

2003. Also, petition of Frank Cramer, 105 North Chapel Street, Alhambra, Calif.; Georgia Murdock, secretary Monmouth Auxiliary, No. 46, United Spanish War Veterans, Monmouth, Ill.; J. L. Hercules, 322 North Eleventh Street, Charleston, Ill.; and Guy Freeman, of the I. B. Rogers Co., Danville, Ill., urging passage of House bill 2562, granting pensions and increase of pensions to Spanish-American War veterans; to the Committee on Pensions.

2004. Also, petition of Natalie McKenzie, 409 Grant Street, Danville, Ill.; Ida B. Freeman, Oakwood, Ill.; J. W. Gibbs, Westfield, Ill.; and Ollie F. Ryan, United Spanish War Veterans, Charleston, Ill., urging support of House bill 2562, granting pensions and increase of pensions to Spanish-American War veterans; to the Committee on Pensions.

2005. Also, petition of James M. Flynn, adjutant John A. Logan, jr., Camp, No. 17, Department of Illinois, United Spanish War Veterans, Danville, Ill., and E. E. Wilson, adjutant Colonel Edward Kittilsen Camp, No. 27, Department of Illinois, United Spanish War Veterans, Moline, Ill., urging support of House bill 2562, granting pensions and increase of pensions to Spanish-American War veterans; to the Committee on Pensions.

2006. By Mr. YATES: Petition of Mr. William Greer and others, of Chicago, urging passage of the Civil War pension bill increasing veterans' and widows' pensions proposed by the National Tribune; to the Committee on Invalid Pensions.

2007. Also, petition of Esther A. Hayes and others, of Des Plaines, Ill., urging passage of the Civil War pension bill increasing veterans' and widows' pensions, proposed by the National Tribune; to the Committee on Invalid Pensions.

SENATE

SATURDAY, December 14, 1929

(Legislative day of Friday, December 13, 1929)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. FESS. Mr. President, I suggest the absence of a quorum. The PRESIDENT pro tempore. The clerk will call the roll. The legislative clerk called the roll, and the following Senators answered to their names:

Allen	George	Kendrick	Simmons
Ashurst	Gillett	Keyes	Smoot
Barkley	Glenn	La Follette	Steiwer
Bingham	Goldsborough	McCulloch	Stephens
Black	Gould	McKellar	Sullivan
Blaine	Greene	McMaster	Swanson
Blease	Grundy	McNary	Thomas, Idaho
Borah	Hale	Metcalf	Thomas, Okla.
Brock	Harris	Moses	Townsend
Brookhart	Harrison	Norbeck	Trammell
Broussard	Hastings	Norris	Tydings
Capper	Hatfield	Nye	Vandenberg
Caraway	Hawes	Oddie	Wagner
Connally	Hayden	Patterson	Walcott
Copeland	Hebert	Pine	Walsh, Mass.
Couzens	Heflin	Ransdell	Waterman
Cutting	Howell	Robinson, Ind.	Watson
Fess	Johnson	Sackett	Wheeler
Fletcher	Jones	Sheppard	
Frazier	Kean	Shortridge	

Mr. SHEPPARD. I desire to announce that the senior Senator from Arkansas [Mr. ROBINSON] is necessarily detained on official business.

I also wish to announce that the junior Senator from Utah [Mr. KING] is detained from the Senate by illness.

I wish further to announce that the Senator from Washington [Mr. DILL] is necessarily detained out of the city. I will let this announcement stand for the day.

Mr. JONES. The senior Senator from Pennsylvania [Mr. REED] is detained from the Senate on official business.

The PRESIDENT pro tempore. Seventy-eight Senators having answered to their names, a quorum is present. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. COUZENS] to the pending joint resolution, and the Senator from Michigan has the floor.

Mr. SMOOT. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from Utah?

Mr. COUZENS. I yield.

ORDER FOR RECESS

Mr. SMOOT. Mr. President, I ask unanimous consent that at the conclusion of business to-day the Senate shall take a recess until Monday morning at 11 o'clock.

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

PETITIONS

Mr. ALLEN presented resolutions adopted by the City Commission of Newton and Joseph A. Wahl Camp, No. 17, Depart-

ment of Kansas, United Spanish War Veterans, in the State of Kansas, favoring the passage of legislation granting increased pensions to Spanish War veterans and their widows, which were referred to the Committee on Pensions.

Mr. CAPPER presented resolutions adopted by the City Commission of Newton and Joseph A. Wahl Camp, No. 17, Department of Kansas, United Spanish War Veterans, in the State of Kansas, favoring the passage of legislation granting increased pensions to Spanish War veterans and their widows, which were referred to the Committee on Pensions.

Mr. COPELAND presented a petition of sundry citizens of New York, N. Y., praying for the passage of legislation granting increased pensions to Civil War veterans and their widows, which was referred to the Committee on Pensions.

He also presented petitions of sundry citizens of the State of New York, praying for the passage of legislation granting increased pensions to Spanish War veterans, which were referred to the Committee on Pensions.

Mr. GOLDSBOROUGH presented a resolution adopted by the Woman's Christian Temperance Union of New Windsor, Md., favoring the passage of the so-called Smoot bill, being the bill (S. 1468) to amend the food and drugs act of June 30, 1906, by extending its provisions to tobacco and tobacco products, which was referred to the Committee on Agriculture and Forestry.

He also presented a petition of sundry citizens of Hagerstown, Md., praying for the passage of the so-called Smoot bill, being the bill (S. 1468) to amend the food and drugs act of June 30, 1906, by extending its provisions to tobacco and tobacco products, which was referred to the Committee on Agriculture and Forestry.

Mr. KEYES presented petitions of sundry citizens of Lincoln and Woodstock, in the State of New Hampshire, praying for the passage of legislation granting increased pensions to Civil War veterans and their widows, which were referred to the Committee on Pensions.

Mr. SIMMONS presented a petition of 58 citizens of Cumberland County, N. C., praying for the passage of legislation granting increased pensions to Spanish War veterans, which was referred to the Committee on Pensions.

Mr. VANDENBERG presented a petition of sundry citizens of the State of Michigan, praying for the passage of legislation granting increased pensions to Civil War veterans and their widows, which was referred to the Committee on Pensions.

He also presented a resolution adopted by the Genesee County Pomona Grange, at Flint, Mich., favoring the passage of the so-called Smoot bill, being the bill (S. 1468) to amend the food and drugs act of June 30, 1906, by extending its provisions to tobacco and tobacco products, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution adopted by the board of directors of the Young Women's Christian Association of Kalamazoo, Mich., favoring ratification by the Senate of the proposed protocol for the adherence of the United States to the Court of International Justice, which was referred to the Committee on Foreign Relations.

REPORTS OF THE COMMERCE COMMITTEE

Mr. HAWES, from the Committee on Commerce, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 581) granting the consent of Congress to the Jerome Bridge Co., a corporation, to maintain a bridge already constructed across the Gasconade River near Jerome, Mo. (Rept. No. 57); and

A bill (S. 2086) granting the consent of Congress to the Wabash Railway Co. to construct, maintain, and operate a railroad bridge across the Missouri River at or near St. Charles, Mo. (Rept. No. 58).

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. ALLEN:

A bill (S. 2659) granting a pension to Dr. E. E. Biart (with accompanying papers);

A bill (S. 2660) granting a pension to Margaret J. Hardesty; and

A bill (S. 2661) granting an increase of pension to William M. Sherman (with accompanying papers); to the Committee on Pensions.

By Mr. COPELAND (by request):

A bill (S. 2662) for the relief of Della D. Ledendecker; to the Committee on the District of Columbia.

By Mr. FESS:

A bill (S. 2663) to correct the military record of Edward Delaney (with accompanying papers); to the Committee on Military Affairs.

By Mr. GREENE:

A bill (S. 2664) granting an increase of pension to Eliza Domina; to the Committee on Pensions.

By Mr. McNARY:

A bill (S. 2665) to provide for protecting homestead entrymen from trespass to their lands and to regulate the value thereof; to the Committee on Public Lands and Surveys.

By Mr. NORBECK:

A bill (S. 2666) to amend sections 6 and 9 of the Federal reserve act, and for other purposes, in order to facilitate the cancellation of Federal reserve bank stock in certain cases where member banks have ceased to function; to the Committee on Banking and Currency.

By Mr. SHEPPARD:

A bill (S. 2667) for the relief of Thomas C. Edwards; to the Committee on Claims.

By Mr. HAWES:

A bill (S. 2668) granting the consent of Congress to the Missouri, Kansas & Texas Railway Co. to construct, maintain, and operate a railroad bridge across the Missouri River at Boonville, Mo., in substitution for and in lieu of an existing bridge constructed under the authority of an act entitled "An act to authorize the construction of a bridge across the Missouri River at Boonville, Mo.," approved May 11, 1872; to the Committee on Commerce.

By Mr. JOHNSON:

A bill (S. 2669) providing that funds appropriated for the care and relief of Indians of California, under the direction of the Secretary of the Interior, shall be expended through certain public agencies of the State of California; to the Committee on Indian Affairs.

By Mr. JONES:

A bill (S. 2670) granting a pension to Laura Garner (with accompanying papers); and

A bill (S. 2671) granting an increase of pension to Annie Van Ogle; to the Committee on Pensions.

By Mr. REED:

A bill (S. 2672) to provide for the policing of military roads leading out of the District of Columbia, and for other purposes; to the Committee on Military Affairs.

By Mr. DALE:

A bill (S. 2673) granting an increase of pension to Amelia Bessett (with accompanying papers); and

A bill (S. 2674) granting an increase of pension to Lauraette J. Chalmers (with accompanying papers); to the Committee on Pensions.

By Mr. FLETCHER:

A bill (S. 2675) to extend the times for commencing and completing the construction of the bridge across Santa Rosa Sound in the State of Florida, authorized to be built by the Boards of County Commissioners of the Counties of Escambia and Santa Rosa, in the State of Florida; to the Committee on Commerce.

By Mr. REED:

A joint resolution (S. J. Res. 107) authorizing the Secretary of War to receive, for instruction at the United States Military Academy at West Point, Señor Guillermo Gomez, a citizen of Colombia; to the Committee on Military Affairs.

BOARD OF REVIEW AT ST. ELIZABETHS HOSPITAL

Mr. HEFLIN. Mr. President, complaint has been made from time to time about the treatment of ex-service men and others who have been put in St. Elizabeths Asylum in the District of Columbia. It is claimed some of the ex-service men have money and that people on the outside get that money and handle it and put it out at interest. When once an ex-service man is put in the insane asylum the door of hope is shut on him and he is doomed. I am about to introduce a measure to give the right to every one of those boys and to everyone else in St. Elizabeths to demand a review of their cases every six months, and I provide in the bill a board for that purpose. I now introduce the bill and ask that it be properly referred.

The bill (S. 2676) to establish a board of review at St. Elizabeths Hospital was read twice by its title and referred to the Committee on the District of Columbia.

AMENDMENT TO THE TARIFF BILL

Mr. BROUSSARD submitted an amendment intended to be proposed by him to House bill 2667, the tariff revision bill, which was ordered to lie on the table and to be printed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed the following joint resolutions of the Senate:

S. J. Res. 87. Joint resolution to amend the joint resolution establishing a Joint Commission on Airports.

S. J. Res. 97. Joint resolution amending Public Resolution No. 108, Seventieth Congress.

ENROLLED BILLS SIGNED

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

S. 679. An act granting the consent of Congress to Knox County, Tenn., and Anderson County, Tenn., to construct, maintain, and operate a free highway bridge across the Clinch River at or near Solway in Knox County, Tenn.; and

S. 680. An act granting the consent of Congress to Knox County, Tenn., to construct, maintain, and operate a free highway bridge across the Holston River at or near McBees Ferry in Knox County, Tenn.

CAPT. WILLIAM G. GREEN

Mr. McKELLAR. Mr. President, I send to the desk a very short resolution relating to a matter which seems to me to be merely a matter of course, and I ask unanimous consent that it may be read and considered at this time.

The PRESIDENT pro tempore. The resolution will be read for the information of the Senate.

The Chief Clerk read the resolution (S. Res. 186), as follows:

Whereas Capt. William G. Green, of Dyersburg, Tenn., was a captain in the World War with an excellent record; and

Whereas he has requested from the War Department a copy of his medical record covering treatment at British field ambulance No. 132 and it was refused: Therefore be it

Resolved, That the Secretary of War be, and he is hereby, requested to furnish to the Senate at the earliest possible moment, a copy of the said medical record covering treatment at British field ambulance No. 132 of said soldier.

The PRESIDENT pro tempore. The Senator from Tennessee asks unanimous consent for the immediate consideration of the resolution. Is there objection?

Mr. SMOOT. Mr. President, does the Senator know why the record was refused?

Mr. McKELLAR. I wrote and asked for the record of the ex-soldier. I had been frequently informed by the department that they were willing to grant such a request if a Senator would submit it and if he wanted it personally and would submit some reason for it. But my belief is that an ex-soldier is entitled to his record at any time from the War Department. Therefore, I have introduced the resolution and I hope the Senator will let it pass. I think an ex-soldier is entitled to his record. It is inconceivable to me that he should not be entitled to it.

Mr. SMOOT. The Senator will have no objection to let the resolution go over for about an hour?

Mr. McKELLAR. Oh, no.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request preferred by the Senator from Tennessee?

Mr. BINGHAM. Mr. President, in the absence of the chairman of the Committee on Military Affairs, I shall have to object.

The PRESIDENT pro tempore. Objection being made, the resolution will go over.

Mr. BINGHAM. As soon as the Senator from Pennsylvania [Mr. REED] returns to the floor I shall have no objection to the consideration of the resolution.

Mr. REED subsequently said: This morning the Senator from Tennessee [Mr. McKELLAR] presented Senate Resolution 186. I have talked with him about it, and he is satisfied now, I understand, to have it referred to the Committee on Military Affairs. I ask that that may be done.

The PRESIDENT pro tempore. Without objection, such disposition will be made of the resolution.

PRESIDENTIAL ELECTION STATISTICS

Mr. WALSH of Massachusetts. Mr. President, my attention was recently called to certain statistical tables and comments prepared by Congressman LEA of California, which I ask to have inserted in the RECORD.

These tables practically constitute a statistical history of the Democratic Party in every presidential election since 1890. The fortunes and misfortunes of the Democratic Party in every State and in every sectional group of States, as the political history of the last 36 years has been recorded, are strikingly set forth.

The election results of 1928 are particularly analyzed.

These tables are highly informative and should be useful to students of government. I particularly commend their study to

those of us who are dealing with problems that affect every section of this country.

Congressman LEA advises me he was induced to prepare these tables in the belief that they would serve as a convincing reminder that the obligations of a national party are to every section of the country.

I request permission to have the tables inserted in the RECORD. There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Distribution of Democratic votes for President, 1892-1928

TOTAL DEMOCRATIC VOTE OF NATION	
1892	5,554,414
1896	6,467,946
1900	6,358,071
1904	5,184,491
1908	6,409,106
1912	6,286,214
1916	9,129,606
1920 (Woman suffrage)	9,147,353
1924	8,385,586
1928	15,016,423

PERCENTAGE OF TOTAL POPULAR VOTE	
1892	0.461
1896	.468
1900	.456
1904	.375
1908	.430
1912	.418
1916	.492
1920 (Woman suffrage)	.342
1924	.288
1928	.412

PERCENTAGE OF POPULAR VOTE BY STATE GROUPS										
Group	1892	1896	1900	1904	1908	1912	1916	1920	1924	1928
New England	0.448	0.285	0.339	0.357	0.349	0.389	0.462	0.301	0.272	0.465
Eastern	.485	.380	.413	.372	.397	.392	.475	.285	.277	.421
Southern	.590	.697	.537	.728	.681	.709	.840	.657	.696	.538
Border	.510	.495	.499	.493	.532	.480	.518	.409	.473	.403
Central	.456	.479	.452	.332	.425	.397	.559	.404	.262	.370
Northwest	.486	.380	.413	.372	.456	.392	.436	.413	.343	.430
Rocky Mountain	.391	.815	.534	.357	.435	.418	.570	.372	.248	.386
Pacific	.456	.499	.412	.234	.331	.381	.475	.249	.110	.302

PERCENTAGE OF POPULAR VOTE BY STATES										
State	Cleveland, 1892	Bryan, 1896	Bryan, 1900	Parker, 1904	Bryan, 1908	Wilson, 1912	Wilson, 1916	Cox, 1920	Davis, 1924	Smith, 1928
NEW ENGLAND										
Maine	0.41	0.29	0.35	0.29	0.33	0.40	0.47	0.30	0.22	0.31
New Hampshire	.47	.26	.38	.38	.39	.40	.49	.39	.35	.41
Vermont	.29	.17	.25	.19	.22	.15	.35	.23	.16	.33
Massachusetts	.45	.29	.23	.37	.36	.25	.47	.28	.25	.50
Rhode Island	.46	.27	.36	.36	.35	.39	.46	.33	.35	.50
Connecticut	.50	.33	.41	.38	.36	.40	.42	.33	.28	.46
EASTERN										
New York	.50	.39	.43	.43	.42	.42	.45	.27	.31	.47
New Jersey	.51	.36	.41	.35	.39	.41	.43	.29	.21	.40
Pennsylvania	.45	.36	.37	.23	.35	.33	.40	.27	.19	.34
Maryland	.53	.42	.47	.49	.49	.49	.53	.42	.41	.42
Delaware	.50	.40	.45	.44	.46	.47	.48	.42	.37	.35
SOUTHERN										
Virginia	.56	.53	.55	.62	.61	.66	.67	.61	.63	.45
North Carolina	.47	.53	.54	.60	.54	.59	.58	.57	.59	.45
South Carolina	.78	.85	.93	.95	.95	.95	.97	.96	.96	.91
Georgia	.58	.58	.69	.77	.63	.77	.91	.71	.74	.57
Florida	.85	.70	.87	.72	.67	.72	.69	.62	.67	.40
Alabama	.59	.67	.62	.77	.73	.69	.71	.68	.68	.51
Mississippi	.76	.91	.90	.93	.92	.89	.93	.84	.89	.82
Louisiana	.76	.76	.79	.88	.85	.77	.92	.69	.76	.76
Arkansas	.60	.74	.64	.60	.57	.44	.66	.58	.61	.60
Texas	.57	.69	.66	.74	.74	.73	.77	.70	.74	.48
BORDER										
Kentucky	.51	.49	.50	.50	.49	.49	.52	.50	.46	.40
Tennessee	.52	.52	.53	.55	.53	.53	.56	.48	.53	.46
Oklahoma					.48	.47	.51	.44	.49	.35
West Virginia	.49	.46	.45	.42	.44	.43	.48	.43	.44	.41
CENTRAL										
Ohio	.48	.47	.46	.34	.44	.42	.52	.38	.24	.34
Indiana	.47	.48	.47	.40	.47	.44	.47	.41	.41	.40
Illinois	.49	.43	.45	.31	.39	.36	.43	.25	.23	.42
Iowa	.49	.40	.40	.31	.41	.38	.42	.25	.15	.38
Nebraska	.12	.52	.48	.26	.49	.44	.55	.31	.29	.36
Kansas		.51	.46	.27	.43	.39	.49	.33	.24	.27
Missouri	.42	.56	.52	.47	.48	.48	.52	.43	.44	.44
Michigan	.46	.44	.39	.26	.33	.28	.45	.22	.13	.29

PERCENTAGE OF POPULAR VOTE BY STATES—continued

State	Cleveland, 1892	Bryan, 1896	Bryan, 1900	Parker, 1904	Bryan, 1908	Wilson, 1912	Wilson, 1916	Cox, 1920	Davis, 1924	Smith, 1928
NORTHWEST										
Wisconsin	0.48	0.37	0.36	0.28	0.37	0.46	0.43	0.19	0.07	0.44
Minnesota	.38	.41	.36	.19	.25	.33	.46	.19	.08	.41
North Dakota		.44	.36	.20	.35	.35	.51	.18	.07	.44
South Dakota	.15	.50	.41	.22	.35	.44	.46	.19	.13	.39
ROCKY MOUNTAIN										
Montana	.37	.80	.59	.35	.46	.35	.57	.32	.19	.40
Idaho		.78	.51	.26	.36	.33	.66	.34	.16	.34
Wyoming		.35	.41	.29	.40	.37	.55	.31	.16	.35
Nevada	.26	.81	.62	.34	.47	.39	.53	.36	.24	.43
Utah		.83	.48	.33	.39	.33	.59	.39	.30	.45
Colorado		.85	.56	.45	.48	.44	.63	.36	.23	.34
Arizona						.44	.57	.44	.35	.42
New Mexico						.43	.50	.44	.43	.41
PACIFIC										
Washington	.34	.55	.42	.19	.32	.28	.48	.21	.11	.31
Oregon	.18	.48	.40	.19	.34	.35	.46	.33	.24	.34
California	.44	.49	.41	.27	.33	.44	.47	.24	.08	.34

PERCENTAGE DISTRIBUTION OF DEMOCRATIC VOTE BY STATE GROUPS

Group	1892	1896	1900	1904	1908	1912	1916	1920	1924	1928
New England	0.070	0.040	0.052	0.064	0.052	0.066	0.056	0.065	0.069	0.091
Eastern	.253	.190	.221	.264	.215	.216	.181	.193	.209	.269
Southern	.199	.195	.159	.151	.146	.143	.128	.155	.182	.106
Border	.071	.075	.075	.086	.096	.094	.078	.120	.126	.069
Central	.320	.357	.367	.321	.356	.323	.356	.347	.325	.304
Northwest	.052	.057	.052	.047	.054	.055	.053	.039	.011	.070
Rocky Mountain	.003	.048	.039	.036	.040	.042	.059	.040	.032	.032
Pacific	.029	.037	.032	.026	.033	.066	.084	.043	.025	.059

COMMENT

In the presidential election of 1880 the Democrats lost the country by a popular plurality of 7,000 only. They had a plurality in 1876, 1884, 1888, and 1892. Thus in five succeeding presidential elections the Democratic Party had a popular support of winning proportions. It had a consistent loyalty of supporters slightly greater in numbers than the Republican Party during that period. The election of 1892, with a third party in the field, demonstrated its strength. In that year, the first covered by the annexed tables, it had a more nearly uniform strength throughout the country than in any subsequent election.

As compared with 1892, in 1896 the Democrats lost 16 per cent of the vote in New England, 10 per cent of its eastern vote, 10 per cent of its northwestern vote, and gained 10 per cent of its southern vote, 2 per cent of its central vote, 42 per cent in the Rocky Mountain vote, and 4 per cent in the Pacific vote. With the disappearance of the third party in 1896, its percentage of the national vote was less than 1 per cent greater than its vote of 1892.

The decline in Democratic strength is signified by the shifting size of its sectional votes. The bottom of the decline was reached in 1924, when, with three parties in the field, the Democrats polled less than 29 per cent of the vote of the Nation. The high spot was reached in 1916, with 49.2 per cent of the popular vote.

From 1892 to 1924 there was a decline of 17 per cent in New England, 21 per cent in the East, 4 per cent in the border, 19 per cent in the central, 14 per cent in the Northwest, 15 per cent in the Rocky Mountains, and 33 per cent on the Pacific. The only section to register a gain was the South, where there was a gain of 10 per cent in the vote.

The average vote of the party in the last 10 elections was 41.3 per cent of the total vote of the country. The average vote of the last eight elections was 40.1 per cent. The vote in 1928 was 41.2 per cent, or within 0.1 of 1 per cent of the average presidential vote of the Democratic Party in the last 10 elections. The popular vote of the party in 1928 was 2.1 per cent higher than the average vote of the last eight presidential elections.

The vote increase in 1928 was in New England, 19 per cent; eastern, 14 per cent; central, 11 per cent; northwestern, 9 per cent; Rocky Mountain, 14 per cent; and Pacific, 19 per cent. The losses in 1928 were in the southern, 16 per cent, and border, 7 per cent.

The total Democratic vote in 1928 was 12.4 per cent greater than in 1924 and 7 per cent greater than in 1920.

The vote of 1928, as compared to 1920, gained 16 per cent in New England, 14 per cent in the East, 2 per cent in the Northwest, 1 per cent in the Rocky Mountain, and 5 per cent on the Pacific. It lost 12 per cent in the South, 6 per cent on the border, and 3 per cent in the central.

Hoover had 444 electoral votes, Smith 87. Hoover had 83 per cent of the electoral vote and 58 per cent of the popular vote. An electoral

vote for Hoover represented 48,180 popular votes and an electoral vote for Smith, 172,602. Smith's popular vote was 0.6 of 1 per cent less than the vote of Wilson in 1912, with three parties in the field. His vote was 8 per cent less than the Wilson vote of 1916, which was the greatest vote of the party in 36 years.

If 500,000 of the Smith votes in selected States could have been given to Hoover, his election in the Electoral College would have been unanimous. If 500,000 votes of Hoover in selected States could have been given to Smith, he would have been President.

As compared with 1924, Smith gained in 30 States having 333 electoral votes, was even in 2 States having 18 votes, and lost in 16 States having 180 electoral votes. As compared with 1920, Smith gained in 25 States having 285 electoral votes, was even in 1 State having 4 votes, and lost in 22 States having 242 electoral votes.

Ordinarily, with only two major parties in the field, 48 per cent is sufficient to win the election.

In 1924 the Democratic Party faced disintegration in all sections north of the border States, having secured less than 29 votes out of every 100. The party began the 1928 campaign faced by the necessity of securing 20 additional votes from each 100 voters in the Nation in order to win. There is little in our political history to indicate that such an increase in so short a period was within practical possibilities. The party, in fact, secured an increase of 12 out of every 100 voters in the Nation. As measured by popular votes, it looked like a turn from disintegration toward rehabilitation. As measured by electoral votes, the result seemed like disintegration continued. It must be borne in mind, however, that popular votes are the only way to electoral votes and ultimate strength depends on popular majorities.

