.

Also, a bill (H. R. 11759) for the relief of Arnold Blanton; to the Committee on Claims.

Also, a bill (H. R. 11760) for the relief of Mat Hensley; to the Committee on Claims.

Also, a bill (H. R. 11761) for the relief of Clyde Thorpe; to the Committee on Claims.

Also, a bill (H. R. 11762) for the relief of Lillie Price; to the Committee on Claims.

By Mr. TARVER: A bill (H. R. 11763) for the relief of E. W. Garrison; to the Committee on Claims.

By Mr. THOMAS: A bill (H. R. 11764) granting an increase of pension to Mary B. Kaiser; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11765) granting an increase of pension to Carrie B. Davis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11766) granting an increase of pension to Catherine Berrigan; 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:

10498. By Mr. CULKIN: One hundred and fourteen petitions from Woman's Christian Temperance Union from various States bearing 5,152 signatures favoring antiblock-booking legislation; to the Committee on Interstate and Foreign Commerce.

10499. Also, petition of 14 residents of Copenhagen, Lewis County, N. Y., urging passage of House bill 8739; to the Committee on the District of Columbia.

10500. Also, petition of the board of trustees of the village of Pulaski, N. Y., opposing Senate bill 3958 and Senate bill 3959; to the Committee on Interstate and Foreign Commerce.

10501. By Mr. JOHNSON of Texas: Petition of agricultural committee, Bryan and Brazos County Chamber of Commerce, and George G. Chance, J. Webb Howell, Percy Terrell, John D. Rogers, John D. Quinn, W. S. Barron, Travis B. Bryan, S. J. Emory, Clarence Moore, Mrs. Lee J. Rountree, F. L. Henderson, and W. C. Davis, all of Bryan, Tex., favoring House Joint Resolution 508, providing for full payment of all excess cotton tax exemption certificates; to the Committee on Agriculture.

10502. By Mr. LAMBERTSON: Petition of H. C. Feller and seven other citizens, all of Leavenworth, Kans., favoring passage of House bill 3263; to the Committee on Interstate and Foreign Commerce.

10503. Also, petition of Pascal Lewis and 16 other citizens, all of Topeka, Kans., favoring passage of House bill 3263; to the Committee on Interstate and Foreign Commerce.

10504. Also, petition of Mrs. L. A. Spencer and 23 other citizens, all of Sabetha, Kans., favoring passage of House bill 8739; to the Committee on the Judiciary.

10505. By Mr. McMILLAN: Petition of patrons of star-route service from Moncks Corner, S. C., requesting increase in the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10506. By Mr. O'MALLEY: Petition of the Michigan Park Citizens Association of the District of Columbia, setting forth need for public-school facilities in that area; to the Committee on the District of Columbia.

10507. By Mr. SISSON: Petition urging passage of House bill 8739, a bill pertaining to the prohibition of sale of alcoholic beverages in the District of Columbia; to the Committee on the District of Columbia.

10508. By Mr. THOMAS: Petitions of citizens of Troy, N. Y., asking passage of House bill 8739, known as the Guyer bill, to restore the District of Columbia to its former prohibition status; to the Committee on the District of Columbia.

10509. By the SPEAKER: Petition of the Oregon State Bar; to the Committee on the Library.

10510. Also, petition of the city of Portland, Oreg.; to the Committee on Rivers and Harbors.

10511. Also, petition of the Association of American State Geologists; to the Committee on Merchant Marine and Fisheries.

SENATE

THURSDAY, MARCH 12, 1936

(Legislative day of Monday, Feb. 24, 1936)

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

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, March 11, 1936, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

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

Adams	Coolidge	Keyes	Overton
Ashurst	Copeland	King	Pope
Austin	Costigan	La Follette	Radcliffe
Bachman	Couzens	Lewis	Reynolds
Bailey	Davis	Logan	Robinson
Barkley	Dieterich	Lonergan	Russell
Benson	Donahey	Long	Schwellenbach
Bilbo	Duffy	McAdoo	Sheppard
Black	Fletcher	McGill	Shipstead
Bone	Frazier	McKellar	Smith
Borah	George	McNary	Steiwer
Bulkley	Gibson	Maloney	Thomas, Okla.
Bulow	Glass	Metcalf	Townsend
Burke	Gore	Minton	Trammell
Byrd	Guffey	Moore	Tydings
Byrnes	Hale	Murphy	Vandenberg
Capper	Harrison	Murray	Wagner
Caraway	Hatch	Neely	Walsh
Carey	Hayden	Norbeck	Wheeler
Clark	Holt	Norris	White
Connally	Johnson	O'Mahoney	

Mr. LEWIS. I announce the absence of the Senator from Alabama [Mr. BANKHEAD] because of illness, and I further announce that the Senator from New Hampshire [Mr. BROWN], the Senator from Nevada [Mr. McCARRAN], the Senator from Indiana [Mr. VAN NUYS], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GERRY], the Senator from Nevada [Mr. PITTMAN], the Senator from Utah [Mr. THOMAS], and the Senator from Missouri [Mr. TRUMAN] are necessarily detained from the Senate.

Mr. TOWNSEND. I announce that my colleague the senior Senator from Delaware [Mr. HASTINGS] is necessarily absent.

Mr. AUSTIN. I announce that the Senator from New Jersey [Mr. BARBOUR] and the Senator from Iowa [Mr. DICKINSON] are necessarily detained from the Senate.

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

INVESTIGATION OF CAMPAIGN EXPENDITURES IN 1936

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably, with an amendment to the amendment reported by the Committee on Privileges and Elections, Senate Resolution 225. I ask unanimous consent for the consideration of the resolution at this time.

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 225) submitted by Mr. ROBINSON on January 30, 1936, referred to the Com-