Party representation in Congress

State groups	Electoral vote	Per cent electoral vote of Nation	Senators	Democratic Senators	Representatives	Democratic Representatives	Democratic vote
New England.....	44	0.082	12	1	32	4	1,370,105
Eastern.....	108	.203	10	3	98	29	4,034,235
Southern.....	114	.214	20	20	94	89	1,598,509
Border.....	43	.081	8	4	35	17	1,031,371
Central.....	132	.248	16	2	116	21	4,569,940
Northwest.....	35	.067	8	0	27	0	1,056,018
Rocky Mountain.....	30	.056	16	7	14	3	475,905
Pacific.....	25	.047	6	1	19	2	880,360
Total.....			96	38	435	165	15,016,443

(NOTE.—The above tables are misleading as to the relative political importance of the sections unless their interpretation recognizes the difference in the number of popular votes in the Southern States as contrasted with other sections of the country. This is due to the different educational and property qualifications requisite for voting in the South as well as the inability of a larger proportion of the population to meet ordinary qualifications. The voting population in proportion to the total population is less than one-third of what it is in the other sections of the country. The electoral votes are, of course, distributed in proportion to the total population.)

Almost exactly two-thirds of the Democratic vote in 1928 was located in the central, eastern, and New England groups. The popular vote there was 9,974,000. This section had 284 electoral votes, representing 53 per cent of the electoral vote of the country. It has 38 Senators and 246 Representatives. Of this number the Democrats have 6 Senators and 54 Representatives.

These groups, in the order of their relative loyalty to the Democratic Party as represented in Congress, are in the following order:

- 1, Southern;
- 2, border;
- 3, Rocky Mountain;
- 4, eastern;
- 5, central;
- 6, New England;
- 7, Pacific;
- 8, Northwest.

These groups, in the order of their loyalty to the Democratic Party as represented in the presidential election of 1928, are as follows:

- 1, Southern.
- 2, New England.
- 3, Northwest.
- 4, Eastern.
- 5, Border.
- 6, Rocky Mountain.
- 7, Central.
- 8, Pacific.

The Democrats have practically unanimous representation in the South and equally divided representation on the border. They have 7 of the 16 Senators from the Rocky Mountain section and 3 of its 14 Representatives.

Outside of the South and the border, the Rocky Mountain section makes the great contribution to the Senate Democratic strength. This section is of great importance in the Senate representation and of little numerical importance in the House representation. The central and eastern groups furnish the only substantial numerical strength in the House representation, in addition to the southern and border groups.

The only important numerical strength in the House representation outside of the South and the border is from the eastern and central groups.

The Northwest, the notably "progressive" section, is without Democratic representation in either Senate or House. The Pacific section gives only one Senator and two Representatives.

In New England, 1 out of 12 Senators is a Democrat; in the East, 3 out of 10; in the central, 2 out of 16. In the House from New England are 4 Democrats out of 32 Representatives; in the East, 29 out of 98; in the central, 21 out of 114.

Arizona, Montana, and New York, outside of the South and the border, are the States which have the most marked Democratic strength in Congress at the present time.

The southern and border sections are the only two of the groups that have consistently given uniform support to the Democratic Party in presidential and local elections. In the election of 1928 those two groups notably reduced their support.

Manifestly, a future for the Democratic Party depends upon the development of greater strength in all sections rather than on any false hope of becoming the successful party of any one section or combination of sections. The different methods of distributing the powers of government between the House and the Senate make party supremacy by group control impossible for the Democratic Party.

PLAN FOR THE ELECTION OF PRESIDENT BY PROPORTIONATE DIVISION OF STATE ELECTORAL VOTES

Under the proposed amendment of the Constitution offered by Congressman LEA the people would vote directly for President, but the States would retain electoral votes, which would be divided between the candidates in proportion to their popular votes in each State.

Electoral vote under proposed plan, 1928

	Hoover, Republican	Smith, Democrat	Thomas, Socialist
Alabama.....	5,808	6,168	0.012
Arizona.....	1,725	1,266	
Arkansas.....	3,537	5,418	.018
California.....	8,395	4,433	.130
Colorado.....	3,282	2,034	.048
Connecticut.....	3,752	3,185	.035
Delaware.....	1,920	1,038	.009
Florida.....	3,408	2,406	.090
Georgia.....	3,878	7,910	
Idaho.....	2,588	1,376	.032
Illinois.....	16,501	12,238	.174
Indiana.....	8,940	5,925	.030
Iowa.....	8,034	4,875	.026
Kansas.....	7,200	2,700	.080
Kentucky.....	7,709	5,265	
Louisiana.....	2,370	7,620	
Maine.....	4,116	1,854	.024
Maryland.....	4,560	3,284	.024
Massachusetts.....	8,838	9,036	.054
Michigan.....	10,545	4,320	.030
Minnesota.....	6,956	4,896	.072
Mississippi.....	1,780	8,200	
Missouri.....	9,990	7,038	.036
Montana.....	2,332	1,616	.032
Nebraska.....	5,048	2,888	.048
Nevada.....	1,695	1,302	
New Hampshire.....	2,344	1,640	.008
New Jersey.....	8,353	5,558	.042
New Mexico.....	1,770	1,224	
New York.....	22,095	21,015	1.080
North Carolina.....	6,576	5,412	
North Dakota.....	2,740	2,220	.015
Ohio.....	15,552	8,256	.072
Oklahoma.....	6,370	3,540	.060
Oregon.....	3,210	1,705	.040
Pennsylvania.....	24,776	12,844	.190
Rhode Island.....	2,415	2,450	
South Carolina.....	414	8,217	
South Dakota.....	3,005	1,960	
Tennessee.....	6,444	5,520	.012
Texas.....	10,340	9,620	.020
Utah.....	2,140	1,816	.020
Vermont.....	2,672	1,312	
Virginia.....	6,478	5,496	
Washington.....	4,690	2,191	.035
West Virginia.....	4,672	3,280	.016
Wisconsin.....	6,955	5,746	.221
Wyoming.....	1,872	1,038	.027
Total.....	291,398	231,251	2.872

EXECUTIVE MESSAGES

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

PRESIDENTIAL APPROVAL

A message from the President of the United States by Mr. Latta, one of his secretaries, announced that on December 13, 1929, the President approved and signed the act (S. 1816) to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Wabasha, Minn.

CONFERENCE FOR THE CODIFICATION OF INTERNATIONAL LAW
(H. DOC. NO. 155)

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Foreign Relations and ordered to be printed:

To the Congress of the United States:

I commend to the favorable consideration of the Congress the inclosed report from the Secretary of State, to the end that legislation may be enacted to authorize an appropriation of \$50,000 for the expenses of participation by the United States in the International Conference for the Codification of International Law, to be held at The Hague beginning March 13, 1930.

HERBERT HOOVER.

THE WHITE HOUSE, December 14, 1929.

REDUCTION OF INCOME TAXES

The Senate, as in Committee of the Whole, resumed the consideration of the joint resolution (H. J. Res. 133) reducing rates of income tax for the calendar year 1929, the pending question being on the amendment submitted by Mr. COUZENS.

Mr. COUZENS. Mr. President, before discussing the amendment which I have proposed to reduce the capital gains and loss tax, I desire to say a few words with respect to the joint resolution itself.

I find myself in the very unhappy position of being unable to determine the value that is placed upon the passage of the measure at this time. Since the days of President Wilson we have been taught that psychology plays a great part in these periodical business depressions. I think it was President Wilson who coined the expression that "depressions in business are largely due to psychology rather than to actual facts." It seems that on that theory projected by a Democratic President the Republican administration has adopted the policy of proposing the joint resolution for the psychological effect it will have upon business. On the basis of the merits of the joint resolution I would be unalterably opposed to it, but based on this indeterminate psychology I hesitate to put my judgment against the judgment of many others who claim it will have a great psychological effect. For that reason I will have to vote for the joint resolution because I am unable to determine the accuracy of the basis on which the resolution is predicated.

Many Senators have spoken concerning the joint resolution itself. The Senator from North Carolina [Mr. SIMMONS], who is the ranking Democratic member of the Committee on Finance, has made numerous statements to the effect that the proposed legislation is in the nature of a rebate to taxpayers. I wish to point out, Mr. President, that it is not a rebate in any sense of the word. According to the statement of the Senator from North Carolina, the taxes involved are taxes which have been collected from citizens during the calendar year 1929 which are in excess of the needs of the Government. For that reason it is proposed to credit to the taxpayers who accumulated incomes in 1929 which will be taxable the surplus which was paid by taxpayers on incomes received in 1928.

We have no assurance, and there is no way of ascertaining at this short notice, whether the taxpayers to whom this money is to be credited are the same group of taxpayers who paid income taxes in 1928. It may be, to a large extent, an entirely different set of taxpayers to whom the credit will be made than those who paid the surplus in excess of the needs of the Government, who will get the credit to the amount of \$160,000,000 on their income taxes for 1929.

That is one of the reasons, Mr. President, why I am unalterably opposed to retroactive legislation. There seems to be no justification at all for enacting retroactive legislation. Every taxpayer who did business during 1929 did it under the laws of the country at that time. That statement is equally applicable whether the proposed retroactive law be a reduction in taxes or an increase in taxes. I venture the assertion, Mr. President, that there is no Senator here who would vote for retroactive legislation proposing to increase taxes for the preceding year. If it be unsound to increase taxes retroactively it is equally unsound to reduce taxes retroactively. The reason I make that comment is that it has a bearing on the amendment which I propose and which is designed to reduce the taxes on capital gains and capital losses beginning with January, 1930.

The Senator from Nebraska [Mr. NORRIS] on yesterday read at some length from a radio speech delivered by Mr. Julius Barnes, in which Mr. Barnes advanced certain theories and advised the people to do certain things in order to encourage business. This same group has laid great stress upon the statement that we must not do anything which is uneconomic. Every time a proposal to do something humane is made, those making

the proposal are called paternalistic; we are said to advocate uneconomic measures; we are said to be proposing something which is outside the realm of things which the Government may properly do for the people. I submit, Mr. President, that this proposed credit of \$160,000,000 to the earnings of taxpayers in 1929 is uneconomic; it will in no sense increase the purchasing power of the people at this time; and that is really what we ought to do if it is desired to encourage business. There is no way by which business can be improved by legislation other than by increasing the ability of the people to purchase.

The one humane thing that the Government could have done with this \$160,000,000, by way of encouraging business, would have been to have used it to give employment to the millions of those who are unemployed in the United States. Had that been done, however, we would have been criticized by every economist and big business man and by the newspapers of the country for doing an unsound and uneconomic thing; and yet this same group, by high-pressure salesmanship, by radio speeches, and by advertising, are continually urging people to live beyond their means, to load themselves up with all kinds of unnecessary articles, for the purpose of speeding up business, and by so doing to commit themselves to debts that they will never be able to pay. If the composite judgment of these people were to be obtained at one time or at one place, they could not help but reach the conclusion that those debts can not be paid at the rate they are now being contracted.

Mr. NORBECK. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from South Dakota?

Mr. COUZENS. I yield.

Mr. NORBECK. Am I to understand from the remarks of the Senator from Michigan that it is his judgment that there will be a severe penalty attached to that kind of business methods and that in the end business itself will suffer from them?

Mr. COUZENS. That is the judgment of the Senator from Michigan, and it is not a new judgment, based on the fact that this particular joint resolution is before the Senate. For years, indeed—I started 13 or 14 years ago to preach and condemn this orgy of installment buying and the urging of the people to buy unnecessary articles for the purpose of artificially stimulating production.

When the practice of installment buying started it was limited to a few articles. For instance, the installment purchase of homes is not an unwise practice, for it is usually assumed that a home will last a lifetime, and a home is a necessary purchase. Then installment buying was extended to pianos. It was not quite so bad in that instance, since pianos usually last a lifetime; but the practice has grown to a very great degree. Because a certain odium, in a way, attached to the practice of buying articles on the installment plan, and it was not admitted in polite society that individuals bought their clothes and other things on the installment plan, high-pressure salesmen invented the phrase "consumers' credit." No business man now insults a possible purchaser by saying, "Why not buy it on the installment plan." They usually say, "We want to extend you consumers' credit." That sounds more dignified, because credit is a necessary thing in business.

Credit is needed for all merchandising purposes. Manufacturing and merchandising are not consumption, but by the means of high-pressure salesmen it has been possible to fool the American public so long that they have not clearly observed the distinction between manufacturing and merchandising credit and consumers' credit. The people have been fooled until they have loaded up with billions of dollars' worth of unnecessary articles under the name of "consumers' credit." We are now reaping the result in part of the orgy of installment selling.

Mr. LA FOLLETTE. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from Wisconsin?

Mr. COUZENS. I yield.

Mr. LA FOLLETTE. I am very much interested in what the Senator has said concerning installment buying or consumers' credit, as it is now more commonly known. If my recollection serves me correctly, the Secretary of the Treasury has been an ardent advocate of installment buying, has he not?

Mr. COUZENS. So far as I have been able to observe that is correct. I recall a statement in which he said that consumers' credit was entirely sound.

Mr. LA FOLLETTE. Mr. President, then I am interested to know, if the Senator from Michigan does not follow the advice of the Secretary of the Treasury concerning the soundness of installment buying, why he is influenced in supporting the pend-

ing joint resolution simply because the Secretary of the Treasury and others say that it will have a beneficial psychological effect on business?

Mr. COUZENS. When I began my speech this morning I explained that I was not sure that my judgment was infallible with respect to the beneficial psychological effect that the enactment of the pending measure would have upon business. I am doubtful about it; but, as I stated at the beginning, I am not so sure of my ground with regard to indefinite psychological matters as I am sure of it with respect to more concrete matters, such as installment buying of articles by consumers for the purpose of consumption and not for resale. If I were satisfied in my own mind about the psychology of the question as I am about the economics of it, I certainly would be opposed to the pending joint resolution; and in principle, as I have said, I am opposed to this kind of legislation, and I am opposed to retroactive legislation of all kinds.

Mr. LA FOLLETTE. Inasmuch as we are on the subject of psychology, is it not a fact that the Secretary of the Treasury considered the psychology of the inflation of a couple of years ago to be entirely sound, whereas it would appear, from what occurred last month on the stock market that his judgment of the psychology was unsound? Therefore it occurs to me that, perhaps, we are justified in questioning his judgment concerning the psychological effect of the pending joint resolution upon business.

Mr. COUZENS. If the view as to the psychology of the measure were confined solely to the Secretary of the Treasury, who is getting to be an old man and quite feeble, I would not be influenced by it; but it is not confined to the Secretary of the Treasury; the same opinion is entertained by a great number of people throughout the United States whose judgment might be better than mine. The press and public officials generally throughout the United States have said that the psychological effect would be splendid. While I am by no means convinced that that is so, yet, as I have said, I am not so sure of my judgment in that regard as I am sure of my judgment with respect to the question of the economics of installment sales.

Mr. President, I wish now to point out the inconsistency and the unreliability of the Treasury Department with particular respect to my proposed amendment to reduce the capital gains and losses tax. Over my protest for a period of years the Treasury Department and the Congress have gone along and reduced taxes to the rich; in other words, the taxes in the high brackets; they have made repeated attempts to do everything humanly possible to cut down the taxes on those best able to pay. Lobbyists have been active for years, supported and influenced by the Mellon family, to bring about a repeal of the inheritance tax. We are thankful that they have not succeeded in accomplishing that purpose, but I suspect that the Secretary hopes to obtain that result before he has to pass his estate on to posterity.

However, I want to say something about Congress always being on sound economic grounds. When it comes to a question of psychology we must abandon economics, especially when the powers that be want us to emphasize psychology rather than economics. To have appropriated this \$160,000,000 to help out unemployment would have been unsound, paternalistic, and insane in the minds of these powers that be; and yet I want to point out that I am informed from reliable sources that within two weeks unemployment jumped up from 700,000 to over 3,100,000 men. I think I should be wholly unjustified in opposing this joint resolution if there is a considerable public opinion that the passage of the joint resolution would aid in getting some of these more than 3,000,000 men back to work. If I were convinced that it would get 10 men back to work, I would vote for the joint resolution.

Mr. LA FOLLETTE. Mr. President, I do not want to keep interrupting the Senator—

Mr. COUZENS. I yield.

Mr. LA FOLLETTE. But do the men who advocate the passage of this joint resolution because of its beneficial psychological effect on business explain how it will assist in relieving the unemployment situation?

Mr. COUZENS. The Senator has access to the fairy tales in the newspapers to the same extent that I have. I confess to the fact that after reading most of these fairy tales and essays on economics, published admittedly by interested parties, I have become confused on the soundness of the motives back of this proposal to rebate taxes to those people who are best able to pay.

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

The PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from South Dakota?

Mr. COUZENS. I yield.

Mr. McMASTER. I think we will all agree that many millions of this \$160,000,000 rebate will go to the very wealthy. Is that true?

Mr. COUZENS. That is true; but in that connection I should like to say to the Senator—

Mr. McMASTER. Then, if that is true, I wish to finish my statement before the Senator replies.

Mr. COUZENS. All right.

Mr. McMASTER. If that is true, and the very rich man receives a large tax rebate to be credited to his bank account, he will reinvest it usually in reliable bonds or in the deflated stocks. How will that in any wise stimulate industry? How will that in any wise employ labor which is not now employed?

Mr. COUZENS. In my judgment it will not; and if it were confined wholly to those I would agree that this joint resolution should not pass, even for psychological reasons. But when the Committee on Finance was considering this matter, figures were presented showing the effect of the passage of this joint resolution; and one of the controlling factors in my voting to report it out and voting for its passage is the fact that 2,095,000 taxpayers who have incomes under \$10,000 will receive a credit of \$28,000,000. That is \$28,000,000 applied to that group. It is true, as the Senator from North Carolina [Mr. SIMMONS] said the other day, that we can not pass taxation measures without there being some inequalities and some unfairness; and I hesitate to say that no joint resolution should be passed because some rich man gets some credit.

Mr. BARKLEY. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from Kentucky?

Mr. COUZENS. I yield.

Mr. BARKLEY. Assuming that the passage of this joint resolution will have a favorable psychological effect upon business because of the temporary reduction in these taxes over a period of one year, what will be the psychological effect at the end of that year when everybody knows he will have to go back to the figure that he has been paying during the past year?

Mr. COUZENS. I was coming to that. I was going to point out the danger that if we take advantage of the psychological effect of reducing taxes now—taxes that have already been accumulated and made in business—unless we pass a like joint resolution a year from now, or permanently reduce taxes, we are likely to have a reaction; and when taxpayers have to increase the taxes they pay in 1931 they will be perhaps more unhappy than they would be if they did not get this credit at this time.

Mr. BARKLEY. Mr. President, if the Senator will yield further, there—

Mr. COUZENS. Yes.

Mr. BARKLEY. Contemplating that they will have to increase their taxes for the next year, will they be likely to pass on any of this reduction to their customers during the year 1930?

Mr. COUZENS. Oh, no; no one expects them to. They have already collected all that they can collect, and certainly they are not going to pass it on. Most of it goes into the pockets of those who are best able to pay.

I said, in reply to a question from the Senator from South Dakota, that I was largely influenced by the fact that 2,095,000 taxpayers were to be relieved to the extent of \$28,000,000.

Mr. McMASTER. But, Mr. President, if over two millions of them are to receive \$28,000,000, that means \$14 per capita.

Mr. COUZENS. That is true.

Mr. SMOOT. But it also means that there is 56 per cent decrease in their taxes.

Mr. McMASTER. Mr. President, the rebate of taxes to those who are receiving incomes of \$4,000 net is such that they will receive a 6 per cent decrease. Is not that true?

Mr. COUZENS. That is true.

Mr. SMOOT. Yes.

Mr. McMASTER. That statement is true?

Mr. SMOOT. And some others are true.

Mr. McMASTER. That means that a farmer who has a net income of \$4,000 will receive a decrease of \$3.75. There are not 5 per cent of the farmers in the United States who have a net income of \$4,000; and the average decrease for the average farmer of the country will be about 30 cents. That is just about what it will amount to.

Mr. SMOOT. Then he does not pay very much tax.

Mr. McMASTER. He has a 6 per cent decrease; and the 6 per cent decrease, when it is figured down to a 30-cent basis, does not mean anything.

Mr. COUZENS. I want to say that had this \$160,000,000 gone into the relief of the millions of unemployed, who, in my judgment, are unemployed largely because of the policy of the Government in not taking some action to prevent this situation, it is

my belief that this condition, if not entirely prevented, could have been largely modified by governmental declaration.

Mr. COPELAND. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from New York?

Mr. COUZENS. I do.

Mr. COPELAND. Has the Senator given any thought to the possibility of cashing in the soldiers' claims upon the Government as one of the means of putting money into hands where it will serve a useful purpose?

Mr. COUZENS. I have not, because to some degree the soldiers are getting something; but the unemployed are getting nothing, and I am much more interested in relieving immediate distress than I am in passing permanent legislation. If this money had gone to aid the unemployed it would have increased purchasing power to the extent of \$160,000,000. That, of course, is only a drop in the bucket, but it is something. Under this plan it is doing nothing to increase purchasing power at this time.

This periodical unemployment is a problem that will have to be solved. It is not necessary to quote the "sons of wild jackasses" to verify that statement. I have before me a copy of an address made by the distinguished Democrat, Mr. Owen D. Young, before the Harvard Graduate School of Business Administration in 1927. I am not going to read his whole address, although I comment it to the consideration of every Member of Congress and every citizen of the United States who is engaged in business in any way.

Mr. FESS. Mr. President, will not the Senator have the whole address inserted in the RECORD?

Mr. COUZENS. I shall be very glad to do so.

Mr. Owen D. Young said a lot of very wise things in this address; but the thing that impressed me the most is contained on page 392 of the Harvard Business Review of July, 1927. After saying much concerning the obligation of employers to employees, he said:

Then, too, we must deal with this question of unemployment, which I regard as the greatest economic blot on our capitalistic system.

I pause a moment in order to have that sink in, because it undoubtedly will receive more consideration, coming from a good Wall Street Democrat, than it would coming from any of us "sons of jackasses" of the West.

How are we going to solve this problem? We are not going to solve it by passing joint resolutions to return taxes to those who are best able to pay.

Mr. WALSH of Massachusetts. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from Massachusetts?

Mr. COUZENS. I do.

Mr. WALSH of Massachusetts. Confirming what the Senator has just said in his quotation from the speech of a New York Democrat, let me say that on Thursday night of this week I heard a very able address by Mr. Frank Morrison, secretary of the American Federation of Labor, in which he stated that he considered that the greatest economic problem before the American people to-day was that of unemployment. So we have not only a capitalist but a labor organizer of prominence and ability recchoing the same sentiment.

Mr. WAGNER. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from New York?

Mr. COUZENS. I do.

Mr. WAGNER. I hope I am not going to be forgotten in this discussion, because I think the Senator will concede that some two years ago I tried to call the attention of the country to this subject of unemployment, regarding it as our most serious economic evil, and offered some legislation of a permanent character which I thought would tend to prevent unemployment; but, outside of the chairman of the committee, who gave extensive hearings, and some other Senators, it received but scant consideration in this body. I think this is an opportunity, while we are confronted with this emergency, to do something permanently on the subject.

Mr. COUZENS. I acknowledge the efforts of the Senator from New York, and I agree with his proposal; but again I point out that one of the reasons why these things get no consideration in Congress is because every time we try to do anything of this character it is called interference with business; it is said that it is unsound economically; that Government should keep its hands out of business, and that it is paternalistic. Socialism, bolshevism, and everything else is attributed to anyone who has any instinct in government to do anything for those who are underprivileged, and are less able to take care of themselves.

Mr. President, we have not made much progress, but there is no doubt but that this problem has to be solved, it is going to be solved, and unless private business solves it Government will. The only way the employers who benefit by this capitalistic system can prevent governmental action is through private initiative solving the problem themselves.

Every time we talk about Government regulation of power in interstate commerce, or regulation of radio and telegraph and telephone in interstate commerce, we are told that Government must keep its hands off of private initiative, that we must not interfere with the great intellects of the Nation having free rein to do that which in their interest seems best. Why do not the great captains of industry, the great manufacturing enterprises, stabilize employment? Failing to stabilize employment, why do they not stabilize income?

I recognize the difficulties of stabilizing employment and regulating it so that a man can work 300 days a year with adequate compensation, but I do not recognize that industry can not stabilize the income. Even if the difficulties of seasonal business and the ups and downs of trade prevent them from stabilizing work there is nothing under the sun that prevents them from stabilizing income.

Everyone knows that the great railroads and the great industries, at least those which are generally owned by the public, stabilize their dividends. There are exceptions, of course, as in the cases of some enterprises that are family owned or are owned by a few stockholders, which perhaps do not stabilize their dividends. One of the great arguments used for investing in Pennsylvania Railroad stock, or United States Steel stock, or American Telephone & Telegraph stock, and some of the other stocks is the fact that the dividends are stabilized. Investors can depend upon quarterly dividends regardless of business conditions. The Steel Corporation, the American Telephone & Telegraph Co., and like companies will not cut their dividends, in my judgment, because of the conditions through which we are now passing.

Labor, however, has its income cut, perhaps cut out entirely, through unemployment. These industries which hire and fire men at the will of the captains give little heed and consideration to the sufferings and to the trials and tribulations that follow when they instruct a superintendent to lay off 10,000 or 15,000 or 20,000 men to-morrow. They have done nothing to stabilize the incomes of those men. They have set by no reserve so that the men may have a continuous income during unemployment, but the stockholders will receive their quarterly dividends whether business goes up or down.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield to me to make one observation in connection with his able and very timely speech?

Mr. COUZENS. I yield.

Mr. WALSH of Massachusetts. In my opinion, as bad as the unemployment situation is, the most serious and the gravest question connected with unemployment is the disqualification of men and women who reach middle life from being given any kind of employment. I am sure the Senator must be impressed with the rapidly growing army of men and women who have reached middle life who find every door of industry barred against them. Some of the most pathetic letters that come to me are from men and women of families who find it impossible, because of the condition that has been fixed by industry, to get employment. I am sure the Senator has been impressed with that phase of the unemployment problem as it has impressed me, and to me it is more serious and more dangerous than the temporary waves of unemployment that come and go.

Mr. COUZENS. I think that is undoubtedly one of the most appealing elements in industry to-day.

It seems to me that if industry objects to bureaucracy in Washington, and objects to bureaucracy in the States, they will have to solve these problems themselves, or stand for all the evils of governmental bureaucracy. We will have to have unemployment insurance, we will have to have old-age pensions, all set up by the Government, regulated by the bureaucrats in State and Nation, or the industries, with their great intellect and with their great private initiative, must take care of the matter themselves. There is no alternative. It has to be done.

To test the good faith of these great employers and captains of industry who say that the Government must stay out of business, that the dead hand of government must not even go near business, those who advocate more business in government would better wake up to the situation that they are to solve these problems themselves if government is not to step in and do it for them.

When it comes to money making, these great industries spurn Government interference and Government regulation, but when

it comes to spending money, they are not so averse to the Government doing it, so long as they may reap the profits.

I have received a full-page advertisement sent me by a citizen of Philadelphia, signed by the Household Finance Corporation, who have 10 Philadelphia offices. It is headed "A Statement to the People of Philadelphia About Small Loans by Household Finance Corporation."

We make loans of \$100 to \$300 at 2½ per cent per month.

Thirty per cent per annum! These great finance corporations can pay for full-page advertisements in metropolitan newspapers to add a burden upon those already overburdened, and yet they do it under provision of law, because the advertisement says:

The 3½ per cent rate—

And I mention in that connection the fact that they are advertising the fact that they have even gone under the amount permitted by law—

The 3½ per cent rate is not the fixed rate that licensees *must* charge—

That is, licensees of their corporation—

but is simply the maximum rate permitted by the Pennsylvania small loan law on loans up to \$300.

There may be circumstances under which some poor devil has to patronize an organization of this sort, and those causes may be entirely beyond his control, and may be entirely beyond the control of his employer or industry, but I submit that an analysis of the borrowers under such a plan shows that in most cases they are the victims of our industrial system on account of frequent periods of unemployment, or because of the fact that their incomes have not been stabilized by those who use their efforts in industry.

The sender of this advertisement makes a number of comments on the margin of the paper, and one of them is, "Some civilization!" I shall not mention all he said, because probably some of the comments would not read well in the RECORD.

Mr. McNARY. Mr. President, will the Senator be good enough to give date of the paper in which that advertisement appeared?

Mr. COUZENS. The advertisement appeared in the Philadelphia Public Ledger of December 12, 1929; so it is only two days old.

Mr. President, I want to take up now the amendment pending before the Senate.

Mr. FESS. Mr. President, will not the Senator have the article of Owen D. Young inserted in the RECORD?

Mr. COUZENS. I ask unanimous consent to have printed in the RECORD the article of Owen D. Young previously referred to by me.

The PRESIDENT pro tempore. Without objection, the article will be printed in the RECORD.

The article is as follows:

DEDICATION ADDRESS¹—GEORGE F. BAKER FOUNDATION, HARVARD GRADUATE SCHOOL OF BUSINESS ADMINISTRATION, JUNE 4, 1927

By Owen D. Young

One can not stand here this morning charged with the duty of reflecting, even in the smallest measure, the thoughts and feelings of this distinguished company, without first expressing our gratitude to Mr. George F. Baker for his generous gift to the service of business education. This day business and scholarship join in their thanks to him.

If I were to speak for men of business, which I am none too well qualified to do, it would be to express gratification that business is recognized at last as a profession, and being so recognized by Harvard, becomes a learned profession. If I were to speak for men of learning, which I am less qualified to do, it would be to express satisfaction that scholars are now to find their way to the market place as they have heretofore to the pulpit, to the law courts, to the hospital, and to the forum. Not only will scholars go into our factories and exchanges but men trained in business will go back into the halls of learning. No more inspiring example of that could be had than the return of Mr. Wallace B. Donham to Harvard to become the dean of this school of business. We also express our thanks and our congratulations to him.

We have come to Harvard to-day, Mr. President, to dedicate these magnificent buildings to the training of men for business just as other groups in other times have come here to dedicate other buildings to the training of men for the ministry, for the law, for medicine, for engineering, and for other professions. Looking backward, one wonders why our visit for this purpose has been so long delayed. Why is it that the Harvard Business School was not founded until 1908 and not adequately housed until this hour?

The medical school was established in 1782, the law school in 1817, and a divinity school in 1819. The education of the ministry, however,

¹ Principal address delivered on June 4, 1927, at the dedication of the new group of buildings comprising the George F. Baker Foundation of the Graduate School of Business Administration, Harvard University.

may be said to have been a prime object of the foundation itself, and the chief effort of its earlier years. The founders of Harvard said that they "dreaded to leave an illiterate ministry to the churches when our present ministers shall lie in the dust." Is one to conclude that Harvard was fearful of an illiterate ministry of religion in 1636 and was not apprehensive of an illiterate ministry of business until 1908? That could hardly be so, because her own graduates in increasing numbers for half a century had been eschewing the ministry to enter business. It may be that with the decline of her graduates in the ministry Harvard sought an equivalent vice, as Charles Lamb, when he gave up smoking, wrote Tom Hood that he sought a "quid pro quo."

Since 1840 the proportion of college graduates entering the ministry has been steadily declining, and during that period the percentage of those entering business or commercial pursuits has rapidly increased. In the class of 1896, 35 per cent entered business, and in 1916, over 55 per cent. The enlarging field of business, with its widening intellectual horizon and its enlarging geographical reach, was making its appeal to Harvard men. It stretched their minds, it stimulated their imagination, and it provided satisfactory financial rewards. Harvard was compelled, if she wished to control her product to the ultimate consumer, to take account of business education. And now on each commencement day, she awards degrees in business administration, in the happy phrase of President Lowell, "The oldest of the arts, and the newest of the professions." It is to the service of that newest of the professions that we dedicate these imposing buildings. They have been made an inspiration by the man who gave them, because he is the greatest living master of the old art and the best example for the new profession.

The Graduate School of Business Administration is open not only to the sons of Harvard but to the graduates of other colleges who wish to add the excellence of Harvard's special training and the glory of her name to their own degrees. Seven hundred students, from 180 colleges, representing 44 States and 13 foreign countries, have responded to the invitation to take her training in the field of business. That is not only a compliment to Harvard—it is a tribute to business. I make no apology for our devotion to business. It represents for the majority of our people the major activity of life. It is more than production. It is more than trade. It is more than transportation and finance. It is more than all of them together. It has made history. It has created law. An eminent jurist has said, "Long before the state arose from its couch, in the morning twilight of history, trade had already completed a good part of its day's work. While the states were fighting one another, trade found out and leveled the roads that lead from one people to another, and established between them a relation of exchange of goods and ideas; a pathfinder in the wilderness; a herald of peace; a torchbearer of culture." I like to recall Motley's statement that there ought to be a banner over Castle Garden inscribed "No admission except on business."

One of the world's most ancient records says, "In the western sea there is a market where an agreement exists between buyer and seller that if one comes the other goes. The seller first spreads out his goods; afterwards the purchaser spreads out the equivalent, which must lie on the side of the articles for sale till taken by the seller, when the objects purchased may be carried off." What a fascinating picture of the early dawn of trade—the representatives of two tribes, each with their own products, advancing slowly, carefully, suspiciously even, toward each other—not for the purposes of war but for the peaceful exchange of goods. The more daring adventurer walks out into the open area between the lines, deposits an article there, and then slowly retires. Watchfully, with anticipation, he awaits the advance of some one from the other side. At last one emerges, brings his article and places it beside the first, and retires. A seller and a buyer have come out of the darkness of barbarism into the advancing light of civilization. The seller must now elect which article he will take. If it be not his own, a trade has been made, and the advance of human relations has begun. Trust has been substituted for suspicion; self-restraint has taken the place of uncontrolled acquisitiveness; a code of morals and of law will emerge; and last but not least, a sportsmanship, recognizing with a sense of honor the rules of the game, will come into being.

Trade will now invent its own complicated tools, such as transportation, currencies, banking, and insurance. What is much more important, a new state of mind will arise. Producers who once made only what they themselves wanted will, for the first time, be thinking of what the other fellow wants. As a matter of self-interest, men will be trying to put themselves in the other fellow's place and acquire his point of view. That will be the first great step, as it is, in my judgment, the last word in all human relations, whether they be between members of our own family or between the greatest nations of the world.

Judging from the records of history and our present-day practice, silent negotiations did not long continue. Dialects were broken down. Communications were established, and even the law was compelled to recognize that "traders' talk" was a special kind of conversation in which it was necessary to make allowances for the natural enthusiasm of the seller and the coldness of the buyer. Principles of business were developed and recorded. It was these principles of business and the customs of merchants which became the basis of much of our law.

"Every man knoweth," said Gerard Malynes in his *Lex Mercatoria*, published in 1622, "that for manners and prescriptions there is a great diversity among all nations; but for customs observed in the course of traffic and commerce, there is that sympathy, concordance, and agreement which may be said to be of like condition to all people, diffused and spread by right reason and instinct of nature consisting perpetually. And these customs are properly those observations which merchants maintain between themselves, and if these be separated from the law of nations, the remainder of the said law will consist of but few points."

Harvard at the beginning of her career may have taught the principles of business as a part of her education for the ministry. It was at this very time that John Cotton, the patriarch of New England, one of the committee of 12 appointed by the General Court to draw up a plan for the college, a member of its first board of overseers, and a preacher to the students, was laying down correct principles of trade.

Capt. Robert Keayne, one of Boston's most prominent merchants and the founder of her town house, was complained of for oppression in the sale of foreign commodities, and after the court had censured him the church of Boston called him also in question, "Where," according to Winthrop, "Keayne did (as before he had done in the court), with tears, acknowledge and bewail his covetous and corrupt heart, yet making some excuse for many of the particulars which were charged upon him, as partly by pretense of ignorance of the true price of some wares, and chiefly by being misled by some false principles." These things gave Mr. Cotton in his public exercise the next lecture day to lay open the error of such false principles and to give some rule of direction in the case. Some false principles were these:

"(1) That a man might sell as dear as he can and buy as cheap as he can. (2) If a man lose by casualty of sea in some of his commodities, he may raise the price of the rest. (3) That he may sell as he bought, though he paid too dear and though the commodity be fallen. (4) That as a man may take advantage of his own skill or ability, so he may of another's ignorance or necessity. (5) Where one gives time for payment he is to take recompense of one as of another."

John Cotton said that the true rules for trading were these:

"(1) A man may not sell above the current price; i. e., such a price as is usual in the time and place and as another (who knows the worth of the commodity) would give for it, if he had occasion to use it. * * * (2) When a man loses on a commodity for want of skill he must look at it as his own fault or cross, and therefore must not lay it upon another. (3) Where a man loses by casualty at sea, it is a loss cast upon himself by Providence, and he may not ease himself of it by casting it upon another; for so a man should seem to provide against all providences that he should never lose; but where there is a scarcity of a commodity there men may raise their price, for now it is a hand of God upon the commodity and not the person."

Evidently in those days the ministry assumed, with the acquiescence of men of business, to lay down rules of business conduct.

A few years ago I remember that a group of ministers endeavored to lay down some principles for the control of labor by employers. Their action was quickly resented, even by business men willing to comply with the rules, with an indication that preachers had better confine themselves to their own business. To me the interesting feature of these two excursions of the ministry into the field of business, some 300 years apart, is that in the case of Keayne his infraction of business standards was treated as an individual delinquency, and John Cotton laid down his rules of business, not for the welfare of business but as a guide in the matter of ecclesiastical discipline. So far as I know, no business man resented John Cotton's action. He kept strictly within his own field. In the later incident to which I referred a group of ministers, not one, undertook to lay down rules for business, as business. Such rules were not in any way connected with church discipline, nor was an infraction of them to be considered as a basis for excommunication. It was the volunteer effort of a group of men of one profession undertaking to lay down rules for the guidance of a group of men in another. It was natural that such volunteer advice, even though sound, should be rejected and resented.

The interesting point, however, is that in the later instance an individual was not being tried on a particular transaction. A group was being indicted for a common practice. Unconsciously, in the minds of all, business was taking on the elemental quality of a profession; that is, standards for group action. The old art was passing to the new profession.

But why this new profession of business? The old art had functioned long and well. Under it each man ran his business as he pleased, subject only to the law of the land and the moral restraints existing in the community in which he lived. Business was simple—it was individual—it was done only in a limited area—mostly in the small community. Any infraction of the rules of the law, or of the church, or of the principles of business were quickly recognized and generally known. The community could and did in those days discipline the individual man of business effectively. No one could maintain his good will and profess one thing in church on Sundays and practice another thing in his business on week days. Public opinion joined the law and the church as the censors of business conduct.

Then the area of business operations widened. The products dealt in became highly specialized and technical. A man could not sell a spavined horse as sound in his own community without penalty, but he could sell a spavined motor as sound in some other community, perhaps, indeed, halfway around the world, without being quickly discovered at home. Even if discovered, the penalty was not so great. The sale of a spavined horse to one of his own community may have been a moral delinquency. The sale of a spavined motor to people quite unknown may have been regarded locally as a clever piece of business. The church became increasingly powerless, and local public opinion might well be not too critical of a man who brought wealth from other places to his home community, especially if he contributed to the local hospital and was otherwise generous in its distribution. In a word, the widening area of business and the highly specialized character of the goods outstripped all local sanctions and tended to leave the individual free from restraints except those of the law. Now the law is not a satisfactory censor. It functions in the clear light of wrongdoing—things so wrong that the community must protect itself against them. Set over against the law on the opposite side is the clear light of right doing—things which are so generally appealing to the conscience of all that no mistake could be made no matter how complicated the business. The area of difficulty for business lies in the penumbra between the two. When business was simple and local, it was fairly easy for local public opinion to penetrate the shadowed area. When business became complicated and widespread it was in this area that all restraints were removed. It was in this shadowed space that troublesome practices were born. It was from acts here that suspicions of business arose. It was the loss of these normal restraints which caused business to suffer. Men of character began to realize that the success of their business depended not alone upon what they did but in some measure upon what others in the same line of business did.

They began to form trade associations; first, merely to promote acquaintance and to create morale in the organization which would, in a sense, be a substitute for the public opinion of the local community in the earlier days. Gradually through these organizations codes of conduct are being developed, and rules are emerging to enforce standards both as to character of goods and methods of trading, which are designed to afford proper protection to the members of the organization and for the better service of society. It is these self-imposed rules designed to enforce standards on the entire group engaged in similar business that are the distinguishing mark of the new profession. In fact, products have become so highly technical and the rules of business so complicated that it is difficult, if not impossible, for anyone other than business men, and for the most part only those in the same line of business, to sit in judgment on unfair practices which the law can not well reach and which the church can not well understand. Indeed, as a disciplinary force in the complexities of modern society a profession of business with many specialized subdivisions should be welcome to all.

Let me say, however, that so far as the public is concerned, organized business has been quick to take the advantages of group action, but has been slow to assume group responsibilities. Too frequently business men have acquiesced, even if they did not participate, in objectionable practices until an outraged society compelled amateurs to interfere. The amateurs were frequently in the legislature and unwise laws were enacted. Legislatures reached out for abuses they could readily observe, but the cause of which they did not fully understand. Frequently the laws overreached themselves, and from the standpoint of society did more harm than the evils they were intended to correct. It is to be hoped that within these walls, research in these fields will not only inspire business men to adopt standards acceptable to the public conscience but will also furnish the information on which wise laws may be drafted and wise decisions made. Many business associations need the benefit of such research to-day. Many are doing their best, not only to discipline their own members but to set up standards which will be helpful to all. No one has recognized the benefit of trade associations or done more to develop them in proper lines than the present Secretary of Commerce, Mr. Herbert Hoover.

As business widened in area it increased in size. It was no longer possible for one man to be the whole business. His capital was not enough—his labor was not enough—his knowledge was not enough. For the individual we substituted the partnership, and finally as the enterprise grew we displaced the partnership with the modern corporation. Into these we have brought together larger amounts of capital and larger numbers of workers than existed in cities once thought great. We have been put to it, however, to discover the true principles which should govern their relations. From one point of view they were partners in a common enterprise. From another they were enemies fighting for the spoils of their common achievement. In dealing with this problem there has been much misunderstanding and frequently want of sympathy. The organization has not always functioned well, and even to-day in that field we have great problems yet unsolved.

Gradually we are reducing the area of conflict between the two. Slowly we are learning that low wages for labor do not necessarily mean high profits for capital. We are learning that an increasing wage level is wholly consistent with a diminishing commodity price

level. We are learning that productivity of labor is not measured alone by the hours of work, nor even by the test of physical fatigue in a particular job. What we need to deal with are not the limits to which men may go without physical exhaustion, but the limits within which they may work with zest and spirit and pride of accomplishment. When zest departs, labor becomes drudgery. When exhaustion enters, labor becomes slavery. Zest is partly a matter of physical condition, but it is also largely influenced by mental reactions. These are common to all of us in every position. Are we doing well with our lives? Are we providing for our families—not merely clothes and food and shelter while we are working but an insurance of them when our working time is ended either by age, disability, or death? Are we providing more cultural opportunities for ourselves and our children? In a word, are we free men? Here in America we have raised the standard of political equality. Shall we be able to add to that, full equality in economic opportunity? No man is wholly free until he is both politically and economically free. No man with an uneconomic and failing business is free. He is unable to meet his obligations to his family, to society, and to himself. No man with an inadequate wage is free. He is unable to meet his obligations to his family, to society, and to himself. No man is free who can provide only for physical needs. He must also be in a position to take advantage of cultural opportunities. Business, as the process of coordinating men's capital and effort in all fields of activity, will not have accomplished its full service until it shall have provided the opportunity for all men to be economically free. I have referred elsewhere to the cultural wage. I repeat it here as an appropriate term with which to measure the right earnings of every member of a sound society competent and willing to work.

Zest in labor is influenced by another mental reaction well known to us all, but too frequently neglected. Is a man working for himself or is he a hired man? It has been assumed that with the evolution of business into large organizations it was necessary to increase the percentage of hired men. That feeling was encouraged by our old habit of thinking. Capital was the employer, buying labor as a commodity in the cheapest market and entitled to all the profits of the undertaking. Managers were considered the paid attorneys of capital to devise ways and means to squeeze out of labor its last ounce of effort and last penny of compensation. Is it any wonder that in this land of political freedom men resented the notion of being servant to a master? Capital justified its action on the plea that it took all the risk. Many men, however, knew from their own experience that they also took a risk in this common business undertaking. With the greater division of labor, it was essential that a man be trained for a highly specialized job. In order to obtain the benefit of his training he had to take employment in a plant which could use it. He accordingly moved into that community. He bought his home, he made his friends, he established his family and social connections. All of his relationships in life were there. If that business failed and the plant were closed, it was not alone the invested capital which suffered. That man, if no other job in his highly specialized field existed in the community, must move. His home must be sold, his ties broken, and perhaps too late in life he must attempt to take up again the forming of new friends elsewhere. Is it any wonder that he resented the notion that capital takes all the risks?

Fortunately we are making great progress in America in these difficult relationships. We are trying to think in terms of human beings—one group of human beings who put their capital in and another group who put their lives and labor in a common enterprise for mutual advantage. We are learning as one result of our widespread prosperity that the human being who puts his capital in is no longer the gentleman of the cartoonist in need of fat-reducing exercises. It is rather the lean school-teacher, the small merchant, the carpenter, the blacksmith, who are trying to conserve and increase their surplus earnings as a guaranty fund against disaster. Or if it be not they directly, then it is most likely to be the insurance company and the savings bank which is investing the savings of millions of our people of all classes in the capital of widely diversified concerns. We think of managers no longer as the partisan attorneys of either group against the other. Rather we have come to consider them trustees of the whole undertaking, whose responsibility is to see to it on the one side that the invested capital is safe and that its return is adequate and continuous; and on the other side that competent and conscientious men are found to do the work and that their job is safe and their earnings are adequate and continuous. Managers may not be able to realize that ideal either for capital or labor. It is a great advance, however, for us to have formulated that objective and to be striving toward that goal.

Perhaps some day we may be able to organize the human beings engaged in a particular undertaking so that they truly will be the employer buying capital as a commodity in the market at the lowest price. It will be necessary for them to provide an adequate guaranty fund in order to buy their capital at all. If that is realized, the human beings will then be entitled to all the profits over the cost of capital. I hope the day may come when these great business organizations will truly belong to the men who are giving their lives and their efforts to them, I care not in what capacity. Then they will use capital truly as a tool and they will be all interested in working it to the highest

economic advantage. Then an idle machine will mean to every man in the plant who sees it an unproductive charge against himself. Then every piece of material not in motion will mean to the man who sees it an unproductive charge against himself. Then we shall have zest in labor, provided the leadership is competent and the division fair. Then we shall dispose, once and for all, of the charge that in industry organizations are autocratic and not democratic. Then we shall have all the opportunities for a cultural wage which the business can provide. Then in a word, men will be as free in cooperative undertakings and subject only to the same limitations and chances as men in individual businesses. Then we shall have no hired men. That objective may be a long way off, but it is worthy to engage the research and efforts of the Harvard School of Business.

The fact that such a condition is not here to-day is not chargeable, as so often alleged, to the selfishness or dominance of capital. It is not due to the fact that the workers together have not adequate resources to margin the capital which they seek. It is due, in my judgment, solely to the unwillingness of men to assume responsibility and take a risk in such a cooperative undertaking. Most men yet prefer a fixed income without risk to a share in the profits of the enterprise with the responsibility which that involves. Gradually, however, we are making our advance. Men are becoming both wage earners and investors. As workers they seek the most for their labor. As investors they seek the largest returns from their capital. The ownership of great concerns, under the impetus of our present prosperity, is being widely spread, and in some instances is largely held by the workers.

Then, too, we must deal with this question of unemployment, which I regard as the greatest economic blot on our capitalistic system. There is no answer except that the managers of business have not yet learned how to make their system function so that men willing and able to work may do so. There is no limit to the consumption of the world. It is limited only in its individual compartments. We can not eat more than so much bread or meat. We can not wear more than so many clothes, and so we may have overproduction in individual lines. But there are innumerable wants of men yet unserved, and as long as culture grows these wants will outrun our capacity to produce the things to satisfy them. The world does not owe men a living, but business, if it is to fulfill its ideal, owes men an opportunity to earn a living. Any system which breaks down at that point challenges the best that there is in the Harvard School of Business Administration, whether they be professors or students; and all men of business everywhere should give them aid and sympathy in their attempt to solve this most distressing problem.

It is important, too, that the ministers of our business, like the ministers of our churches, should appreciate their responsibility. The leaders of our business are in large measure the trustees of our opportunities. In the effort to expand these opportunities business has traversed the geographical areas of the world. She has explored its most remote corners to locate new materials and new markets. No unknown place of any consequence in the geographical sense is left on this globe. What opportunities, then, are ahead? Why is this trusteeship of business so important? It is so because there are new explorers at work, bringing into the area of possible business operation fields vastly greater than any geographical explorers found. I refer to the research workers in pure science, who are pushing back the horizon and vastly enlarging our fields of knowledge. New materials are being put into our hands from the most unexpected as well as most commonplace quarters.

I can see a picture of these adventurers in pure science moving out into unknown fields as the great geographical explorers set sail for unknown lands. Following them are the applied scientists learning how to use the new forces just as the early settlers followed the old adventurers. Finally business organizes itself to harness these forces and put them to work. Never were opportunities so great as now. Never did unexplored areas seem so vast. Never was there a more responsible trusteeship needed for the discovery of new opportunities or for the administration of the existing powers. We need to-day more than ever before men to administer this trust, who are not only highly skilled in the technique of business—men who have not only a broad outlook in history, politics, and economics—but men who have also that moral and religious training which tends to develop character.

Harvard is to be commended for requiring as a basis of entry to this school a cultural qualification. In no other profession, not excepting the ministry and the law, is the need for wide information, broad sympathies, and directed imagination so great. Who can say that this may not foreshadow the time when similar qualifications, evidenced by a certificate from this or like institutions, shall be required of men who desire to enter on a business career.

What I have said as to the deficiencies of business is not in any spirit of criticism of the motives or activities of men who have gone before or of the men who are administering it now. I say it only for the purpose of recognizing certain problems which will challenge the young men who are coming on. No one has a higher regard than I for the accomplishments of the men who have set up and are leading our great organizations of business in this country. They have accomplished

much, but not all. They, were they here, would be the first to say so. It is those things which remain undone which we must frankly face and earnestly endeavor to correct. To shut our eyes to the broader interests and responsibilities of business may have been an attribute of the individualism of the old art. It must be the warning to the group action of the new profession. I am sure we could serve Mr. Baker no better than to assure him that the Harvard Graduate School of Business Administration will do its utmost to guard against an illiterate ministry of business when our present ministers shall lie in the dust.

To-day the profession of business at Harvard formally makes its bow to its older brothers and holds its head high with the faith of youth. To-day we light the fires in the temple which it is the trust of Harvard to maintain and from which may be renewed through generation after generation the high ideals, the sound principles, the glorious traditions, which make a profession. To-day and here business formally assumes the obligations of a profession, which means responsible action as a group, devotion to its own ideals, the creation of its own codes, the capacity for its honors, and the responsibility for its own discipline, the awards of its own service.

Mr. COUZENS. I also think it would be well to have printed the advertisement to which I have referred.

The PRESIDENT pro tempore. Without objection, the advertisement will be printed in the RECORD.

The advertisement is as follows:

A STATEMENT TO THE PEOPLE OF PHILADELPHIA ABOUT SMALL LOANS
BY HOUSEHOLD FINANCE CORPORATION

WE MAKE LOANS OF \$100 TO \$300 AT 2½ PER CENT PER MONTH

We do not make any loans of less than \$100 because we found that by limiting our service to loans of \$100 up to \$300 we could reduce our rate to 2½ per cent per month. The demand for loans in sums of \$100 up to \$300 at the rate of 2½ per cent per month is sufficient to employ all our capital. Therefore, we have limited our service to the highest class of loans in amounts of not less than \$100, and have thus given our customers the benefit of the saving in interest cost this policy makes possible.

THERE ARE CLASSES OF LOANS WHICH REQUIRE THE RATE OF 3½ PER CENT PER MONTH

The Household Finance Corporation wishes to impress upon the people of Philadelphia that any licensee who makes loans of less than \$100, and a certain class of loans of larger amounts is, in our opinion, entitled to and is justified in charging the maximum rate of 3½ per cent per month. We could not afford to make loans of less than \$100 at less than 3½ per cent. The 3½ per cent rate is not the fixed rate that licensees must charge but is simply the maximum rate permitted by the Pennsylvania small loan law on loans up to \$300.

If you need \$100 to \$300 you owe it to yourself to see us first.

HOUSEHOLD FINANCE CORPORATION.

Downtown: Rooms 322, 323, and 324 Jefferson Building, third floor, 1015 Chestnut Street, phone Walnut 0100; room 600, sixth floor, Bankers Trust Building, 1317 Walnut Street, phone Pennypacker 5374; 1005 Market Street, room 704, phone Walnut 1464; Germantown: 9 West Chelton Avenue, second floor, phone Germantown 3742; North Philadelphia: Room 702, Bank of Philadelphia & Trust Co. Building, seventh floor, 3701 North Broad Street, phone Wyoming 7438; Chester offices: 305 Crozer Building, Fifth and Market Streets, phone Chester 160; 530 Market Street, phone Chester 1740; West Philadelphia: Franklin Trust Building, second floor, 7 North Fifty-second Street, corner Market Street, phone Granite 4300; 125 South Fifty-second Street, corner Sansom Street, second floor, phone Sherwood 5500; Kensington: 1817 East Allegheny Avenue, over Horn & Hardart, phone Regent 2050; Germantown and Lehigh: 2700 Germantown Avenue, second floor, corner Lehigh Street, phone Columbia 5030; Twenty-third and Ridge Streets: Twenty-third and Ridge Streets, first floor, phone Stevenson 6260; Norristown office: 306 Norristown Pennsylvania Trust Co. Building, Main and Swede Streets, phone North 71.

Mr. COUZENS. Mr. President, when the Finance Committee was considering this joint resolution the Undersecretary of the Treasury appeared before us and made statements which tended to influence the committee favorably to report out the joint resolution. During the discussion in the committee the question of reducing the rate on capital gains and losses was discussed. It was stated at that time that the Treasury did not think that the Treasury Department could afford to stand a reduction.

It is a strange thing that whenever the Treasury Department proposes anything in the way of a reduction the reduction can be afforded. The Treasury has for the last seven years, during which I have contested some of their theories of administration and practices and policies of administration, contended that the lower the rate the greater the income. They said:

If you will reduce these high surtax brackets, if you will reduce taxes all down the line, the Government revenue will be increased.

I do not know that they have denied that philosophy or that contention.

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

Mr. COUZENS. I yield.

Mr. FLETCHER. What would the reduction amount to under the Senator's amendment?

Mr. COUZENS. I am coming to that. I have several estimates here, and I want at this point to say how inaccurate and unreliable are the Treasury estimates, not only in this respect but how inaccurate and unreliable they have been in years gone by. Every Democrat will admit it, but the Republican reactionaries will not.

If it was sound during all the period when Congress was urged to reduce the high surtax brackets that the lower the rate, within reason of course, the more the income, certainly it is sound with respect to the small reduction I have proposed on capital gains and capital losses. The proposal I have made is simply for a reduction from 12½ to 10 per cent on capital gains and capital losses, and on the theory of the Treasury Department that reduction ought to encourage business it should increase the exchange of capital assets so that the revenue would be greatly enhanced over the present revenue because of the lower rate.

However, the suggestion did not come from the great Secretary of the Treasury and therefore it is taboo. Congress must not do anything unless the Treasury first authorizes it.

Another thing to which I wish to make reference is that the Undersecretary of the Treasury stated there is no relationship between the rates of capital gains and loss taxes and the corporation taxes. He said that the fact that they were alike was accidental or a mere coincidence, but that there was no intent to have them alike when they were first proposed. I doubt the accuracy of that statement, and I think the records will indicate that the statement is not correct. The individual who has the benefit of the capital gains and loss provisions of the law should not pay more than the corporation which sells its capital assets. Why should the individual pay a higher rate for the transfer of his capital assets than the corporation pays? There must be equality between the individual and the corporation in the transfer of their capital assets and yet the distinguished Undersecretary of the Treasury says there is no relation. I want to point out that if we are to reduce, as it is proposed to reduce, the corporation tax, then the corporations will be able to transfer their capital assets at a lower return to the Government than will the individual. In other words, it is another piece of legislation proposed by the Treasury in favor of corporations.

I do not know what the Treasury Department thinks sometimes that we are composed of here in the Senate and in the Congress. Evidently they proceed on the theory that everything they say must be taken for gospel, that we must not controvert any conclusion or statement they make. When we find a coalition between the Senator from North Carolina [Mr. SIMMONS] and the Senator from Utah [Mr. SMOOT] as a result of the influence of the Treasury, it is unbreakable, so I am quite satisfied that I am simply talking against time.

I do want to emphasize, however, the absurdity of putting the great corporations on a preference basis to permit them to transfer their capital assets at 11 per cent of the gain and require the individual to pay 12½ per cent of the gain on the transfer of capital assets. How can the Treasury Department stand before the committee and say there is no relationship between the rates on capital gains and losses of corporations and the rates on the returns of the gains of individuals? If there is any one to dispute it, I invite him to dispute the fact that there is not a relationship and a proper relationship between the rates on capital gains and the rates of corporate-income tax.

I submit that I had not gone into these questions when I prepared my amendment, and therefore I desire to modify my amendment to provide for a 1½ per cent reduction in the capital gains and losses tax so they will be comparable with the tax on corporations. In other words, instead of reducing the tax from 12½ to 10 per cent, I propose to modify my resolution to reduce it to 11 per cent.

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

The PRESIDING OFFICER (Mr. VANDENBERG in the chair). Does the Senator from Michigan yield to the Senator from New Jersey?

Mr. COUZENS. I yield.

Mr. KEAN. Does the Senator intend to include in that a reference to a two years' holding of securities so as to put the individual on the same basis as a corporation in that respect?

Mr. COUZENS. My amendment does not propose to make any change in that respect in the law. I am only proposing to change the rate. I am not proposing to change the law, because I recognize that in the haste of considering the matter in com-

mittee there was no attempt to revise some of the matters in the internal revenue law that ought to be revised, and so I did not attempt to change the law, but simply to change the rate. I am talking only about the rates. In my reference to a change in percentage I was only talking about the rate.

Mr. KEAN. If the individual has to pay 40 per cent or 25 per cent of his income as capital-increase tax, it is not the same rate that the corporation has to pay. That is the point I have in mind.

Mr. COUZENS. The Senator is talking about an entirely different matter than the one I am discussing. If the Senator desires to confuse the issue, he may do so; but that is not the issue. The issue is whether or not the rates on the transfer of capital gains for a corporation and for an individual shall be the same. It has no relation to the period of holding capital assets, whether it is two years or five years or what not. In my judgment, the whole legislation with respect to capital gains and capital losses has been badly drawn by Congress. It should never have been adopted on the basis on which it was adopted. It would have been much preferable if it had been based on a sliding scale over the period of years during which the capital assets were retained.

The Treasury Department, through its actuary, in a memorandum handed me points out the following:

The reduction of the capital net gains tax from 12 to 10 per cent will, upon the above estimate—

I shall quote the estimate later—

reduce the tax to be collected during the calendar year 1931 to \$69,500,000. The reduction of the capital loss tax credit to 10 per cent will reduce the credit about \$1,500,000, and thereby create a net loss for the calendar year 1931 of \$68,000,000.

The basis of arriving at that is quoted by Mr. McCoy as follows:

The amount of tax under the present law computed upon the estimated capital net gain for the calendar year 1930 will be about \$325,000,000. The capital net loss credit similarly computed upon the capital net losses for that year will be about \$7,000,000, it is estimated.

Whenever the Treasury Department desires to defeat a project in Congress, it can formulate and it does formulate any set of figures that it desires to maintain its viewpoint. I consulted with Mr. L. H. Parker, chief of staff of the Joint Committee on Internal Revenue Taxation. He referred me to the records and also to a public report which he made in June or July, 1929, as I recall. Mr. Parker has been for many years an expert in the consideration of tax matters. He is now one of the head men of the joint committee and is designated on their letterhead as "chief of staff." He made very concrete and wise recommendations concerning the amendment of this system of taxation. When I say "system of taxation," I mean the capital gains and loss provisions. But throughout the consideration of the legislation no attention was paid to the recommendations of the joint committee. It would have been simple to provide by an amendment for a proper revision of one element of the internal revenue law which would have been a great aid to business. There is no question that the maintenance of the capital gains tax is not only hurting the transfer and the flow of capital assets, but it is curtailing the development and construction of buildings throughout the Nation and particularly is that true in the large centers where real estate is of high value and where the increment has been large during the periods of prosperity.

I shall not read his whole letter, but Mr. Parker said in part:

It is my opinion, therefore, that the reduction of one point in the capital gains and loss rate applicable to the year 1930 would not decrease the revenue more than \$10,000,000 or less than \$6,000,000.

If the contention of the Treasury Department is correct that these reductions cause an increase in business, and therefore an inflow of revenue, they ought to have more revenue as a result of the adoption of my amendment rather than less.

The National Association of Real Estate Boards sent me a memorandum. I am assuming the accuracy of it, though I can not vouch for it. It comes to me dated on December 2, and appears rather strangely to be in corroboration of the conclusions reached by Mr. Parker of the Joint Committee on Internal Revenue Taxation. The National Association of Real Estate Boards say that the additional reduction in taxes will be approximately \$10,500,000—that is, on a 1-point reduction. My original proposition was for a 2½-point reduction, and of course that would have made a difference of about \$25,000,000 or \$26,000,000. But I only desire to have the amendment in line with the rate charged to the corporations so that the individual will not be penalized in comparison with the corporations and the rate charged corporations. If my modified amendment shall be agreed to it will not reduce the income of the Govern-

ment more than approximately \$15,000,000 on the assumption that the increase in business and the increase in the transfer and dealings in capital assets does not increase the revenue of the Government.

Mr. President, I have already had the floor for more than an hour, and in conclusion I want to make just one further comment, and that is to draw the attention of the Senate to the great decrease in 1928 in building construction throughout the Nation, and particularly in the matter of homes. For instance, taking the general business review of the National City Bank for this month, they point out under the head of building industry that outside of homes—

If the December awards continue at this rate the total for the year 1929 will be in the neighborhood of \$5,680,000,000, which is 14 per cent below last year and the smallest for any year since 1924.

That is for building outside of the construction of homes. One can visualize what a reduction of the capital-gain tax will mean in affording an impetus to business.

Mr. LA FOLLETTE. Mr. President—

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

Mr. COUZENS. I do.

Mr. LA FOLLETTE. In the Senator's judgment, is part of that slackening in the erection of office buildings and apartments and structures of that character due to the fact that in recent years there has been carried out such a tremendous building program that some of the cities are overbuilt at this time with structures of that type?

Mr. COUZENS. There may be something in that; but the point is that the figures are the lowest since 1924, and, in view of the gradual increase in population, it seems to me there should not be less construction now than in 1924, which was five years ago.

Mr. FESS. That is, \$5,000,000,000 have been expended in construction work outside of the building of homes?

Mr. COUZENS. That is my understanding. That is for commercial buildings alone.

Mr. FESS. I had understood that for the eight years preceding 1928, both for the construction of homes and other buildings, the average was \$6,000,000,000 a year. If the figures cited by the Senator exclude home-construction cost, they represent rather a remarkable amount.

Mr. COUZENS. This is what the statement says:

Including nonresidential building, public works, and utilities, total contract awards in November were approximately \$316,000,000, according to the preliminary figures of the F. W. Dodge Corporation, a leading statistical organization in the building industry.

Then the statement goes on to say that if December awards shall be maintained at that rate, there will still be a reduction of 14 per cent from the record of 1924.

Mr. WAGNER. Mr. President—

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

Mr. COUZENS. I do.

Mr. WAGNER. I desire to ask the Senator whether it is not true that a part of that reduction is attributable to the withdrawal of credit from the building field to fields where the rate of interest obtained was at times higher?

Mr. COUZENS. That was undoubtedly a factor, and I do not believe anybody can successfully controvert the statement that it has been a large factor; but there is a further factor, and that is that the owners of capital assets, when they believe that the rate is unreasonably high, will not transfer them and pay that rate, but will rather hold on in the hope of there being a reduction in the rate.

I therefore believe, Mr. President, that not only would the adoption of my amendment be wise, and in the interest of the development of business in 1930, but I believe it would be consistent with the policy heretofore adopted by the Congress in reducing rates to increase and encourage business.

Mr. LA FOLLETTE. Mr. President, before the Senator from Michigan concludes, I desire to ask him a question. If I understand him correctly, the opposition of the Treasury Department to his amendment is on the ground that the Treasury can not stand the loss of revenue for the year 1930 which they believe would be occasioned by the adoption of his amendment? Is that correct?

Mr. COUZENS. That is the statement the Treasury Department gave to the press, but I do not know whether or not it is its real reason.

Mr. LA FOLLETTE. Then, upon what theory does the Treasury Department recommend the passage of the joint resolution providing for the reduction of taxes to the tune of \$160,000,000 this year? If the Treasury Department is so uncertain

about the situation so far as 1930 is concerned, it seems to me that the part of wisdom would be to hold on to the money now in the Treasury.

Mr. COUZENS. I think the Senator from Wisconsin has raised a perfectly proper question. In my judgment, there is not the slightest reason for making this so-called reduction at this time. However, the Senator from Utah, the loyal supporter of the great Secretary of the Treasury, says the Treasury has the money now. Of course, it has the money now, but that is not any reason why it can not retain it in order to take care of possible deficits. There is no sound business reason why, because the Treasury has the money now, that it should pay it out or credit it to the earnings of taxpayers for 1929. The fact that one has money is no sound reason why he has got to let it go.

The truth of the matter is, however, that the financial giants of the Senate, the Senator from North Carolina [Mr. SIMMONS] and the Senator from Utah [Mr. SMOOT], have gotten together on this program, and it is therefore apparently "sewed up," and is not to be interfered with. However, I submit there is not any justice in the world for imposing a higher rate on the transfer of capital gains by a private individual than by a corporation. The law is now more lenient and easier when corporations pass along capital assets or sell capital assets than when individuals do so, because there are less restrictions in the case of corporations than in the case of individuals.

Mr. McMASTER and Mr. FESS addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Michigan yield; and if so, to whom?

Mr. COUZENS. I yield to the Senator from South Dakota.

Mr. McMASTER. I consider that the Senator from Michigan has made a very strong and able argument against the passage of the pending tax-reduction measure. In support of his theory that the money should be expended for the purpose actually of employing labor, of putting men to work and stimulating industry along that line, in preference to the plan submitted by the Treasury, a further analysis of the figures, I think, will be quite conclusive as to the Senator's own judgment.

As the Senator from Michigan has stated, there are 2,000,000 taxpayers whose income is \$10,000 or less. They will receive \$28,000,000 of rebate. Of course, we know that even those who receive a salary of \$10,000 or less save a little of their income, and they are not going to spend all the \$28,000,000 which is to be refunded to them. Assuming, however, that the \$28,000,000 is going to be spent, it is but \$14 per capita.

Then we get into the higher brackets, where a rebate of nearly \$40,000,000 is involved to people who will not spend the money, because their incomes are already sufficiently large to enable them to maintain their ordinary daily and yearly expenses. The \$40,000,000, as I said before, will go into bank accounts, or be reinvested in bonds and low-priced stocks.

Then in addition to that rebate, \$90,000,000 will be rebated to the corporations of the country. Everyone knows that a 1 per cent rebate on the income of a corporation is not a sufficient amount of money to permit a given corporation to spend the money in permanent improvements for the purpose of employing labor on a larger scale. Therefore there is only a small fraction of the rebate of \$160,000,000 which will actually go to stimulate business and to employ labor on a larger scale. Consequently I think the Senator's argument that if this money were expended directly either on public improvements or for the purpose of employing labor it would be effective and worth while, is very much to the point.

Mr. COUZENS. Mr. President, I am not in disagreement with the Senator from South Dakota—

Mr. McMASTER. I merely wished to emphasize that point.

Mr. COUZENS. Except for the fact, as I pointed out at the beginning of my remarks, that the question of psychology has been injected into the consideration of this measure. Psychology is a sort of mythical thing which no one seems to be able to define or to measure. I know of no yardstick by which psychology may be measured; but, as I stated at the beginning, the public have been fed up, from the time of President Wilson until now, with the idea that business depressions are largely due to psychological considerations. It has been asserted that the proposed reduction would have very beneficial psychological effect upon industry, and I am not disposed to set my judgment up on the question of whether it will or not, although, in my opinion, it will not prove to be so; but I submit that my views regarding the question of psychology are no more sound than are the views of many others.

Mr. BROOKHART. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from Iowa?

Mr. COUZENS. I yield.

Mr. BROOKHART. I should like to ask the Senator if the stock panic is not likely to reduce the receipts of the Treasury even more than \$160,000,000?

Mr. COUZENS. The Senator's guess as to that would be as good as mine.

Mr. BROOKHART. However, it is quite sure to make some reduction, is it not?

Mr. COUZENS. I should judge so; but no one knows what the capital gains were during that year, and whether or not the tax on capital gains will bring in sufficient revenue to offset the capital losses, I am unable to determine.

Mr. BROOKHART. When there is a shrinkage of \$10,000,000,000 or \$12,000,000,000 in values, it means a capital loss rather than a capital gain.

Mr. COUZENS. The shrinkage in market quotations does not mean an actual shrinkage in capital gains or losses; that is not even a measure of it.

Mr. President, I submit the question and suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

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

Allen	George	Kendrick	Shortridge
Ashurst	Gillett	Keyes	Simmons
Barkley	Glenn	La Follette	Smoot
Bingham	Goldsborough	McCulloch	Steak
Black	Gould	McKellar	Steiner
Blaine	Greene	McMaster	Stephens
Bleasie	Grundy	McNary	Sullivan
Borah	Hale	Metcalf	Swanson
Brock	Harris	Moses	Thomas, Idaho
Brookhart	Harrison	Norbeck	Thomas, Okla.
Broussard	Hastings	Norris	Townsend
Capper	Hatfield	Nye	Trammell
Caraway	Hawes	Oddie	Tydings
Connally	Hayden	Patterson	Vandenberg
Copeland	Hebert	Pine	Wagner
Couzens	Hefin	Ransdell	Walcott
Cutting	Howell	Robinson, Ind.	Walsh, Mass.
Fess	Johnson	Sackett	Waterman
Fletcher	Jones	Schall	Watson
Frazier	Kean	Sheppard	Wheeler

The PRESIDENT pro tempore. Eighty Senators having answered to their names, a quorum is present. The question is on agreeing to the amendment proposed by the Senator from Michigan.

Mr. SMOOT. Mr. President, I shall take only a few moments. I desire to say frankly that I agree with every word the Senator from Michigan has said in relation to the installment sale of goods. I think that when that proposition is presented to the American people they will realize that the advertising that followed, and not only that but the high-pressure salesmen that were put upon the road and throughout the country, caused overbuying and an extension of credit that it was impossible for those people to meet under ordinary circumstances. I think that over one-half of all the failures of business in the United States, particularly in the small communities, came about by reason of overcredit; and the easier you make the credit, the quicker the failure comes. So I fully agree with the Senator from Michigan in relation to that point.

Mr. President, in relation to the estimates that have been made by the Treasury Department in the past, I think they were naturally lower than what finally developed. I do not think there is a business man in the country who believed that after the year 1927 business of this country would increase as it did. No one ever dreamed of such an increase. The Treasury could not make estimates based upon what did occur, because nobody anticipated that it would occur. Everyone thought that the sales in the United States during the year 1927 were at the very top, and yet the sales and the business of 1928 outstripped them. When the business year of 1928 closed the same fear came over the people for the business of 1929; and yet the business of 1929 was greater than that of 1928.

That is the reason why the estimates made by the Treasury Department have fallen short. We all knew, however, that the time would come when there would not be increases; the time would come when there would be a decrease. Unfortunately, that time came, and came with such an unfortunate debacle in the business affairs of the country.

As I said the other day, that is the reason why we want to make this reduction not permanent, but for one year; for no human being can tell what the business of the country is going to be during the next 12 months. Therefore, the Treasury Department and the Finance Committee, the majority members as well as the members of the minority, felt that the safe thing to do was to report the joint resolution in its present form, and make the reduction \$160,000,000.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Wisconsin?

Mr. SMOOT. Yes.

Mr. LA FOLLETTE. Upon what theory did the committee come to that conclusion if they shared the view just expressed by the chairman, that no person on earth can tell what business is going to be next year?

Mr. SMOOT. I can speak only for myself, Mr. President—
Mr. LA FOLLETTE. Certainly; I understand.

Mr. SMOOT. And that is what I am going to do.

If business had continued without any interruption whatever as it went on this year until a month ago, we could have made a general reduction of taxation, just as we had done in 1927 and 1928 and in years past; but it did not continue. Therefore, the only thing to do was to pass a measure of this kind, since we knew that we had collected this money, and we felt sure that the business for the coming year would produce at least enough revenue under the existing law to pay the expenses of our Government.

Mr. LA FOLLETTE. I do not quite see how the Senator can be sure of that when he has just made the statement that no person on earth knows what kind of a year we are going to have next year.

Mr. SMOOT. That is true.

Mr. LA FOLLETTE. And yet the Senator now says that he is certain, because of the situation, that it is not going to be so bad that we can not afford to dispense with this \$160,000,000 which we already have in the Treasury.

Mr. SMOOT. The business of this year up to a month ago would allow quite a great reduction that has not been made, but I do not believe the business of the country is going to fall off so much that we will not have under existing law enough money to pay the expenses of the Government.

Mr. LA FOLLETTE. I hope the Senator is right about that; but, as a matter of fact, if I understand the Senator's statement correctly, that is merely his opinion about the matter, because a moment ago he said that no man on earth can tell what kind of a year we are going to have next year.

Mr. SMOOT. That is true.

Mr. LA FOLLETTE. Therefore the Senator hopes that he can make this refund, and that this precious budget will balance next year.

Mr. SMOOT. I think it will, or I would not vote for the decrease at this time.

Mr. LA FOLLETTE. Because of my desire to see the Senator in good health, I trust that his hope will be fulfilled.

Mr. SMOOT. I thank the Senator.

Mr. HOWELL. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Nebraska?

Mr. SMOOT. Yes; I yield.

Mr. HOWELL. How about the fiscal year 1931?

Mr. SMOOT. This is half of the fiscal year 1931. We appropriate for fiscal years. I know that we say it is for this year; but the appropriations we make are for fiscal years, and not for calendar years. This is up to June 30, 1931.

Mr. HOWELL. I call the attention of the Senator from Utah to the fact that the estimate of the surplus for 1931 is \$123,000,000 before deducting \$80,000,000.

Mr. SMOOT. That is for the fiscal year 1931.

Mr. HOWELL. That is true; I acknowledge that; but I am talking now about the fiscal year 1931. It is estimated that the surplus will be \$123,000,000.

Mr. SMOOT. That is true.

Mr. HOWELL. Deduct \$80,000,000, one-half of this reduction, and it will leave but \$43,000,000.

Mr. SMOOT. But the Senator from Michigan has changed his amendment. Instead of making it 2½ per cent reduction, he now makes it 1½ per cent, and that will make a difference. Instead of approximately \$68,000,000 a year, the amendment proposed by the Senator himself would reduce it to \$40,800,000.

Mr. HOWELL. Yes; but I am talking now about what we can expect if this joint resolution is passed. If this joint resolution is passed, according to the estimate of the Treasury Department, there will be a surplus of but \$43,000,000 for 1931.

Mr. SMOOT. That is on the basis of 2½ per cent decrease; but now it is only 1½.

Mr. HOWELL. I beg pardon.

Mr. SMOOT. Yes, Mr. President.

Mr. HOWELL. I have here the statement made by the chairman of the House Committee on Ways and Means, in which he states in detail what the expected surplus is for 1931.

Mr. SMOOT. The Senator is right on that; but that is on the basis of a reduction of 2½ per cent, from 12½ to 10 per cent. Now, however, the Senate has changed that reduction from 12½ to 11 per cent, just the same as the corporation tax, so that instead of \$68,000,000 it would be only \$40,800,000, or an increase, as the Senator says, in the surplus of \$123,000,000 of the amount figured by Mr. McCoy.

Mr. HOWELL. May I ask the Senator what will be the estimated surplus for 1931 under the premises he has stated?

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

Mr. SMOOT. Yes; I yield.

Mr. COPELAND. Why does the Senator from Nebraska ask what is going to happen? Has he known the Treasury Department to make a correct guess since the Senator has been in this body? The first time I found the figures added up, it was shown that the Treasury Department had made a mistake of \$1,200,000,000 in its estimate.

Mr. HOWELL. Yes; and they have made a mistake, too, on the minus side of the ledger. This, however, is the estimate of the Government—a surplus of \$123,000,000 for 1931. Subtract \$80,000,000 from that—one-half of \$160,000,000—and we have \$43,000,000 left. While in this fiscal year we have appropriated \$150,000,000 for the Federal Farm Board, and for 1931 they allow \$200,000,000, it may be that they will require \$150,000,000 additional; and, if they do, we will have a deficit instead of a surplus. I will ask the Senator from Utah if that is not a fact.

Mr. SMOOT. That would be a fact if conditions resulted as the Senator states them. In the first place, we are not going to take off 2½ per cent if the amendment is agreed to, but only 1½ per cent, so it would be only the difference between 2½ per cent and 1½ per cent that we would lose if the amendment were agreed to, and there would have to be that amount added.

Mr. HOWELL. Then I will ask, what is the amount of the total reduction, both to the corporations and to the personal-tax payers? It is \$160,000,000 a year, is it not?

Mr. SMOOT. As the resolution now stands, it is \$160,000,000.

Mr. HOWELL. One hundred and sixty million dollars a year?

Mr. SMOOT. That is what the resolution calls for.

Mr. COUZENS. For only one year.

Mr. SMOOT. Just the one year.

Mr. HOWELL. One hundred and sixty million dollars, to be divided between two fiscal years, and you are going to have \$80,000,000 in 1930 and \$80,000,000 in 1931.

Mr. SMOOT. That is, the fiscal years.

Mr. HOWELL. The estimate I have indicates a surplus of \$123,000,000 for 1931, and that estimate is based on a reduction of \$160,000,000, and deducting \$80,000,000 from \$123,000,000 for 1931, we have only \$43,000,000 left.

Mr. SMOOT. Forty-three million dollars.

Mr. HOWELL. We have provided for only \$350,000,000 for the Federal Farm Board. Is that all we are going to do for the Federal Farm Board? Is that all we are going to do for agriculture?

Mr. SMOOT. I can not say what Congress will do.

Mr. HOWELL. Very well. If agriculture comes in and asks for \$150,000,000 more, then we will have a deficit of \$107,000,000 for 1931, if this joint resolution shall be agreed to.

Mr. SMOOT. I can not say what is going to happen as to that. The Treasury Department makes the estimates, and they can not tell exactly what is going to happen.

Mr. HOWELL. It is time we anticipated what is going to happen.

Mr. SMOOT. Mr. President, I think we are perfectly safe as far as the estimates made by the Treasury Department as to the amount we will receive are concerned.

Mr. HOWELL. I am accepting everything they claim will be received, and I am taking into account their estimates of expenditure, and then if the Federal Farm Board receives prior to 1932 what we have authorized, we are going to have a deficit of \$107,000,000 if we agree to this joint resolution.

Mr. SMOOT. I do not think so.

Mr. WALSH of Massachusetts. Mr. President, will the Senator from Utah yield to me on another matter.

Mr. SMOOT. I yield.

Mr. WALSH of Massachusetts. An important amendment is now pending, an amendment offered by the Senator from Michigan [Mr. COUZENS]. I would like to get some information about it. First, how many taxpayers pay a capital-gain tax?

Mr. SMOOT. Nobody could tell the exact number, but I should think it would be about 25,000 or 30,000.

Mr. WALSH of Massachusetts. So we are dealing with a proposition that affects 25,000 or 30,000 taxpayers. In what class of income taxpayers do those who pay a capital tax fall in the class of those having incomes of over \$30,000?

Mr. SMOOT. About \$33,000.

Mr. WALSH of Massachusetts. What is the total amount by which taxes would be reduced to capital-gain taxpayers if the amendment of the Senator from Michigan were acted upon favorably?

Mr. SMOOT. As it now stands, at 11 per cent, it would be \$40,800,000.

Mr. WALSH of Massachusetts. So we are dealing with a proposition that seeks to reduce the taxes upon a limited class about \$40,000,000?

Mr. SMOOT. Yes.

Mr. WALSH of Massachusetts. On a class of people who number about 30,000?

Mr. SMOOT. Less than 40,000.

Mr. WALSH of Massachusetts. And a class of people whose incomes are in excess of \$33,000?

Mr. SMOOT. Yes. I think we all agree that the present rate of tax on capital gains, just as the present corporation tax, is too high. I have said that to the Senator from Michigan many times. I believe that a lower rate on capital gains and losses would result perhaps in some extra business, but under present conditions I do not think there would be very many transfers, even though the reduction were made.

We are dealing now with the coming year, and I think we have gone just as far as we ought to go if we are to keep within the bounds of safety.

As to how that \$160,000,000 shall be distributed, that is for Congress to say. The Finance Committee believes that the proper way to handle the matter is as the pending resolution provides, and for that reason I hope the amendment of the Senator from Michigan will not be agreed to.

Mr. SIMMONS. Mr. President, I want to say just a few words respecting some statements made by the Senator from Michigan [Mr. COUZENS] with reference to myself.

Repeatedly the Senator said that there was a combination between the chairman of the Committee on Finance and myself, the ranking member of the minority on that committee. I want to say that there is not the slightest foundation for statements of that character. Long before I had spoken to the chairman of the committee upon this subject at all, before he had spoken to me about it, and before this matter was a matter of public consideration, the Secretary of the Treasury invited certain gentlemen, Members of the House and Members of the Senate, to a conference in his office. There were at that conference the Speaker of the House, the Republican leader of the House, the Democratic leader of the House, Mr. GARNER, who is also the ranking Democrat upon the Ways and Means Committee, Mr. HAWLEY, and the Senator from Utah [Mr. SMOOT].

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

Mr. SIMMONS. I yield.

Mr. COUZENS. Did not the Senator overlook the Secretary's attorney? Was he not there?

Mr. SIMMONS. If he was, I did not know him.

Mr. COUZENS. Senator REED?

Mr. SIMMONS. Oh, Senator REED was there. I did overlook him. The Democrats present, as I now recall it, were Mr. GARNER, Democratic leader of the House, the senior Senator from Mississippi [Mr. HARRISON], and myself.

At that conference the Secretary of the Treasury laid before us the proposition contained in this joint resolution. He explained that in view of the then critical business condition of the country, if this reduction were made in the way proposed, it would be an assurance to the public and inspire confidence. He said that while the Treasury would be able to afford this amount of reduction, he felt that any greater amount at this time would jeopardize the condition of the Treasury.

I had never mentioned the matter to the Senator from Utah [Mr. SMOOT], nor he to me, but I stated, as did the Senator from Mississippi [Mr. HARRISON] and Mr. GARNER, that we were inclined tentatively to agree to the proposition, and that unless we changed our minds we would accord it our support.

That is all there is about this matter. The Senator from Michigan is a member of the Committee on Finance, as I am a member of that committee. The Senator knows very well that in the committee I suggested to Mr. Mills—and I was the first one to suggest it—the claims of taxpayers for a reduction of taxes on capital gains and losses. I made the same argument, I think, the Senator has made here to-day, that the situation with reference to this particular tax, the tax on capital gains and losses, was very much the same as that relating to corporations and their incomes; that both had very intimate, close relation with the business interests of this country.

I also called to Mr. Mills's attention at the same time the fact that the tobacco interests are now paying nearly as much internal-revenue taxes on tobacco as is paid at the customhouses on tobacco.

I called attention to the fact at that time that, with the exception of the reduction made on the 5-cent cigar, the taxes on tobacco and its various products are the same to-day that they were during the time of peak prices and the peak taxation of the war period.

I asked Mr. Mills if he would not consider whether it would be possible at this time to accord relief to these two classes of

taxpayers, admitting, of course, that we could not, with an available surplus of only \$160,000,000, hope to accord to every taxpayer the relief to which he might seem to be entitled.

Mr. Mills said he would take the matter up and give it consideration. When Mr. Mills came in the next morning, he came fortified with documents and figures, and represented to the committee that a greater reduction than that proposed in this joint resolution would be a menace to the stability of the Treasury, and strongly recommended against it.

I was not quite satisfied with that, and I took the matter up with certain Treasury authorities whom I consider entirely reliable and accurate, and I was advised that Mr. Mills's statement was, in their opinion, correct, that while we had a considerable surplus, that surplus would be derived from incomes that were made during the prosperous times of the calendar year 1929, but that the incomes hereafter would probably come from the profits and earnings of business under less favorable conditions and circumstances.

The senior Senator from Mississippi [Mr. HARRISON] and myself had no right to commit the Democrats to any course of action with reference to this matter, and it was explained at the conference that we could only give assurances that we would tentatively support the plan; we used the word "tentatively" because we did not wish to bind ourselves until we had had an opportunity to confer with our associates on this side of the Chamber. Nothing was said at that time about amendments. I think there is a consensus of opinion on this side of the Chamber that the joint resolution ought to be passed, but of course every Senator on both sides of the Chamber has the right to vote for any amendment that he sees fit to favor. He has the right to vote for a reduction that would call for a surplus of \$500,000,000 if he wants to do so. But heretofore in making these reductions we have given consideration to the reports of the Treasury Department. I know on this side of the Chamber we have frequently contended, just as is being contended now, that a larger reduction should be made than that reported by the Finance Committee, and yet Congress did not in any instance see its way clear to make a larger reduction than it was thought was consistent with the conditions in the Treasury Department or the prospective conditions of the Treasury.

Mr. COPELAND. Mr. President—

The PRESIDING OFFICER (Mr. HASTINGS in the chair). Does the Senator from North Carolina yield to the Senator from New York?

Mr. SIMMONS. I yield.

Mr. COPELAND. Would this be the proper time to ask the Senator one or two questions?

Mr. SIMMONS. I have no objection whether it is a proper time or not.

Mr. COPELAND. As I understand the Senator, he himself was the first one in the committee to present this viewpoint.

Mr. SIMMONS. Yes; and let me say more than that. I have been agitating for a decrease in the excessive rates upon tobacco. I think there is no industry in the country that has ever been so burdened with taxation as the tobacco industry, a tax that affects both the manufacturer and the farmer. I am in favor of that reduction, but I would not feel justified in voting for such a reduction upon tobacco in the pending measure. But I do hope that some time we will have another surplus and the opportunity for making an additional reduction, and then no one will contend more strongly than I for a reduction in the capital-stock tax, a reduction in the tobacco tax, and a reduction in other taxes. But with only \$160,000,000 available we can not possibly in this joint resolution make all of the reductions that we think the taxpayers of the country are entitled to have.

Mr. COPELAND. I assume I have the same anxiety about the capital gains and loss tax and its reduction that the Senator has with reference to tobacco.

Mr. SIMMONS. I have it as to capital gains and loss taxes, too.

Mr. COPELAND. I know the Senator has, and I know that is a very urgent matter in my State.

Mr. SIMMONS. I have had a number of letters from my State urging a reduction in the capital gains and loss tax and I very earnestly desire such a reduction.

Mr. COPELAND. Of course that is the attitude of my State. We, too, are desirous to have the capital gains and loss tax reduced. But I understand from what the Senator said that when he made this suggestion and brought up the matter Mr. Mills took it back to the Treasury, and—

Mr. SIMMONS. If the Senator will let me interrupt him, the Senator from Michigan [Mr. COUZENS] shortly after I mentioned it came to my support and argued in favor of including it, if feasible.

Mr. COPELAND. Then the Senator from North Carolina and the Senator from Michigan were urging that it should be done—

Mr. SIMMONS. If it was feasible.

Mr. COPELAND. But the Treasury sent back word that in view of the present state of affairs it is not feasible to make that further reduction?

Mr. SIMMONS. Yes; and I think that is absolutely true. But I want to say further that I also suggested to Mr. Mills that we divide the \$160,000,000 up between individual income taxpayers and corporations and capital-stock taxpayers; but it was found, as will be very apparent when we think about it, that we could not do that without introducing a system of fractional reduction, and exactly how that could be worked out I did not see.

Mr. COPELAND. Then to sum it up, the Senator from North Carolina favors the idea of a reduction in the capital gain and loss tax.

Mr. SMOOT. And it will be had in the next tax-reduction measure.

Mr. COPELAND. And all feel that it should be done in the next tax reduction bill, but at present if we make a reduction in the income taxes of \$160,000,000, that is as far as we can go with safety to the Treasury.

Mr. SIMMONS. Yes; and I want to say to the Senator that if it shall be developed in 1931 that we have the surplus about which the junior Senator from Nebraska [Mr. HOWELL] spoke, I shall stand with any Member of this body, in the face of that surplus, in a vigorous advocacy, whether the Treasury Department recommends it or not, of taking such action as under the Constitution we may take to bring about that reduction.

Mr. COPELAND. I am very glad to hear the Senator say that, because that is exactly my own position. I feel that at the earliest possible moment when we are justified in doing it we should reduce these taxes. In my opinion, it would be well for the prosperity of the Nation if that could be done at an early date.

Mr. WALSH of Massachusetts. Mr. President, if this proposal stood alone and was proposed independently of the pending resolution, I think I should consider the proposition favorably; but until such time as there is a general study and revision looking toward an equitable and permanent reduction of all taxes, I can not vote for the amendment proposed by the Senator from Michigan [Mr. COUZENS]. Personally, I think there is merit in the proposal, but there is more merit in other proposals for reductions in various classes. I desire very much to see in the next tax-reduction measure a substantial reduction made in the tax on small corporations which are being destroyed day by day by the serious competition with which they are confronted through the ever-increasing consolidations of industry and of business into trusts.

Mr. WHEELER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Montana?

Mr. WALSH of Massachusetts. I yield.

Mr. WHEELER. Would not the proper thing to do be to have a graduated tax upon incomes of the corporations and not as it is at present?

Mr. WALSH of Massachusetts. The Senator is correct. I have always favored that plan and have proposed on different occasions amendments to tax bills which have met with very considerable support, but not sufficient to be incorporated in the income tax law.

Mr. WHEELER. Of course, the reason why the big corporations want to keep it in the law is so that they can always hold the little concerns in a position to come to their rescue by saying, "We want this reduction because of the fact that the little fellows need it."

Mr. WALSH of Massachusetts. I am not going to talk long and the only reason why I am addressing the Senate at this time is to say that though the amendment proposed by the Senator from Michigan may have merit, many other amendments which may or could be offered providing for reductions in taxes of various taxpayers would have in my judgment equal merit. One is the matter of taxes of 12 per cent on incomes of the small corporations. How inequitable is the present tax on small corporations can best be understood when we realize that individuals or partnerships engaged in a small business pay only an average of about 4 per cent taxes on their incomes, while many small corporations pay the same as the large corporations or 12 per cent. How can we justify the small corporation, which has been incorporated to have the benefits of our corporation laws, paying three times the tax rate that an individual engaged in the same business is required to pay. It can not be justified.

I do not want to go into any extended discussion and I do not want to obstruct the passage of the pending resolution. I think the time to consider these proposals is not now. I hope we will have soon a real permanent revision of our income tax laws with the idea of spreading the surplus which the Treasury is now receiving more widely, resulting in a reduction of taxes to those taxpayers that most deserve it.

Mr. FLETCHER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Florida?

Mr. WALSH of Massachusetts. I yield.

Mr. FLETCHER. I was called from the Chamber momentarily and did not hear all the Senator said. I think some reference was made to the matter of the time when there would be a general revision of the internal revenue tax laws. May I ask whether there is any purpose to do that during this session?

Mr. WALSH of Massachusetts. Mr. President, I am very glad the Senator asked the question. May I ask the Senator from Utah in my own name, as well as at the suggestion of the Senator from Florida, if the Treasury Department contemplates submitting to the Finance Committee or the Ways and Means Committee of the House any plan for permanent tax reduction in the near future?

Mr. SMOOT. There is nothing now that is submitted, but every year they do submit their views as to taxation. Next year no doubt they will do the same thing.

Mr. WALSH of Massachusetts. Of course, the Senator appreciates that we would have serious difficulty in passing a resolution of the kind now pending under any other circumstances than the present.

Mr. SMOOT. Oh, certainly.

Mr. WALSH of Massachusetts. The fact that the Senate may give approval to the pending resolution does not indicate that it agrees to that policy. If we are going to have surpluses, I think the Senator, as chairman of the Finance Committee, should arrange to have a study made as to where and how and in what manner the reductions in the future are to be distributed.

Mr. SMOOT. The whole situation came up so suddenly that this is the only way we could meet it.

Mr. WHEELER. Mr. President, what does the Senator from Utah mean when he says this matter came up "so suddenly"?

Mr. SMOOT. I mean the break in the stock market that came on so suddenly. Business was on the increase, and I am very thankful to say that it has held up remarkably well since.

Mr. WHEELER. What line of business?

Mr. SMOOT. All lines of business, I judge from the reports. I recognize there are some lines of business that were in the dumps, so to speak, before ever the slump came. There is no doubt about that. There always will be some in that condition, I care not in what year it may be. The change in styles, for instance, sometimes destroys a line of business.

Mr. WHEELER. But the slump in the stock market was not caused by any change in styles except perhaps in the style of doing business by speculators.

Mr. SMOOT. I was not speaking of the cause at this particular time. I was speaking of other causes in the past. I was merely speaking generally.

Mr. COPELAND. Mr. President, I understand the Senator from Utah, the distinguished and able chairman of the Finance Committee, promises us that at the earliest moment when the condition of the Treasury justifies it there will be presented a plan of general revision of the income tax law, with the hope that there may be a general reduction, and particularly a reduction in the capital gain and loss taxes. I have stated it fairly, have I not?

Mr. SMOOT. I will say that in my opinion the very next decrease in the taxation of the country should apply to the capital loss and gain provisions of the law.

Mr. COPELAND. And then a little further—the Senator feels that that revision should be made as soon as possible?

Mr. SMOOT. Yes; as soon as possible.

Mr. LA FOLLETTE. Mr. President, I realize that it is utterly futile to debate the pending amendment or any other amendment that may be pending or that may be proposed to the joint resolution now being considered by the Senate. The fact of the matter is that there is an agreement between the leaders on both sides of the Chamber that no amendment, regardless of how meritorious it may be, shall be adopted to the joint resolution. Nevertheless, I wish to make my position clear in connection with the pending amendment before the vote shall be taken upon it.

I favor the principle embodied in the so-called capital gains and losses tax, but if Senators will recall to mind the statements which were issued by various financial authorities during and immediately following the stock-market crash in New York

they will remember that the experts gave many reasons which they believed had contributed to that crash. I believe, however, there was a general consensus of opinion among those experts that the high tax rate upon capital gains and losses had been a contributing factor thereto, and some of them even listed it as having been a primary factor in the crash.

Therefore, Mr. President, it seems to me, if the desire of the Congress and of the Executive is to stimulate legitimate business, that objective can more certainly be obtained by the adoption of the amendment offered by the senior Senator from Michigan [Mr. COUZENS] than it can by the passage of the joint resolution itself, which provides for the return of taxes already collected in the year 1929. Nothing that we can do is going to affect business in 1929; that year is almost closed. What we seek to do, if I understand the purpose of this tax reduction proposal, is to stimulate business in 1930.

I am convinced that if we desire to take a constructive step it will be accomplished by the adoption of the amendment proposed by the Senator from Michigan rather than by the passage of the joint resolution itself. Of course, if what we desire to accomplish is to please individuals and corporations which have already paid their taxes into the Treasury, then, of course, we may consistently support the joint resolution, but, so far as its effect upon business for 1930 is concerned, in my judgment, it will be but negligible.

I hold no brief, Mr. President, for the leaders of business and industry in the United States; but I do not believe that they are so unintelligent that when they come to analyze the situation they will undergo any change in their psychological attitude toward business for 1930. I do not believe a single captain of industry who is fit to hold his position will change one iota the estimates for expenditures, capital outlay, and the conduct of his business otherwise in 1930, because this retroactive piece of tax-reduction legislation shall be enacted. If there is a single captain of industry who is going to change the policy of his corporation for 1930 because of this retroactive rebate of taxes in 1929, he is not fit to hold his job.

Now, let us be frank about this situation, Mr. President. As nearly as he could come to doing it, and still not place himself in an absolutely indefensible position, the Senator from Utah [Mr. Smoot] has admitted that the estimates of the Government's revenue for 1930 are practically guesses, and when we get into that field one man's guess is as good as another's. When we come down to the real heart of the problem, the fact is that no one knows, and on one can know, what effect the stock-market crash is going to have upon legitimate business in the year 1930; we do not know to what extent that stock-market crash has affected the buying power of the public in this country; and until we know the answer to that question, any person who attempts to make an estimate is merely making a guess. I admit that because an estimate comes from the Treasury Department it carries a certain amount of weight with the public, but if that public will remember that the Treasury Department guesses wrong more often than it guesses right, I do not believe they will place much credence in these so-called estimates for 1930. As a matter of fact, Mr. President, if my memory serves me correctly, the Secretary of the Treasury, Mr. Mellon, was quoted in the press of September of this year to the effect that he did not believe any tax reduction would be afforded to the taxpayers in 1929. That statement was made before the stock-market crash. Now, however, we find the Secretary of the Treasury and his subordinate stating that since the crash the Government is in a position to make a tax cut retroactively of \$160,000,000.

Mr. BROOKHART. Mr. President—

Mr. LA FOLLETTE. I am not a financial expert, but I refuse to follow leadership which proposes a financial policy of that kind for this Government. I yield to the Senator from Iowa.

Mr. BROOKHART. Does not the Senator conclude from that situation that the real purpose of the effort to revive business is to revive speculative business rather than legitimate business?

Mr. LA FOLLETTE. Mr. President, I would not go so far as to make that charge. As a matter of fact, if the truth were known, it is my opinion that we would find that the promise of this tax cut of \$160,000,000 was made for the purpose of pegging the market. Certainly we are all aware of the fact that when the crash came and while it was in progress the leaders upon the Democratic and upon the Republican side of the Senate and of the House, members of the Ways and Means Committee of the House, and of the Finance Committee of the Senate, were called to the White House. We know that there it was agreed that a tax cut of \$160,000,000 would be afforded retroactively for 1929, and that that announcement was made immediately.

Mr. President, everyone knows that it was an emergency conference; that it was called in view of the crashing of stocks on

the New York Stock Exchange, and, I believe, as I have just stated, that if the truth were known that announcement was made for the purpose of pegging the market. I do not criticize the anxiety which prevailed in responsible quarters in the Government because of the situation which developed in the stock market during those hectic days. Nevertheless, Mr. President, it seems to me that the responsibility devolves upon Members of this body to study this proposal not upon the basis of the purpose in view as given out at the time, but upon the basis of what we may expect to happen in the year 1930. The fact that this tax cut was promised, so to speak, as a hypodermic to stimulate the situation prevailing on the stock market a few weeks ago does not to-day necessarily recommend it to the consideration of the Members of this body.

I venture the assertion, Mr. President, that if a Democrat occupied the White House at this moment and if he recommended, on the one hand, a retroactive tax cut for 1929, and, on the other hand, an increase in the expenditures of the Government for the year 1930, he would be looked upon as a hair-brained individual who did not have any adequate conception of a single one of the primary tenets of economic and business philosophy. Nevertheless this recommendation comes from an administration which has been heralded as a business administration.

Personally I trust that the hopes expressed by the Senator from Utah will be fulfilled, but, Mr. President, there is not a Senator on the floor of the Chamber, nor is there a person anywhere else in the country, who knows whether the Senator is going to have his hopes realized so far as the balancing of the Budget for the fiscal year 1930-31 is concerned.

Therefore, Mr. President, believing as I do that the objective sought to be attained by the amendment offered by the Senator from Michigan will have a greater effect in encouraging business in 1930 than will the joint resolution itself, I shall cast my vote in favor of the adoption of the amendment proposed by the Senator from Michigan.

Mr. HARRISON. Mr. President, I understood the Senator from Michigan wanted a roll call on his amendment, and I ask for the yeas and nays.

Mr. SMOOT. Yes; I promised him that a roll call would be had on the amendment.

The yeas and nays were ordered.

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

Mr. SMOOT. Mr. President, I think if the roll be called for the yeas and nays that will be sufficient.

Mr. WHEELER. Very well.

The legislative clerk proceeded to call the roll and called the name of Mr. ASHURST.

Mr. LA FOLLETTE. Mr. President, a parliamentary inquiry. I thought the Senator from Montana had made the point of no quorum.

Mr. SMOOT. The clerk is calling the roll now.

The PRESIDING OFFICER. The Chair understands he withdrew the suggestion.

Mr. LA FOLLETTE. Then I renew it. I make the point of no quorum.

The PRESIDING OFFICER. The clerk will call the roll to ascertain the presence of a quorum.

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

Allen	Frazier	La Follette	Steck
Ashurst	Gillett	McCulloch	Steiwer
Barkley	Glenn	McKellar	Stephens
Bingham	Goldsborough	McMaster	Sullivan
Black	Greene	McNary	Swanson
Blaine	Grundy	Metcalf	Thomas, Idaho
Blease	Hale	Moses	Thomas, Okla.
Borah	Harris	Norbeck	Townsend
Brookhart	Harrison	Norris	Trammell
Broussard	Hastings	Nye	Tydings
Capper	Hatfield	Oddie	Vandenberg
Caraway	Hawes	Ransdell	Wagner
Connally	Hebert	Reed	Walcott
Copeland	Heflin	Robinson, Ind.	Walsh, Mass.
Couzens	Howell	Schall	Waterman
Cutting	Johnson	Sheppard	Watson
Dale	Jones	Shortridge	Wheeler
Fess	Kean	Simmons	
Fletcher	Kendrick	Smith	
	Keyes	Smoot	

The PRESIDING OFFICER. Seventy-seven Senators having answered to their names, a quorum is present.

Mr. COUZENS. Mr. President, I desire to modify my amendment. I understand from the clerk at the desk that the amendment to it which I suggested from the floor was not in proper form. Therefore I ask unanimous consent to change the numeral "10" on line 5, page 1, to "11," and to change the numeral "10" on line 5, page 2, to "11," and to change the numeral "10" on line 16, page 2, to "11."

The PRESIDENT pro tempore. The Senator from Michigan modifies his amendment as indicated. The question is on agreeing to the amendment proposed by the Senator from Michigan, as modified by him.

SEVERAL SENATORS. Let it be read.

The PRESIDENT pro tempore. The clerk will read the proposed amendment.

The CHIEF CLERK. On page 2, strike out section 2 and insert the following:

SEC. 2. (a) Section 101 (a) and (b) of the revenue act of 1928 (relating to the tax in case of capital net gain and capital net loss) are amended, to take effect January 1, 1930, by striking out "12½" and inserting in lieu thereof "11."

(b) If it is necessary in the case of a capital net gain to compute the tax for a period beginning in the calendar year 1929 and ending in the calendar year 1930, the tax under such section 101 (a) shall be computed as follows: A partial tax shall first be computed upon the basis of the ordinary net income as provided in such section, and the total tax shall be this amount plus 12½ per cent of so much of the capital net gain as is properly allocable to the calendar year 1929, and plus 11 per cent of so much of the capital net gain as is properly allocable to the calendar year 1930.

(c) If it is necessary in the case of a capital net loss to compute the tax for a period beginning in the calendar year 1929 and ending in the calendar year 1930, the tax under such section 101 (b) shall be computed as follows: A partial tax shall first be computed upon the basis of the ordinary net income as provided in such section, and the total tax shall be this amount minus 12½ per cent of so much of the capital net loss as is properly allocable to the calendar year 1929, and minus 11 per cent of so much of the capital net loss as is properly allocable to the calendar year 1930; but in no case shall the tax of a taxpayer who has sustained a capital net loss be less than the tax computed without regard to the provisions of section 101 of the revenue act of 1928 and without regard to the provisions of this section of this joint resolution.

SEC. 3. This joint resolution, except as provided in section 2, shall take effect as of January 1, 1929.

Mr. SMOOT. I ask for the yeas and nays on agreeing to the amendment.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. HATFIELD (when Mr. GOFF's name was called). My colleague, the senior Senator from West Virginia [Mr. GOFF], is detained from the Senate on account of illness. He has a general pair with the junior Senator from North Carolina [Mr. OVERMAN].

Mr. REED (when his name was called). I transfer my pair with the Senator from New Mexico [Mr. BRATTON] to the Senator from New Jersey [Mr. BAIRD] and will vote. I vote "nay."

The roll call was concluded.

Mr. HAWES. I have a pair with the senior Senator from Kentucky [Mr. SACKETT]. If he were present, he would vote "nay." So I am at liberty to vote. I vote "nay."

Mr. BINGHAM (after having voted in the negative). I have a general pair with the junior Senator from Virginia [Mr. GLASS]. I transfer that pair to the senior Senator from Kentucky [Mr. SACKETT] and will permit my vote to stand.

Mr. SCHALL. I desire to announce that my colleague [Mr. SHIPSTEAD] is necessarily absent.

Mr. ASHURST. I rise to announce that my colleague [Mr. HAYDEN] is detained from the Senate on important matters.

Mr. FESS. I desire to announce the following general pairs: The Senator from Illinois [Mr. DENEEN] with the Senator from Utah [Mr. KING]; and

The Senator from Colorado [Mr. PHIPPS] with the Senator from Georgia [Mr. GEORGE].

Mr. SHEPPARD. I desire to announce that the Senator from Arkansas [Mr. ROBINSON] is absent on official business, and that the Senator from Utah [Mr. KING] is detained from the Senate by illness. I also desire to announce that the Senator from Montana [Mr. WALSH] is necessarily out of the city.

The result was announced—yeas 22, nays 53, as follows:

YEAS—22

Barkley	Caraway	La Follette	Nye
Black	Couzens	McKellar	Steck
Blaine	Cutting	McMaster	Stephens
Blease	Frazier	McNary	Thomas, Okla.
Borah	Harris	Norbeck	
Brookhart	Johnson	Norris	

NAYS—53

Allen	Fess	Harrison	Kendrick
Bingham	Fletcher	Hastings	Keyes
Brock	Gillett	Hatfield	McCulloch
Broussard	Glenn	Hawes	Metcalf
Capper	Goldsborough	Hebert	Moses
Connally	Greene	Heflin	Oddie
Copeland	Grundy	Jones	Ransdell
Dale	Hale	Kean	Reed

Robinson, Ind.	Smoot	Trammell	Waterman
Schall	Stelwer	Tydings	Watson
Sheppard	Sullivan	Vandenberg	Wheeler
Shortridge	Swanson	Wagner	
Simmons	Thomas, Idaho	Walcott	
Smith	Townsend	Walsh, Mass.	

NOT VOTING—21

Ashurst	Glass	Overman	Sackett
Baird	Goff	Patterson	Shipstead
Bratton	Gould	Phipps	Walsh, Mont.
Deneen	Hayden	Pine	
Dill	Howell	Pittman	
George	King	Robinson, Ark.	

So Mr. COUZENS's amendment was rejected.

Mr. THOMAS of Oklahoma. Mr. President, yesterday I gave notice that at the appropriate time I would offer an amendment to the pending joint resolution in the nature of a substitute. At this time I offer the amendment, send the same to the desk, and ask that it be reported.

The PRESIDENT pro tempore. The amendment will be reported for the information of the Senate.

The LEGISLATIVE CLERK. The Senator from Oklahoma proposes to strike out all after the resolving clause and in lieu thereof insert the following:

That for the purpose of assisting in the nation-wide movement to maintain, stimulate, and increase the present status of industry and economics activity among all the people there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$160,000,000, said sum to be expended as follows:

The sum of \$100,000,000 for the purpose of aiding the States in the construction of rural post roads, as provided by law (Public, No. 156, 64th Cong., as amended and supplemented); and

The sum of \$60,000,000 for the purpose of constructing public buildings, as provided by law (Public, No. 281, 69th Cong., as amended and supplemented): *Provided*, That said sum herein authorized to be appropriated for the purposes herein mentioned shall be supplemental to any recommendations made in the Budget for similar purposes: *And provided further*, That said sum herein authorized shall be available for the purposes mentioned immediately upon appropriation.

SEC. 2. The Secretary of Agriculture and the Secretary of the Treasury, acting separately, are hereby authorized to make all needful rules and regulations respecting the sums herein authorized for each said department, to the end that said sums may be expended as herein authorized and provided.

Mr. THOMAS of Oklahoma. Mr. President, after giving the original joint resolution as reported by the committee such time and consideration as I could, I have come to the conclusion that I can not support the resolution in its original form, and, realizing that an emergency has existed in the past, and exists at the present, it occurred to me that rather than vote against the original I would submit a substitute therefor, which I have just done.

I assert that the original joint resolution, if passed in its present form, would have the force and effect of a direct appropriation in the sum of \$160,000,000 for the benefit of a few rich individuals and rich corporations who do not need it. If there is any exception to be taken to that statement, I will yield for the exception to be noted.

Mr. SMOOT. Mr. President, I did not intend to interrupt the Senator, but I did not want his statement to go without at least saying to him that I can not agree with the statement. There are 2,095,000 taxpayers with incomes under \$10,000 who would be relieved under the joint resolution, and there are, all told, 2,440,000 taxpayers who would be relieved under the measure. I did not want the statement of the Senator to go unchallenged.

Mr. THOMAS of Oklahoma. My statement was that the force and effect of the original joint resolution, if it were passed, would be the same as if an appropriation were now being made in the direct sum of \$160,000,000 for the benefit of the individual taxpayers and the corporations that would receive the benefit.

Mr. SMOOT. The Senator now says individual taxpayers and corporations. I take no exception to that statement. The Senator said, in the first place, "corporations."

Mr. McMASTER. Mr. President—

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Oklahoma yield to the Senator from South Dakota?

Mr. THOMAS of Oklahoma. I yield.

Mr. McMASTER. In support of the contention of the Senator from Oklahoma that this would extend favors to a special class, I wish to call the attention of the Senate to the report of the Committee on Finance on this joint resolution. They have incorporated in the report the various revenues of the Government, as follows:

Customs	\$602,000,000
Internal revenue	2,900,000,000
Miscellaneous receipts	492,000,000

The total of the customs receipts, the internal-revenue receipts, and the miscellaneous receipts, less the expenditures of the Government, is the \$160,000,000 that is to be rebated.

I call the attention of the Senate, in connection with this item of \$602,000,000 of customs revenue, to the fact that even when a washerwoman buys a simple article for her home that may have been imported from a foreign land, she pays part of the tax that goes into the Treasury of the United States. No doubt the tobacco tax is included in these miscellaneous revenues, which means that when a laboring man or a farmer leaves his home in the morning and takes a smoke, he contributes through the tobacco tax his portion of the revenue of the Government.

If we go through these millions of customs receipts and miscellaneous revenues of the Government, we will find that the great masses of the people of this country, the army of the people who earn their daily bread by daily toil, have contributed as many millions of dollars to this \$160,000,000 of surplus as has this special class who pay the income taxes. The only reason in the world why the payers of the income tax are to receive this rebate is that they are the dominant class in the country and have the power and the influence to create the sentiment here in Congress to bring this reduction about. That \$160,000,000 belongs to the poor people of this country just as much as it belongs to the income-tax payers of the land.

Mr. THOMAS of Oklahoma. Mr. President, this is a temporary proposition and in no sense a permanent one. It applies only to the income taxes to be paid for the calendar year 1929.

Some upon this floor seem to have the impression that these taxes have already been collected and have been paid. That is not true. They have neither been collected nor paid. The returns have not been made as yet. The returns for the year 1929 will not be made until some time between now and the 15th of next March.

If this joint resolution shall pass, when the returns are made by those who have to make returns, individuals with incomes of more than \$4,000 a year and corporations with certain incomes, they will be entitled to a rebate of a certain percentage called for in the resolution.

Mr. BROOKHART. Mr. President, the Senator says these taxes have not been paid, and that is true; they have not been paid to the Government.

Mr. THOMAS of Oklahoma. That is what I meant.

Mr. BROOKHART. But in so far as the taxpayers are able to pass the taxes on to the public, have they not been collected from the public?

Mr. THOMAS of Oklahoma. My answer is, absolutely yes. In so far as people can pass a tax along, so far as the corporation can pass the tax on to the consumer, that has already been done. There remain but 17 days of this calendar year. When 17 days shall have come and gone, the year 1929 will be history. All of these taxes will at that time have been paid into the hands of the people who owe the money to the Government and into the hands of the corporations which owe the money to the Government. So that this joint resolution, if passed, will affect the payment of taxes only for the calendar year 1929.

If this joint resolution shall not be passed, these taxes under existing law will be paid, and they will go into the Federal Treasury and will be there. If the resolution does pass, they will not go into the Federal Treasury, and the money will never get there. So my statement is that the passage of this joint resolution would have the same force and effect as if a direct appropriation in the sum of \$160,000,000 were made, providing, of course, the estimates are true and correct.

I desire to call attention to one or two paragraphs from the report submitted with this joint resolution. On page 1 of the report submitted by the chairman of the Committee on Finance we find this language:

The reduction is applicable only to the rates for the calendar year 1929, and will effect a saving to our taxpayers of approximately \$160,000,000, about \$90,000,000 of which is attributable to the reduction of the corporation rate and about \$70,000,000 to the reduction in the individual rates.

The report states, however, that these reductions will be applicable to the taxpayers. Just what taxpayers will receive any benefit from the passage of this resolution? It will not be, I assert, the individual taxpayers, who need help, it will not be the corporation taxpayers which need help, and I will give the reasons for my assumption.

The big income-tax payers, the men who made fabulous salaries and sums during the calendar year just ending, are sup-

posed to have suffered gigantic loss in the depreciation of their securities. Any individual taxpayer who held stocks in the recent slump will, before the calendar year ends, sell those stocks and take his losses, so that when he makes a return he can charge the losses off against his gains. So any individual who owns stock throughout the length and breadth of this land will take his losses and charge those losses against his gains, and that man will receive no benefit, because, if I am advised correctly, the loss he sustained in the past few months will be very much larger, in all probability, than any advantage he might gain. So the men who hold stock will be able to charge off their incomes the amount of their losses, which will more than offset the amount of their net gains, and they will therefore receive no benefit.

The same thing is true of the corporation. I undertake to say here and now that not a single corporation affected by the terms of the joint resolution that has stock listed on the stock exchange in New York City or the curb exchange in New York City or the stock exchange of any city but what would be entitled to charge against its gain a sum equal thereto.

The resolution affects life-insurance companies and fire-insurance companies. Those insurance companies are known to be investors in the common stocks and preferred stocks of our large corporations. I state that these corporations are wise enough, and I know they are, that before they make their returns, which are due prior to the 15th of next March, they will sell such stocks as they own, establish a loss, and when they come to make their returns between now and the 15th of March they will show that loss as an offset to the gains the corporation made during the past 12 months.

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

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from New York?

Mr. THOMAS of Oklahoma. I yield.

Mr. WAGNER. I heard the head of one of our largest insurance companies recently say that they made no investment of money in the stocks of any corporations. Their investments are limited to bond securities. There are exceptions, of course.

Mr. THOMAS of Oklahoma. Even bonds have depreciated during the past 12 months. The corporation referred to by the Senator would have the advantage of charging off depreciation in its bonds, selling those bonds, establishing a loss, and using that loss as an offset.

On page 2 of the report submitted by the chairman of the Finance Committee we find a table. We find in this table the number of our taxpayers who have a net income not in excess of \$10,000 per year. We find there are 2,000,000 of those taxpayers, and if the resolution goes through they will each receive a rebate in the sum of \$14. In other words, the resolution proposes to give 2,000,000 of our citizens having a net income of not to exceed \$10,000 a year a rebate or reduction in their taxes in a sum estimated to be \$14 per person. The last item in the table shows that we have 11,100 taxpayers who have an annual income of \$100,000. If the resolution passes, these 11,100 individual income-tax payers will receive a rebate in the sum of \$525 per year on an average.

This is a proposal to make a direct gift in the form of a rebate having the force and effect of an appropriation from the Federal Treasury for the benefit of those who were entitled to pay income taxes and corporation taxes for the present calendar year. That statement can not be denied. That is the force and effect of the resolution.

Mr. President, what is the occasion for the resolution? It has been suggested here that it is psychological. If it is a psychological reason only that exists for the passage of the resolution, then I submit that the psychological time has passed. The result suggested by the psychological reason has already been accomplished, because some say that the moment the proposed tax-reducing program was announced, the tide turned in the New York Stock Exchange and the other exchanges throughout the country. If that be true, then the suggestion, even, that the resolution was to be introduced has served its purpose, but that purpose does not now appear. There is no panic to-day in the New York stock market, so far as I know.

Mr. WAGNER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from New York?

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. WAGNER. If it is true that the introduction of the resolution had the psychological effect of buoying up conditions, the refusal now by Congress to actually enact the proposal would have the psychological effect of tearing down what we have buoyed up as the result of the expression of an intent to give relief.

Mr. THOMAS of Oklahoma. I admit in all fairness that if Congress fails or refuses to pass the resolution it will have a temporary effect of that kind. It will not be marked. It will only be temporary. I am advised that on yesterday when the motion was made to take up the resolution, immediately the ticker tape of the Dow-Jones Co. gave the word to America that the resolution which proposed to reduce taxes was under consideration in the United States Senate, and immediately the stocks began to bound. I will admit, in answer to the question of my distinguished friend from New York, that if the Congress eventually refuses to pass the resolution it will have an adverse effect, but only a very small per cent or a very small part of the adverse effect caused by the slump in October and November.

Mr. BLEASE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from South Carolina?

Mr. THOMAS of Oklahoma. I yield.

Mr. BLEASE. Is it not a fact that a human body is sometimes so built up during sickness by the administration of morphine that it is overdosed, and when the reaction comes it does more harm than if it had not been given? If that is true of the human body, is it not a fact that the financial policy now being advocated by the present administration may have the same effect upon the financial situation as the administration of morphine has on the human body?

Mr. THOMAS of Oklahoma. I thank the Senator for the suggestion.

Mr. President, inasmuch as the New York stock-market quotations have been referred to, I wish at this time to place in the RECORD the names of a few of the leading industrial stocks as shown by the New York Stock Exchange. These data are taken from the Wall Street Journal of this date:

American Smelting & Refining Co., a leader in the copper industry, during the calendar year 1929 had a high quotation of 130. When the slump came it fell as low as 80. It closed last night at 74.

Du Pont, another leading industrial, had a high quotation in 1929 of 231; that means \$231 per share. When the slump came the stock fell to 80. Last night it closed at 118.

Montgomery Ward, one of the great chain stores of the country, had a high in 1929 of 156. The slump caused that stock to fall to 49. It closed last night at 60.

Radio had a high for 1929 of 114. During the slump it fell to 26 and closed last night at 44½.

Westinghouse had a high in 1929 of 292. It fell during the slump to 100. It closed last night at 137.

Studebaker, one of the active motor stocks, had a high in 1929 of 98. During the slump it fell to 38 and closed last night at 43.

United States Steel had a high in 1929 of 261. During the slump it fell to 150. It closed last night at 172.

Mr. President, much has been said on the floor of the Senate as to why this crash came in October and November. I know of no one to date who has given a convincing answer to the question. It has been charged upon the floor and in the public press that the United States Senate was responsible for the slump. It has been charged here that the failure of the Senate to promptly pass the tariff bill caused that financial catastrophe. It has likewise been claimed throughout the country and in the public press and on the floor of the Senate that the crash in the stock market is responsible for our present economic condition. On the other hand, it is claimed by other forces that the stock-market crash caused business conditions to become bad. Whether or not the Senate, because of its failure to promptly pass the tariff bill, is responsible I will not here attempt to answer. Whether or not the present industrial slump is the cause of the crash in the stock market or whether the crash in the stock market came about because of the crash in economic conditions I will not here try to answer.

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

Mr. THOMAS of Oklahoma. I am glad to yield to the Senator from Kentucky.

Mr. BARKLEY. If Congress should fail to enact any tariff law whatever, the worst that would happen as a result of that failure would be to retain the present law, under which it has been claimed that we have enjoyed such marvelous prosperity during the last six or eight years, so that it can not be truthfully said, even if the Senate should pass no tariff bill at all, that it could cause a panic by leaving in existence a law which for seven years has brought such marvelous prosperity to the country as that about which the boast is made.

Mr. THOMAS of Oklahoma. Furthering the suggestion made by the distinguished Senator from Kentucky, I call attention to another paragraph in the committee's report. From page 4 of their report I read the following:

Corporations enjoyed a very prosperous year in 1928, and all reports indicated that their 1929 income will exceed that of 1928.

Mr. BARKLEY. Mr. President, will the Senator yield again? Mr. THOMAS of Oklahoma. Gladly.

Mr. BARKLEY. The accounting firm of Ernst & Ernst, which is recognized all over the country as being reliable, has made the statement that for the first six months of 1929 there were 749 corporations embracing generally the business of the United States which had profits of 29 per cent more than their profits were for the first six months of 1928. I have seen a later report brought up to the 1st of October, which includes, of course, the first three quarters of this year, which carries out practically the same figure.

Mr. THOMAS of Oklahoma. Mr. President, I want to submit an answer to this inquiry inasmuch as it has been raised. I think my answer is as good as most of those that have been made. My answer as to the cause of the present economic slump and the recent stock market slump is as follows:

The recent stock-market crash was caused by riots breaking out in the Wall Street stadium in a postseason speculative game between the old Coolidge bull and the young Hoover bear and, as in most contests between youth and age, youth won and the Hoover bear came out victorious.

Mr. President, during the past 30 days we have heard many analyses of the situation and its results. The recent crash was a most serious thing. The effect of the recent stock-market crash was not limited to the stadium in Wall Street, it was not limited to Broadway, New York, or to New York City, or to this city. It was nation-wide. It was not limited to this Nation, indeed, Mr. President. It extended to the surrounding territory. It reached Europe. No spot on the globe escaped the dire effect caused by the crash in the New York stock market, in late October and early November. The effect upon economic conditions in Germany was comparable to the effect we have experienced in the United States. It has been estimated that that crash caused the people of the United States a net loss of \$50,000,000,000. If that be true, Mr. President, that gigantic sum of \$50,000,000,000 is practically twice as much as it cost the people of this country to wage the World War.

The loss was not limited to the Eastern States. I know of one city in the far West, a city of 25,000 population, where of that 25,000 population 3,000 were owners of stock in one corporation in the United States. I might suggest, in passing, that the stock of that particular corporation fell from 70 to 30, and Senators can imagine the effect it had upon the 3,000 citizens of that city. That condition is not peculiar to that city; it obtains in practically every city in America, and as to a great number of stocks.

Mr. President, what is the relief proposed to be afforded by the original joint resolution? What plan is now being proposed by the administration? What plan is now being proposed by the Congress? On November 25, the United States Daily, a publication devoted entirely to the affairs of the Government, the administration's recommendations, and the work of Congress, carried a front-page story. That story appeared under the following scare-head date line:

President asks State executives to speed building. Assistance of governors and municipal and county officers urged in construction program. White House cooperation pledges "Energetic yet prudent pursuit" of public works proposed. Data sought on possible expenditures.

Further on in the article we find what purports to be an exact copy of the message sent by Mr. Hoover to each of the governors of the States. At this time I ask permission to incorporate the entire message in my remarks.

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

The message is as follows:

[From the United States Daily, November 25, 1929]

MESSAGE OF MR. HOOVER ASKING AID OF GOVERNORS OF 48 STATES

With view to giving strength to the present economic situation and providing for the absorption of any unemployment which might result from present disturbed conditions, I have asked for collective action of industry in the expansion of construction activities and in stabilization of wages. As I have publicly stated, one of the largest factors that can be brought to bear is that of the energetic yet prudent pursuit of public works by the Federal Government and State, municipal, and county authorities.

The Federal Government will exert itself to the utmost within its own province, and I should like to feel that I have the cooperation of yourself and the municipal, county, and other local officials in the same direction. It would be helpful if road, street, public building, and other construction of this type could be speeded up and adjusted in such fashion as to further employment.

I would also appreciate it if your officials would canvass the State, municipal, and county programs and give me such information as you

can as to the volume of expenditure that can be prudently arranged for the next 12 months and for the next six months, and inform me thereof.

I am asking Secretary Lamont, of the Department of Commerce, to take in hand the detailed measures of cooperation with you which may arise in this matter.

HERBERT HOOVER.

Mr. THOMAS of Oklahoma. In this telegram the President laid special stress upon two or three things. He asked the governors to advise him as to how much money they could spend during 1930 and suggested that they stimulate public improvements along the line of road construction, street improvements, and public buildings. The message went to all parts of the country. The governors immediately summoned their cabinets and their bureau chiefs and asked them to submit reports of the money available for public improvements. As a result of that survey the respective governors sent telegrams to the President, and those have been published.

That request did not stop at the governors. The governors, in turn, submitted the request down to the counties and down to the cities of the Nation. The request even reached my own county-seat town, away in the farthest portion of Oklahoma, and at this time I desire to submit for the RECORD the report made by the mayor of the town, the county seat of the county in which I live. I submit his letter, and ask that it may be read.

The PRESIDENT pro tempore. The clerk will read, as requested.

The legislative clerk read as follows:

LAWTON, OKLA., December 5, 1929.

Hon. HERBERT HOOVER,

President of the United States, Washington, D. C.

DEAR MR. PRESIDENT: In conforming to your appeal to stimulate business, the city of Lawton has let a paving contract for \$100,000.

The voters will vote January 6 on a bond issue in the amount of \$475,000 for various municipal improvements, the largest item being waterworks, in order that Fort Sill and Lawton will have more and better water.

Yours very respectfully,

FRED C. LARRANCE, Mayor.

Mr. THOMAS of Oklahoma. Many of those public improvements, Mr. President, have been arranged for hurriedly, and in response to the urgent demand made by the Chief Executive. In Mr. Hoover's telegram to the governors he makes use of the following language:

It would be helpful if road, street, public building, and other construction of this type could be speeded up and adjusted in such fashion as to further employment.

In the same newspaper carrying the President's message I find a statement in the form of a letter sent out broadcast by Mr. Barnes and Mr. Butterworth, who are connected with the United States Chamber of Commerce. I desire at this time to incorporate in the RECORD a portion of that letter, if I may.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

[From the United States Daily, November 25, 1929]

There are no burdensome stocks of commodities, and this is owing to far-sighted manufacturing plans and to prudent merchandising efforts, aided by striking efficiency in transportation. With no commodity price inflation there is no menace of inventory losses.

There is a strong banking situation, with the enlarged reservoirs of credit available for industry and commerce on reasonable terms. Weak spots which have heretofore existed in American industry are showing signs of improvement.

American industry generally is approaching the close of one of the most active and prosperous years in its history. The problem now is, fortunately, not one of starting a stalled machine, but of facilitating a present momentum on which employment and earnings and buying power have risen to high levels.

Mr. THOMAS of Oklahoma. I wish to refer especially to one paragraph in the letter, as follows:

American industry generally is approaching the close of one of the most active and prosperous years in its history. The problem now is, fortunately, not one of starting a stalled machine, but of facilitating a present momentum on which employment and earnings and buying power have risen to high levels.

Mr. WAGNER. What is the date of that letter?

Mr. THOMAS of Oklahoma. The date of this letter is November 23 and it was published on November 25.

Mr. President, that is the program submitted by the Chief Executive, namely, to have the States spend all the money they can prudently spend; to have the counties spend all the money

they can prudently spend; to have the cities spend all the money they can prudently spend; to have corporations spend all they can prudently spend; and then, down to the individual, to have the individual spend all that he can prudently spend. Whence comes the money to pay for the proposed street improvements? From what source comes the money to pay for the proposed county improvements and city improvements?

The money, Mr. President, must be raised by taxation, and the taxes must be paid by the people. So we have this situation: The joint resolution now pending before this body in its original form proposes to make a gift from the Federal Treasury to the income-tax payers having incomes of more than 4,000 and to corporations, on the one hand, while, on the other hand, the administration is asking the people of the country to increase their taxes, to raise money in order to erect buildings and construct roads and otherwise stimulate business and keep millions of people employed.

Mr. BLEASE. Mr. President—

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

Mr. THOMAS of Oklahoma. I yield.

Mr. BLEASE. And at the same time the Federal land bank is selling out thousands of people who are not able to pay the Government what they owe it.

Mr. THOMAS of Oklahoma. I thank the Senator for his contribution.

Mr. President, an analysis of this program shows that it simply means that House Joint Resolution No. 133 proposes as the Government's part of the solution of the problem a gift to the rich of the country, while the program submitted by the President to the governors and to the counties and the cities proposes to increase taxes upon the poor people of the country in order to raise money with which to employ themselves.

What is the United States doing to help out in this emergency? I am not criticizing the Chief Executive; he has acted almost, I might say, as a superman in the emergency, in calling the attention of the public to the condition, and he has secured and is securing results. But what is the Congress doing in this emergency? It proposes to appropriate money with which to make a direct gift to those who do not need it; and it proposes to increase taxes indirectly upon those who have been hardest hit and can not afford it.

I am sorry that the distinguished chairman of the committee [Mr. SMOOT] is not upon the floor. It is quite a distinct compliment to a member of his committee that when he takes the floor the chairman of the committee immediately leaves the Chamber.

Mr. FRAZIER. Mr. President—

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

Mr. THOMAS of Oklahoma. I yield.

Mr. FRAZIER. If the Senator will yield, I will suggest the absence of a quorum.

Mr. THOMAS of Oklahoma. I will not yield for that purpose.

Mr. HARRISON. Mr. President, may I say in behalf of the Senator from Utah that he stated he had to step downstairs in order to get a bite of lunch? I am sure he will be back in a few moments.

Mr. THOMAS of Oklahoma. I ask again, Mr. President, what is the Congress doing? What does the Congress propose to do to help out in this emergency? So far as I know, this is the only remedial legislation proposed. It takes money from the Treasury of the United States. To that statement exception has been taken, so I will change it, and say it prevents money from going into the Treasury that would go into it if the joint resolution were not passed. The force and effect is exactly the same as if we now and here were making a direct appropriation—not an authorization for an appropriation but a direct appropriation—of the amount estimated to be carried and covered by the joint resolution.

Mr. COPELAND. Mr. President—

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

Mr. THOMAS of Oklahoma. I yield.

Mr. COPELAND. Has the Senator any doubt about the constitutional right of the Congress to appropriate money for road building? I know that in his amendment the Senator has said that the money is to be expended on mail routes; but I suppose any road is a mail route. The walk from the front gate to the front door is a mail route in the sense that the mail carrier walks over it. Are we not going a long way when we attempt to appropriate money with which to build roads in the counties and States of our country?

Mr. THOMAS of Oklahoma. Mr. President, I well remember the very instructive and informative addresses made by the dis-

tinguished Senator from New York in former Congresses in opposition to the policy of Federal aid to the States in road construction. He has answered the question which he has asked me, and I will not digress now to answer further.

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

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

Mr. THOMAS of Oklahoma. I yield.

Mr. FESS. Is the amendment which the Senator offers in accordance with the practice which has obtained in the past in connection with the extension of Federal aid in road construction?

Mr. THOMAS of Oklahoma. I shall be very glad to give the Senator a copy of my amendment, and he can look it over for himself.

Mr. President, being unable to support the resolution in its original form, being opposed to it, and yet believing that the Congress was in good conscience bound to do something to help out in a situation where the States have been importuned to help, where all the citizenship of the country has been importuned to help, believing that we should do something, I have proposed an amendment, in the form of a substitute, which instead of appropriating the money which the pending joint resolution seeks to appropriate and giving it to the taxpayers, proposes to authorize an appropriation of the same amount of money. So far the two have the same force and effect. The pending joint resolution proposes to appropriate it and give it to the taxpayers, to those who have incomes of more than \$4,000 and to corporations. Even aliens will get the benefit of the tax reduction under the original joint resolution. My substitute proposes to appropriate the same identical amount; but it proposes, instead of putting the money into the pockets of those who do not deserve it, of those who do not need it and who can not be benefited thereby, that it be appropriated for the purpose of public-building construction and public-highway construction. It provides that the sum of \$100,000,000 shall be appropriated for Federal aid to States in the building of highways under the existing law, and that \$60,000,000 be appropriated to be used by the Treasury Department in the furthering of our public-building program. The amount involved in both instances is identical, but the purposes to which the money is to be devoted are different.

Mr. BLAINE. Mr. President—

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

Mr. THOMAS of Oklahoma. I yield to the Senator from Wisconsin.

Mr. BLAINE. If the Senator will permit me, may I call his attention to the fact that one of the powers of Congress is the power to establish post offices and post roads. That power having been given to Congress, the presumption is that Congress will carry out the constitutional power which it possesses. It has failed in this respect, because the record is that Congress has appropriated money to be used on only 7½ per cent of all highways in the States.

So the Senator is entirely justified in presenting the substitute for this joint resolution from the standpoint of the duty of Congress under its powers. He is justified from the declaration made by the President, in which he asked that public improvements be carried on in order to stimulate the economic conditions, so that we might escape all of the privations and hunger that are bound to follow during periods of unemployment.

I think the Senator has made a very wise suggestion, absolutely in accord with the Constitution, and in accord with what the President at least has said ought to be the policy.

I thank the Senator for yielding to me.

Mr. BARKLEY. Mr. President—

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

Mr. THOMAS of Oklahoma. I yield to the Senator.

Mr. BARKLEY. I have no doubt whatever as to the constitutionality of the appropriation provided for in the Senator's substitute, but I desire to ask him a question.

Under the present law each State is required to match, dollar for dollar, the money appropriated by the Federal Government for the purpose of building highways. Assuming that the States now are carrying out their part of the bargain, and are appropriating dollar for dollar to match the money now appropriated by the Federal Government, and are thereby absorbing it, what effect would this provision have on local taxation if it becomes necessary, as it would under the present law and under the Senator's amendment, for the States to match that \$100,000,000 by raising another \$100,000,000 by direct taxation or by the issue of bonds in order to comply with the requirements enabling them to participate in this fund?

Mr. THOMAS of Oklahoma. Mr. President, I can speak only for my State. If this substitute should be adopted, and \$100,000,000 should be appropriated for road purposes, it would mean that the States taking advantage of the 50-50 proposition would have to raise their part. As to how it would affect the States other than my own I can not say. I can speak for my State. For the past several years we have spent in my State all the money that we could raise for road-construction purposes.

Mr. NORRIS. Mr. President—

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

Mr. THOMAS of Oklahoma. May I finish the statement first? The Federal Government, however, during the past few years has not furnished money in my State fast enough to meet the money that we have raised and that we want to raise. County after county in Oklahoma has voted bonds, the bonds have been sold in some instances, and the money is in the hands of the State highway department awaiting the time when the State highway department can get Federal funds to match the funds now in their hands from the respective counties. My State is demanding additional funds from the Federal Government to meet the funds that the State has on hand for that purpose.

I now yield to the Senator from Nebraska.

Mr. NORRIS. Mr. President, I should like to suggest to the Senator from Oklahoma that even if the result should come about that the Senator from Kentucky has suggested, it would still be no worse than the program suggested by the President in his telegram to the governors of the various States, suggesting that they should build highways and construct buildings, all of which would have to be done by taxation. In the case the President suggests, however, the States and the local people would have to pay the entire bill. If the amendment of the Senator from Oklahoma were adopted, they would have to pay only half of it.

Mr. THOMAS of Oklahoma. I thank the Senator from Nebraska for his statement.

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

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

Mr. THOMAS of Oklahoma. I yield to the Senator.

Mr. BLAINE. The Senator from Oklahoma has spoken for his State. I do not know what the experience is in our State to-day, but I do know that during the time it was my honor to serve my State as governor we spent all the way from eight to twelve times as much as the Federal Government contributed for the building of highways on the Federal system. I can speak for my State only, which has money already raised. All it has to do is to modify its legislation slightly in order to meet the proposed situation; not to raise any additional money. It has already appropriated sufficient money to meet the proposal of the Senator from Oklahoma, and many times more. In my opinion the States would not be compelled to appropriate another single dollar.

Furthermore, the duty primarily devolved on the Federal Government is to improve the post roads, even without the assistance of the several States.

Mr. THOMAS of Oklahoma. I thank the Senator for his statement.

Mr. BARKLEY. Mr. President, will the Senator yield further?

Mr. THOMAS of Oklahoma. I yield to the Senator from Kentucky.

Mr. BARKLEY. The answers to my suggestion have brought out the information that I was seeking. It is the Senator's view, then, that in practically all the States local funds are being used above the dollar for dollar which is required to match Federal funds to a sufficient extent that this \$100,000,000 could be used without an additional levy of taxes by the States upon their local people in order to raise the amount necessary to match this fund?

Mr. THOMAS of Oklahoma. The Senator is absolutely correct. My State during the past 10 years has raised many times the amount of money that has been received from the Federal Government. My proposal, if carried, will permit a new allocation of Federal funds to my State for Federal road construction.

Mr. BLEASE. Mr. President—

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

Mr. THOMAS of Oklahoma. Just a moment. That one procedure alone will permit our State highway commission to spend the money that it now has in its hands ready for expenditure for the purpose for which the highway commission desires to expend it; but they can not do so until it is met by Federal funds.

I now yield to the Senator from South Carolina.

Mr. BLEASE. Mr. President, is it not probable that if the House joint resolution passes, when the States make these appropriations Congress will meet the requests for the money with the statement that they have not it, and that the fact that they have not the money is brought about by the passage of this House joint resolution?

Mr. THOMAS of Oklahoma. I thank the Senator for his statement.

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

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

Mr. THOMAS of Oklahoma. I yield to the Senator from New York.

Mr. COPELAND. I find myself in full accord with the suggestion of the Senator with reference to public buildings. I think I may say in all modesty that I was the first one in the Senate four or five years ago to suggest that we attempt to relieve unemployment by the expenditure of money for public buildings. We need these buildings. They have been authorized, and they are certainly needed; and I would join the Senator in that matter.

I am amazed, however, to hear anybody say that the Congress of the United States has the right to appropriate money to build roads here and there throughout the various counties and States of the Union. All we have to do is to read the discussions in the Constitutional Convention of 1787 to see what was the intent of the fathers regarding this money.

I hope the Senator will bear with me for a moment, because I am quite serious about this.

The Senator will remember that in those days they had no railroads and the mails were carried on horseback. It was a matter of importance that there be arterial roads, that there be highways over which the mail could be carried from one part of the country to another. Doctor Franklin proposed an amendment that this money should be spent for canals as well as for highways, and they threw the amendment out of the window because the argument was "That is a local improvement. That is not a national thing."

The Senator says that in his State they already have money that they are going to use to build highways anyhow, regardless of what the Government does. I should think it was a mere subterfuge to take the money of the Federal Government to match up with money already appropriated for that purpose. I can not follow that. I think it is absolutely violative of our constitutional right to appropriate money; so I must oppose that part of the amendment.

As to the other part, however, I think the Senator is very wise. If we could have appropriations for the erection of necessary buildings, Federal courts and post offices and other buildings, that would be a splendid thing to do at this particular critical time to give employment; and I hope that in one way or another that may be carried out.

Mr. THOMAS of Oklahoma. The Senator's statement defeats the argument he has been making upon this floor for the last two or three years. He states, as I understand, that he is in favor of the Federal Government making appropriations for the purpose of erecting public buildings. I submit that a public highway is the same class of a public improvement and a public institution as is a public building. If the Congress has the power constitutionally to appropriate money to build a post-office building in some city in the United States, the Congress likewise has the power under the post-roads provision of the Constitution to appropriate money even to build or assist in building public highways over which the mails shall be carried, and for other purposes.

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

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

Mr. THOMAS of Oklahoma. I yield.

Mr. COPELAND. No question has ever been raised as to our right to house our officers, to erect a Capitol or Treasury building, or a Department of Commerce building or a post office. That is one thing; but I challenge the Senator to find any constitutional right to spend the money of the Government of the United States for any kind of a road except a post road.

Mr. THOMAS of Oklahoma. Mr. President, at this particular time I desire to call the attention of the Senate to two brief paragraphs—one from the Democratic platform adopted at Houston, Tex., and the other from the Republican platform adopted at Kansas City.

The Democratic provision is as follows:

The Democratic Party stands for efficiency and economy in the administration of public affairs.

I submit that the passage of the original joint resolution appropriating \$160,000,000 as a gift to certain individuals and certain corporations is neither efficiency nor economy.

I desire now to call attention to one brief paragraph from the Republican platform, as follows:

Spending extravagantly not only deprives men through taxation of the fruits of their labor, but oftentimes means the postponement of vitally important public works.

The Republicans at Kansas City went on record as being against the provisions of the pending original joint resolution, because if this joint resolution is passed in its present form it will postpone the construction of hundreds of public buildings. It will postpone the construction of hundreds of miles of hard-surfaced roads in the United States. There is a demand for an extension of the hard-road system in the country. There is a positive demand for increased appropriations to meet the moneys raised by the States.

I desire to call attention to a statement made by W. C. Markham, executive secretary of the American Association of State Highway Officials, appearing in the current issue of a publication known as American Highways. From this paper I read the following paragraph:

FEDERAL FUNDS SHOULD BE INCREASED

While there still remains a great difference of opinion as to the ideal sources of income for State road building, there is very little contention over the statement that the Federal Government is not paying its just share in the improvement of the interstate system. The States have expended \$500,000,000 that rightfully should have come from the Federal Treasury and they also know that there will be no reimbursement. This situation, however, simply intensifies the argument for increased Federal appropriations.

There is a request, there is a demand, from the National Association of Highway Officials asking for additional appropriation at the hands of the Federal Congress.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. FESS. Last year we authorized an expenditure of \$75,000,000 for road building. The appropriation this year is \$125,000,000, which is \$50,000,000 in addition, not including the twelve and a half millions for roads in the national parks. I should think that was a response to the expression of the country as it is reflected in the resolution read by the Senator.

Mr. THOMAS of Oklahoma. This article, I will say in reply to the Senator from Ohio, is of more recent date than the action of the Congress in the year 1929. This is in the current issue of this publication. While I am not certain that a national convention of State highway officials has met recently, apparently there has been one, and at this time the several States do not have the funds from the Federal road-aid fund to meet the funds they have on hand with which to construct roads in the several States. They are now asking for an increase. I might state further that in the House of Representatives a bill is now pending proposing that the amounts heretofore made available shall now be increased. I am in favor of that proposal.

I will state further that if this proposal should be agreed to, then the bill in the House probably should not be passed, and probably would not be passed, but if this proposal should be passed it might be possible that there would be no demand for Federal appropriations for this purpose during this Congress, or even the next Congress. I can not say as to that.

Mr. FESS. What I was calling attention to was that the program this year is for 66 per cent increase over last year's appropriations, and I thought that answered the demand the Senator had in mind.

Mr. THOMAS of Oklahoma. Mr. President, a moment ago I assumed to speak for my State. I assumed to speak with authority. I have a telegram signed by the three members, and the only members, of the State highway commission of my State. At this time I ask that the telegram be read.

The PRESIDENT pro tempore. The clerk will read.

The legislative clerk read the telegram, as follows:

OKLAHOMA CITY, OKLA., December 10, 1929.

ELMER THOMAS,

United States Senator, Washington, D. C.:

President Hoover has asked for the fullest possible expenditure on public work during the immediate future, which naturally involves the construction of State and Federal highways. We now receive one and three-quarter million dollars of Federal aid for Oklahoma. The allotment available for the fiscal year beginning July 1, 1930, we will have allocated entirely in accord with Federal requirements before April 1, 1930. It is apparent that we could meet Federal requirements on much greater amount of aid. We might say that it is urgent that we have

all possible assistance in the building of our highways. The National Association of Highway Officials is much interested in House bill 5616, which appropriates an additional sum of \$50,000,000 for the fiscal year beginning July 1, 1930, and the sum of \$125,000,000 beginning July 1, 1931, and a like sum beginning July 1, 1932. The State of Oklahoma would be greatly benefited by this additional aid, and we want to respectfully urge your assistance in the adoption of this House bill. Would appreciate a wire.

L. H. WENTZ.
L. C. HUTSON.
S. C. BOSWELL.

Mr. McKELLAR. Mr. President, will the Senator yield?
Mr. THOMAS of Oklahoma. I yield.

Mr. McKELLAR. In reference to the matter concerned in that telegram, I may say to the Senator that the Senate Committee on Post Offices and Post Roads last year reported favorably a bill authorizing an appropriation of \$50,000,000 for what are known as secondary roads throughout the country, largely farm-to-market roads, and I have no doubt that the committee will report again and I believe the Congress will pass at this session a bill appropriating an additional \$50,000,000 for that purpose. As the Senator knows, the Congress now appropriates annually \$75,000,000 for primary roads throughout the country on the half-and-half plan.

Mr. THOMAS of Oklahoma. I appreciate the contribution submitted by the Senator from Tennessee.

In conclusion, Mr. President, I want to summarize. It is quite apparent that the Senate to-day—and if not to-day, very soon—will make an appropriation of \$160,000,000 to help out in the present emergency.

If that statement is taken as accepted, then the question is, To what purpose will this \$160,000,000 be put? If the Congress should decide upon the form of the original joint resolution, this appropriation will be divided up among the individual income-tax payers of the country, divided up among the corporations of the country, divided up among the life insurance companies of the country, and the fire insurance companies of the country, and I must not overlook the fact that this joint resolution even provides for the appropriation of money from the Federal Treasury to be placed in the pockets of nonresident alien income-tax payers of the United States. A vote in favor of the House joint resolution as reported by the committee will have the force and effect I have just stated.

As a substitute for that proposal I have offered my motion. My motion, if carried, will appropriate a like sum of \$160,000,000, but instead of that money going into the hands directly of the income-tax payers who have incomes of more than \$4,000 net, into the pockets of the corporations, the life insurance companies, and the fire insurance companies and nonresident aliens, it will go to the several States of this Republic as now provided by the laws controlling the building of good roads and the building of public buildings.

If the first proposal is adopted, how will labor receive any benefit, how will the unemployed receive any benefit whatever, how will the common man receive any benefit whatever? The money will be appropriated; it will be spent. The mason will get no benefit, the States will get no benefit, the counties will get no benefit, neither will the cities get any benefit, nor will individuals get any benefit, save a very few.

My proposal provides for the appropriation of money in the sum of \$160,000,000. That would employ 40,000,000 men at the rate of \$4 a day for a single day. It would employ a million men for 40 days, at \$4 a day. That is to be considered; but that is not all.

In addition to affording employment for those now unemployed, what will we have when the money has been appropriated and has been expended? We will have at least 10,000 miles of additional hard-surfaced roads in the United States, because if a hundred million dollars is made available, the States will match it, making \$200,000,000, and on the basis of \$20,000 per mile for hard-surfaced roads, with the grades built and bridges constructed—and a pretty good hard surfaced road can be put in for \$20,000 a mile—we can take that money, and, if it is spent, not only give employment to millions of laboring men, employment to the men who make the material going into the road, but when the money is expended, we will have 10,000 miles of additional hard-surfaced roads in the United States.

What about public buildings? The distinguished senior Senator from Washington [Mr. JONES] has done me the honor to sit here and listen to me for quite a while. The distinguished Senator from Washington has introduced bills in the Senate, numerous bills, providing appropriations for the construction of Federal buildings in his State. No doubt those buildings should be constructed. No doubt the money should be appropriated. But what chance have those thriving towns in the State of Washington, under existing conditions, to receive the benefits of

the appropriation which he proposes? If this \$60,000,000 should be diverted from the pockets of the rich income-tax payers, from the coffers of the rich corporations and the fire insurance companies and the life insurance companies, and the pockets of nonresident aliens, to public-building purposes, there would be \$60,000,000 additional with which we might build public buildings. At the ratio of \$100,000 per public building—and that is about the average amount asked for the average small town—this sum of \$60,000,000 would build 600 Federal buildings throughout the United States, and if this motion should be agreed to, those thriving cities in Washington could be taken care of, the bills introduced by the distinguished Senator from Washington would have favorable consideration, and this sum would enable the Treasury Department to build 12 Federal buildings at a cost of \$100,000 per building in each of the States of the Republic.

Mr. FESS. To the amount that was originally authorized, a little over \$300,000,000 for public buildings, the chairman of the House committee has reported from the Committee on Public Buildings an additional authorization of \$237,000,000 for the next fiscal year, seven and a half million dollars for the construction of the Supreme Court building, \$115,000,000 to be expended in the District of Columbia, and \$115,000,000 outside. That is rather an ambitious program, and I think it will be passed with very little opposition. I believe that would come somewhere near dealing with the needs of the public-building situation.

Mr. THOMAS of Oklahoma. Mr. President, I appreciate the statement just made by the Senator from Ohio. If the original joint resolution shall carry, the only effect it will have will be to place a small amount in the pockets of a few of the citizens of this country who, probably, have not asked for it—I think they have not—and who do not need it. As suggested by the Senator from New York this morning, it might have an adverse effect on the New York Stock Exchange. That does not concern me. It might have some adverse effect, but I can hardly see what the effect would be more than nominal. It should not be considered on the floor of the Senate. I do not consider it.

If the original joint resolution as passed by the House and reported by the Senate committee to this body and now before this body for consideration carries, the public gets no benefit, employment will not be helped, roads will not be constructed, public buildings will not be constructed. On the other hand, if the substitute should be adopted, it would make immediately available, or as soon as the money could be appropriated—and it could be appropriated in the first deficiency act—\$160,000,000. Added to the money that is now in contemplation of appropriation, we would have ample funds so that no man in the United States during the next six months who wanted to work would fall to find a job.

If the situation is serious, if we must do something, then to-day you have your choice of voting for the original resolution making an appropriation, a direct gift to those who do not need it, or appropriating in such a way that the States will get the benefit in the form of roads, in the form of public buildings, unemployment will be decreased, and those who now want work can find it.

I can not give the source of my information, but I have it from the highest source that at this moment there are more than 3,000,000 unemployed in the United States. The seasonal unemployment is something like 600,000 or 700,000. I offer that suggestion for what it is worth, and I submit that the substitute which I have offered should prevail.

Mr. NORRIS. Mr. President, I do not intend to repeat anything I said on the pending resolution when I discussed it somewhat at length on yesterday, but since that time several Senators have debated the question along lines to which I had given no consideration, and since that time the Senator from Oklahoma [Mr. THOMAS] has offered his substitute.

We are confronted with this condition. Uncle Sam has \$160,000,000 over and above his expenses for the last year. He wants to get rid of it. It seems to be burning his pocket. He has got to spend that money some way. We are confronted here with a resolution that nobody favors, but for which everybody is going to vote, a resolution that is uneconomic and everybody admits it, a resolution that is contrary to all political economy, a resolution that is illogical and can not be backed up by any consideration except that of psychology. The Senator from Utah [Mr. SMOOT], who reported it and who is steering it through the silent waters of this Chamber, admits that he would not do such a thing in his own business, that it is unbusiness-like, that he would not be here asking for it to be done if somebody had not asked him to do it for the psychology of the country. The Senator from North Carolina [Mr. SIMMONS] practically apologizes for supporting it, but he gives psychology as the real reason why he will vote for it.

The great Senator from Michigan [Mr. COUZENS] spent an hour or so in denouncing the proposition, proving beyond a shadow of a doubt that it is illogical, that it is wrong, and has no reason behind it; that there is no economy in it, that it is an economic mistake, and yet, because of psychology, he is going to vote for it. Opposed to it as he is, and as other Senators are opposed to it, knowing that it is wrong, proclaiming to the public that it is wrong, he and they are going to vote for it for psychological reasons.

It is contended by a few others, though we are in quite a small minority apparently, that since Uncle Sam has \$160,000,000 which he does not know what to do with, he had better apply it on what he owes. That is our theory of economy. Let the record go down for future historians and students of government to read that there were a few Senators who were denounced very often as socialists, sometimes called bolsheviks, and who now have applied to them a new appellation coming from the governor of one of the great States who denominates them as renegades, who defended this simple principle of business and government. "Pay your debts when you have the money to do it rather than squander the money for luxuries."

The statesmen, the leaders of the Republican Party, the leaders of the Democratic Party, join hands and say, "Ah, for psychological reasons do not pay your debts. Let your children pay them. Let your grandchildren toil in the sun and contribute the taxes that will be necessary to pay the interest for the generations that are yet to come. Let them do it, because we contracted this big debt in a war for their benefit as well as ours," and it ought to be added when they say that: "We did it without their consent, too."

Mr. President, I would not favor the proposition of the Senator from Oklahoma [Mr. THOMAS] standing alone. I prefer to apply the money on our debt and cancel \$160,000,000 of indebtedness rather than do what he proposes. But it is quite evident that the Congress for psychological reasons is going to pass the resolution to pay this money back to some taxpayers who, as the Senator from Oklahoma well said, as a rule do not need it and from whom it was collected without any deception, collected according to law, and everybody admitted they honestly owed it. Everybody admits that we do not owe it to them, but we are going to give it to them anyway. In most cases it will be a clean gift, because they have collected it from their customers.

Since we are going to pass something, since we are so extremely extravagant that we are not going to let Uncle Sam pay his debts with this surplus, I would rather pay it out in the manner provided by the substitute of the Senator from Oklahoma than pay it out according to the provisions of the original resolution. The Senator from Oklahoma has well told us the difference. In the one case the money will go to a few millions of people and in many instances it will go to people who have collected the same amount from their customers; in all cases to people who honestly owed the debt, in all cases to people to whom we owe nothing. We are to turn this public money over to them.

In case the substitute of the Senator from Oklahoma were adopted and enacted into law, the money would go to all of the people of the United States. It would give employment to labor. The proposal of the committee will not do that. The proposal of the Senator from Oklahoma would give employment to millions of men who are anxious now to work. It would use \$160,000,000 in the main to pay for labor, and that labor would then become a purchasing power. As the Senator from Michigan [Mr. COUZENS] said, that is where we ought to turn the money if we turn it to anybody, so it will become a purchasing power. Under the proposal of the committee as a rule nothing of that kind occurs. Under the proposal of the Senator from Oklahoma practically all of it would go to labor. Even that which would go for material would be expended for material brought about by labor, so that a very large percentage of the money involved would mean the employment of labor that is now idle and that everybody wants to see employed. That ought to be a psychological reason, it seems to me. That ought to go a good way toward bringing prosperity to the country, and that is what is really involved.

Nobody ever would have thought of it if it had not occurred to the President of the United States that we should take this money which we have saved and, instead of paying our debts with it, pay it out to a lot of people so that it will create a psychological effect that will stop runs on banks, stop gambling in Wall Street, and make people prosperous, because after all there is nothing involved but a question of psychology.

This is the first time in my experience that the Congress has said, "All of these economic experts, all of these financial experts, all of these Treasury experts, must be pushed aside. We do not care what is the economy of this proposal. We do not care about the extravagance that we used to care about under

Coolidge. We do not care anything about the logic. We do not care anything about the payment of our honest debts. All we care about is psychology."

We ought to use some of this \$160,000,000 to get some more experts. Perhaps we can discharge our economic experts who always sit at the side of the Senator from Utah [Mr. SMOOR], in a seat right in front of me, whenever we have a tariff bill here for consideration, and who occupy other seats in this Chamber, who come from the Treasury Department, who come from the other departments—tariff experts, financial experts, economic experts—who tell statesmen like the Senator from Utah what to do and what to say and what to write and what to move. They are experts. They are no good to us now. They all ought to be discharged. We do not care anything about that kind of experts. We want some psychology. That is what we need, something new and more modern. Get a psychologist!

Perhaps if we had a psychologist here he could tell the Senator from Michigan [Mr. COUZENS] that he is wrong in his psychology and that he ought to vote against the measure which he has denounced and which he has demonstrated mathematically is no good. After all, what we need is an expert here in psychology who will be able to convince us that we must vote for things that we know by all the reasoning faculties we possess are wrong, but we must vote for them on account of psychology. We ought to discharge the Chaplain and have a psychologist lecture to us instead of a preacher to pray for us. We need psychology. It is not a question of justice; it is psychology. It is not a question of political economy; it is psychology. It is not a question of paying our debts; it is psychology. Get a lot of psychology!

I expect, when the Senator from Utah runs for reelection, when the Senator from North Carolina [Mr. SIMMONS], the leader on the Democratic side, is running for reelection, and perhaps when the Senator from Michigan [Mr. COUZENS] is running for reelection, they will all be opposed by psychologists who will admit that they do not know anything about government, that they do not know anything about business, that they do not know anything about the tariff, that they do not know anything about the manufacturing business, that it does not make any difference from their viewpoint whether we patronize the store set up on the Democratic side of Main Street by the Senator from Massachusetts [Mr. WALSH] or whether we patronize Mr. GRUNDY's store over on this side of the Chamber, managed by the Senator from Utah [Mr. SMOOR]. Psychology is what is going to run the country. They will come into the Senate and run it according to psychology—whatever that is.

We have reached the point when the Senate of the United States, for psychological reasons, is going to pass a resolution that everyone knows is dead wrong. No one claims to understand the psychological reasons, but it is just because somebody has said—perhaps the President said or perhaps Mr. Mellon, the great friend of the Senator from Michigan [Mr. COUZENS], has said—that the psychology of the situation is such that we ought to pass the resolution, and we tumble over each other to pass it. That is a charming term—"psychology"!

Psychology is going to rule the Senate of the United States. Political economy is dead; justice has disappeared; reason has fled from the brains of men; psychology has taken possession; and we are going to take this money with which we ought to pay our debts and pay it to a lot of people to whom we do not owe it, to whom it will not do any good, and in a way which will not bring about the employment of labor or increase the prosperity of the country, excepting as the psychologist sees it.

Mr. HARRISON. Mr. President, those who are opposed to the tax reduction joint resolution as passed by the other House will, as stated by the Senator from Oklahoma [Mr. THOMAS], vote for his substitute, because its adoption will mean the killing of the joint resolution on the passage of which, I believe, only 17 votes out of 435 Members of the House of Representatives were cast against it.

I will not say that the Senator's amendment is badly drawn, but, if adopted, it will not attain the results which he expects. It is merely an authorization for the expenditure of \$100,000,000 for good roads, and the expenditure of \$60,000,000 for public buildings. There is now an authorization for public buildings amounting to more than \$200,000,000. Mr. Wetmore, Supervising Architect, has stated that the department can expend only so much money each year.

Mr. BARKLEY. Mr. President, will the Senator from Mississippi yield to me there?

Mr. HARRISON. According to the program adopted by Congress, after full and fair consideration it was its judgment, and it has been so provided, that only so much money should be spent during each year, and that the expenditure of the total sum should extend through a term of years. I yield to the Senator from Kentucky.

Mr. BARKLEY. I noticed a day or two ago that a bill had been introduced in the other House by the chairman of the Committee on Public Buildings providing for the expenditure of \$230,000,000 more to be used in the erection of public buildings. Is that in addition to the \$200,000,000 which the Senator from Mississippi states has already been authorized?

Mr. HARRISON. There have been \$248,000,000 already authorized for the erection of public buildings, and the committee has recommended an increase of that authorization by \$115,000,000.

Mr. BARKLEY. So that if the bill shall pass the House of Representatives as introduced by the chairman of the Committee on Public Buildings there would be added an authorization of \$230,000,000 to \$248,000,000, making nearly a half billion dollars?

Mr. HARRISON. Yes; and not only that, but the amendment of the Senator from Oklahoma provides—

That said sum herein authorized to be appropriated for the purposes herein mentioned shall be supplemental to any recommendations made in the Budget for similar purposes.

If the appropriation as proposed by the Senator from Oklahoma were authorized, it may be that the administration would say there is no need to make any recommendation in the next Budget for anything in the way of public buildings, and thus what is attempted to be done by the amendment might be nullified and the work would not be expedited, as the Senator from Oklahoma intends.

There is nothing in the amendment which provides that the money has got to be expended. The present road program, I believe, provides for the expenditure of \$75,000,000 a year for, I believe, 10 years, although it may be five years, among the various States. As I understand, a bill has been introduced by the chairman of the committee having that subject in charge to increase that appropriation by \$50,000,000 a year, making the total \$125,000,000 a year. I understand that proposition has the approval of the department; and if this amendment should be adopted it may be that they would change their recommendation, because they might say, "You have already authorized that appropriation, and we will reduce our recommendation accordingly."

Mr. SMOOT. Mr. President, will the Senator from Mississippi yield to me?

Mr. HARRISON. I yield.

Mr. SMOOT. Mr. President, should the amendment of the Senator from Oklahoma be adopted, we would have no control over the matter at all. We could not provide for the expenditure of a dollar of the money until it was estimated for by the Budget and had passed through the House. Furthermore, if we should change the joint resolution, and appropriate the money, the House would send the measure back to the Senate, as it has done on two or three previous occasions under similar circumstances since I have been in the Senate.

Mr. HARRISON. Mr. President, let us not be deceived by this proposition; let us not be deluded by it; let us not think that we can fool some person living at Skull Fork into believing that in order to keep the Government from paying back some taxes to individuals who have paid it into the Federal Treasury we have voted to increase the sum for the erection of public buildings and the construction of good roads by \$160,000,000. We are not doing that.

The Senator from Oklahoma was very honest in his statement when he said, "After full consideration I am against this tax-reduction measure as passed by the House of Representatives." So he has offered a substitute instead. I differ from the Senator from Oklahoma, in that I am for the joint resolution which has been passed by the House of Representatives, and I want it to pass the Senate. I know that men will differ as to what is the best method of tax reduction, just as they will differ as to what is the proper means of imposing taxes upon individuals or upon corporations in order to raise sufficient money to run the Government. There have always been such differences. However, we have a law in which it is provided that there shall be imposed a certain tax upon corporate profits or corporate incomes and a certain tax upon the normal incomes of individuals. That tax has not as yet been collected for 1929. It will not be collected in full until September or, perhaps, December, 1930. The taxpayers will not even pay the first installment of the tax until March 15, 1930. Yet Senators rise and say, "We are giving back to somebody who does not need it money which we have already collected." We will not be doing anything of the kind. We merely say by the pending measure that we are not going to collect by 1 per cent from the corporations what the law now provides shall be collected by way of tax, and that the normal tax of the individual income-tax payer shall be reduced a like amount.

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

Mr. HARRISON. I yield to the Senator from Michigan.

Mr. COUZENS. I wish to point out to the Senator that it was the financial leader on his side of the Chamber who promulgated in the beginning the theory that this was a rebate. The suggestion originated on the other side with the distinguished Senator from North Carolina [Mr. SIMMONS]. He pointed that out.

Mr. HARRISON. The Senator certainly does not want me to defend every statement made upon this side.

Mr. COUZENS. Perhaps not.

Mr. HARRISON. If I should attempt to do so, I might become just as much confused as if I were to try to defend all the Senator's statements.

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

Mr. HARRISON. Yes.

Mr. CARAWAY. Of course, it is not paying it back, but it is a rebate of a tax that is already due.

Mr. HARRISON. Yes; it is reducing—

Mr. CARAWAY. It does not make any difference then—

Mr. HARRISON. The Senator asked me a question; I hope he will let me answer it. The law now provides that corporations shall pay 12 per cent, but they do not have to pay it until next year, while in the pending joint resolution we say that the corporation tax for the year 1929 shall be 11 per cent instead of 12 per cent, and that the corporations shall not have to pay more than that for the one year. The same is true of individuals in the normal-tax assessments. To that extent, of course it will be a rebate when the time comes, but the Government has not as yet collected the money.

Mr. President, in 1924 when we considered the revenue bill of that year we put into it—and it was passed in June—a provision giving to every taxpayer of the Federal Government a 25 per cent reduction. That was at a time when the Government had collected the money; that was at a time when the Government had a large part of it in the Treasury; and yet, through the means of that bill, which was passed by the Senate and by the House, we gave to those who had paid their taxes a reduction of 25 per cent.

I believe, Mr. President, that this Government ought to be run every year under a system which would equalize the income and the outgo under the Budget in such a way as to raise no more money at the customhouses and from other sources than is required to be expended for the economic needs of the Government. I believe that there ought to be a balancing of income and expenditures in that way. In the consideration of every revenue bill which has been before the Senate we on this side have fought against raising too much money and piling up enormous surpluses. As has been stated in this debate, the Treasury Department has been wrong time after time. We have reduced taxes more than the Treasury said it could bear, but at the same time the surpluses have continued to pile up. So we now have a surplus of \$160,000,000—drawn from whom? From the taxpayers of America. It has been drawn in part from the corporations which have millions of stockholders, and has been drawn in part from the millions of individual citizens who pay the normal tax. They have not paid the tax for 1929 as yet, and we say to them, "We are going to reduce the rate of taxation which you will have to pay for the year 1929 by the amount of 1 per cent in the case of normal-income taxes and 1 per cent in the case of the corporation tax."

I am delighted that the recommendation for this reduction in taxation has been made by the administration. I take issue with the Senator from Nebraska, as I have taken issue with him heretofore, when revenue bills have been considered by the Senate on the question of raising enormous surpluses and applying them to the payment of our national debt. I am against that. I believe that we ought to create an ample sinking fund; that we ought to draw from the taxpayers so much every year with which to make payments on our national debt so that within 31 years or within 25 years it may be paid off; but I am not in favor of creating enormous surpluses every year, drawn from the taxpayers, and applying them to the payment of our national debt over and above the requirements fixed by law. If we had applied to the national debt all the surpluses which have accrued during the last 10 or 11 years and should continue piling up such surpluses and devoting them to that purpose, we would pay off our national debt in 18 years. The Senate knows what is going to happen when we have paid off that debt. There will come knocking at the door foreign countries which to-day are indebted to us, and whose debts we have funded, and they will say, "See what a wonderful financial condition the United States is now in; on the other hand, look at our unfortunate condition; will you not cancel the debts we owe?" Then there will be started a propaganda in this country

that will protrude itself into this body and into the House, and the effort to cancel the debts due the United States will come pretty near succeeding. I want to see the debt of the United States paid off within a reasonable time, and if the sinking fund is not large enough let us make it larger in order to pay it off within a reasonable time, but do not unreasonably tax the American people in order to build up enormous surpluses, and then apply to the payment of that debt. I want to give to the American people every relief that will lift their burdens and arm them for industrial and commercial expansion.

I believe at this time that the enactment of the pending measure will be helpful. Call it psychology or anything else you may; if it will create a better business optimism I am for it.

Personally I was invited into the conference by the Secretary of the Treasury at a time when a crisis was impending; at a time when the situation was most delicate; when no one could prophesy what was going to happen; when every man who owned a share of stock which was listed on the New York Stock Exchange or on the Curb Exchange was being affected; when every man in this country who had any property rights was being affected, because when the industrial stocks decline on the New York Stock Exchange the effect is apparent as to every other stock in this country. If the condition then prevailing had continued, we would have had an industrial panic in this country which would have been reflected unfavorably to the farmer and to everyone else in America, including labor.

So at that particular time the Secretary of the Treasury requested some of us to meet with him in conference. I was included only because I happened to be next to the Senator from North Carolina in the minority representation on the Finance Committee. If some other Senator had occupied that position, he would have been invited in my stead. At that conference the suggestion was made, "We have \$160,000,000 surplus, and this is what we would like to do with it: If the news should go out from here and be published to-morrow that the Government will reduce income taxes by that amount, it might have a good effect on the country." It did have a beneficial effect.

Mr. President, would you have expected the Senator from North Carolina and myself, representing this side upon the Finance Committee to have said, "We think that is wrong; we want to apply that \$160,000,000 to building some good roads and some public buildings." Would that have been helpful? They would have said the Democrats are merely critics; they are just trying to gum up the cards; they are not even willing in such an emergency as this to play a man's part. So we said, "Yes; we will approve it; we do not know who else will vote for it, but we will support it." The effect was good. But now we hear upon the Senate floor that while it had a splendid effect the situation has now so greatly improved that there is no need of passing the pending joint resolution which makes provision to carry out the program which was then agreed upon.

I hope the time will never come, in this body or in any other place, when I give my word to support a measure and to favor it, and then fail to go through with it.

For my part, I expect to vote against these and other amendments, no matter how attractive they look, and see this joint resolution pass, in the hope that it may help to stabilize business conditions in this country.

Mr. BLACK. Mr. President, I desire to ask the chairman of the Finance Committee a question with reference to this matter.

If this tax-reduction measure passes, and our income is reduced \$160,000,000, and if the debenture written into the tariff bill should become a law, I wish to know whether or not the Treasury would be able to pay the amount of the debenture.

Mr. SMOOT. If it should become a law the Treasury would have to pay it.

Mr. BLACK. Would it have to borrow it?

Mr. SMOOT. I dare not say offhand. That would all depend upon the condition of business between now and the time that question would arise.

Mr. BLACK. Assuming that the income is the same as it was last year?

Mr. SMOOT. If business were as good as it was last year, and the profits were the same as last year, I think we could.

Mr. BLACK. Then, assuming that there are other extra appropriations, what would be the balance, after refunding the \$160,000,000, that would be available for additional appropriations for public works?

Mr. SMOOT. I think the authorizations and appropriations estimated by the Budget for public works, for public buildings, and public roads are in the estimates of the expenditures that we intend to make for the next fiscal year. They are in those estimates.

Mr. BLACK. There is no estimate there, for instance, for \$50,000,000—or it would require more than that—to build Cove Creek Dam and Dam No. 3 on the Tennessee River. Would there be any money, without extra taxation, to make those expenditures on the Tennessee River if we should reduce these taxes \$160,000,000?

Mr. SMOOT. As I say, if business continues as it has been going the last year, and profits remain the same, it may be that we could do it.

Mr. BLACK. The Senator believes, then, that we could finance the debenture plan, and finance the building of Cove Creek Dam and Dam No. 3 on the Tennessee River, and at the same time reduce taxes \$160,000,000?

Mr. SMOOT. The \$160,000,000 is for six months of this calendar year and six months of the next fiscal year. Therefore, it seems to me that all we have to do is to figure now, not on passing a general tax reduction bill, as we have done heretofore, but on refunding the \$160,000,000 for one year. Then, as I say, if business continues as it has in the last year, and profits are the same, I have not any doubt but that we can carry out the plans spoken of by the Senator.

Mr. McKELLAR. Mr. President—

Mr. BLACK. I desire to ask another question, and then I will yield to the Senator from Tennessee.

A number of the Southern States have been flooded during the past year. I have pending at the present time a measure which is exactly in line with one which was passed last year for the benefit of the States of Vermont and Arkansas, on which I am hoping for quick action, in order that certain roads may be rebuilt. I am very frank to state to the Senator that I have not definitely made up my mind how I shall vote on the tax-reduction measure, because I do not want to be met hereafter with reference to imperatively needed appropriations by the statement that on account of this tax-reduction the Comptroller General has announced that no further appropriations can be made to take care of flood relief. That is the reason why I am asking those questions, in order that I may know.

Mr. THOMAS of Oklahoma. Mr. President—

Mr. BLACK. I do not intend to vote for this measure if it curtails needed public improvements either in the South, the North, the East, or the West. That is the reason why I wanted to get the idea of the Senator on the subject.

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Tennessee?

Mr. BLACK. I yield.

Mr. McKELLAR. I desire to ask the Senator from Utah if the additional \$50,000,000 which the President recommended for roads, and which it is understood is to be appropriated for secondary roads, is included in the estimate?

Mr. SMOOT. That is included in the estimate for the coming fiscal year.

Mr. McKELLAR. And the Senator is confident that if this tax refund is voted the question will not be raised as to our not having the money to build these roads, or to appropriate for these roads, and for the debenture, if we agree to that, or for flood relief?

Mr. SMOOT. The only qualification I put on it is that which I have already stated. Of course, no human being can tell what the profits of business may be for the next fiscal year, but if they are anywhere near what they have been during the last year, barring the stock trouble, we would have ample money to meet all those conditions. I can not say whether business will be prosperous or not, but I see no reason why it should not be.

Mr. SIMMONS. Mr. President, I would like to ask the Senator from Utah a question also.

In these estimates made by the department for the purpose of ascertaining what surplus there is in the Treasury, or what surplus it is anticipated there will be in the Treasury at a given time, do they not always take into consideration such projects as the Government has already authorized?

Mr. SMOOT. Absolutely. As I stated, they were included in the estimates reported by the Treasury Department.

Mr. SIMMONS. It is also true, is it not, that in nearly every instance where we have authorized a very large sum of money to be expended for flood control, or for the Farm Board, or for rivers and harbors, or roads, or anything of that sort, the amount thus authorized is not expected to be expended in any one year but is expected to run over a period of years as the money comes into the Treasury and as it is estimated they can spend it for the particular year?

Mr. SMOOT. Yes; just as the money can be expended profitably.

Mr. SIMMONS. In addition to that, is it not also true that the Treasury Department in all of its estimates with respect

to tax reduction always recognizes the fact that there ought to be retained in the Treasury, or estimated to be retained in the Treasury, a very considerable sum to insure safety?

Mr. SMOOT. When an estimate is made by the Treasury, as the Senator knows, it is always on the safe side, has always been, and should always be.

Mr. SIMMONS. The Treasury estimates that so much money should be reserved in the Treasury for any exigencies that may arise, as the result of legislation or otherwise?

Mr. SMOOT. Yes. I am not worried about the estimates, or any ill effect that might come from the passage of this legislation.

Mr. NORRIS. Mr. President, I am very much interested in the answers the Senator from Utah has given to the various questions that have been asked him. I want to review some of them just briefly, and I will start with the last one.

The last question asked the Senator from Utah by the Senator from North Carolina was whether the Treasury, in making estimates, did not always estimate that there ought to be something in the Treasury for safety, and the Senator from Utah replied that that is always the case, that the Treasury always makes estimates on the safe side.

I think that is true, and I think it ought to be so; I agree with the Senator from Utah. Assuming that is true, then this follows, that there will always be a surplus. If that is true, the action we propose to take now will be taken every year, and we ought to have a general law that would permit the Secretary of the Treasury to refund taxes to the taxpayers whenever there was a surplus just as he saw fit. In other words, if the estimates are along the line of the remarks of the Senator from Utah, there will always be, and there always ought to be, a surplus in the Treasury.

Mention of a surplus does not scare me as it scares some people. It is a good thing to have as a matter of business, and that is the theory of our Government. But it is very popular to turn some money back to a lot of influential people, and when it is proposed by the leaders of one political party, the leaders of the other political party have to unite with them in order to share in the popularity that will come.

There is one thing we can remedy. The Senator from Utah, in answering the questions propounded by the Senator from Alabama, always prefaced his answer with the statement that if we have the same bulk of business, and if there is the same profit, then there will be enough. So he does not know, even the Senator from Utah does not know, what is in the future, and hence he does not tell us in so many words, but he says, "If so and so is so and so, and so and so is so and so, then so and so will be the result." He gets his information from experts, from economists, from financial experts, economic experts, and they all guess; nobody knows definitely.

Would it not be a fine thing, Senators, if the Senator from Utah could answer the Senator from Alabama directly and positively and say "Yes" or "No," as the case might be? He would be able to answer definitely if he would follow the advice I tried to give a half hour ago, discharge all these experts and employ a few psychologists. They could tell definitely, and would have a definite answer to such questions as might be propounded.

Mr. THOMAS of Oklahoma. Mr. President, I want to answer the questions submitted by the Senator from Alabama relative to the estimate of surplus.

The report accompanying this joint resolution made by the chairman of the Committee on Finance shows that it is estimated that the surplus will be \$226,000,000. It is proposed to reduce that by the sum of \$160,000,000, leaving a net of \$66,000,000.

I am advised that the Budget does not make an allowance or an estimate for the Federal Farm Board for the current year. If the Federal Farm Board should require the balance of their authorization in the sum of \$350,000,000, we would have \$66,000,000 with which to pay it. I would like to submit to the Senators from the agricultural States, in what condition will the Federal Farm Board be to take care of the problems coming from those States if this appropriation is made?

I submit, in answer to the Senator from Mississippi, that this is a direct appropriation, even more so than if the Congress attempted to appropriate money. In the case of an ordinary appropriation, two bills are required to get the money. First, there must be an authorization bill, and, second, an appropriation bill follows. In this case this little, simple joint resolution does the work, and when it is passed, it has the same force and effect exactly as if we pass two bills, first, authorizing the appropriation of \$160,000,000, and then passing an appropriation bill making that money available.

Mr. SMOOT. Mr. President, does the Senator think this is a direct appropriation?

Mr. THOMAS of Oklahoma. It is more efficient than a direct appropriation.

Mr. SMOOT. Money can not be gotten out of the Treasury without an appropriation.

Mr. THOMAS of Oklahoma. I have said a number of times that the effect is the same. I have just now stated that it takes two bills to get money from the Treasury, an authorization bill and an appropriation bill, two separate and distinct items, as a rule. This little, simple joint resolution will get the money in this case, and in that particular it is more efficient than the other system.

Mr. SMOOT. How will it get it?

Mr. THOMAS of Oklahoma. Because it relieves the taxpayers of the United States of making payments which they ordinarily would make.

Mr. SMOOT. How would money be gotten out of the Treasury if it is once in the Treasury?

Mr. THOMAS of Oklahoma. Mr. President, if this joint resolution should not be passed, \$160,000,000 would go into the Treasury that will not go there if the resolution shall pass. Is that statement controverted?

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

Mr. THOMAS of Oklahoma. I yield.

Mr. NORRIS. I would like to suggest to the Senator that this joint resolution differs from a direct appropriation—

Mr. SMOOT. Certainly.

Mr. NORRIS. In that it gets the money before it gets into the Treasury, and in the case of an appropriation the money must first get into the Treasury and then be taken out. This gets the money before it gets into the Treasury. The money never gets into the Treasury.

Mr. THOMAS of Oklahoma. This is more efficient.

Mr. NORRIS. Of course it is more efficient. It gets the money more quickly.

Mr. THOMAS of Oklahoma. Mr. President, I am going to ask for a record vote on my amendment, and to that end I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

Allen	Frazier	Kean	Shortridge
Barkley	Gillett	Kendrick	Simmons
Bingham	Glenn	Keyes	Smith
Black	Goldsbrough	La Follette	Smoot
Blaine	Gould	McCulloch	Steak
Blease	Greene	McKellar	Sullivan
Borah	Grundy	McMaster	Swanson
Brock	Hale	McNary	Thomas, Idaho
Brookhart	Harris	Metcalf	Thomas, Okla.
Broussard	Harrison	Moses	Townsend
Capper	Hastings	Norbeck	Trammell
Caraway	Hatfield	Norris	Tydings
Connally	Hawes	Nye	Vandenberg
Copeland	Hayden	Oddie	Wagner
Couzens	Hebert	Pine	Walcott
Cutting	Heflin	Reed	Walsh, Mass.
Dale	Howell	Robinson, Ind.	Waterman
Fess	Johnson	Sackett	Watson
Fletcher	Jones	Sheppard	Wheeler

The PRESIDENT pro tempore. Seventy-six Senators having answered to their names, a quorum is present. The question is on agreeing to the amendment in the nature of a substitute proposed by the Senator from Oklahoma [Mr. THOMAS].

Mr. THOMAS of Oklahoma and Mr. SMOOT asked for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. HAWES (when his name was called). I have a pair with the senior Senator from Kentucky [Mr. SACKETT]. If he were present, he would vote "nay." I vote "nay."

The roll call was concluded.

Mr. BINGHAM. I have a pair with the Senator from Virginia [Mr. GLASS]. Not knowing how he would vote, I transfer that pair to the junior Senator from Missouri [Mr. PATTERSON] and vote "nay."

Mr. REED (after having voted in the negative). I have already voted. I transfer my general pair with the Senator from New Mexico [Mr. BRATTON] to the junior Senator from New Jersey [Mr. BAIRD] and allow my vote to stand.

Mr. FESS. I desire to announce the following general pairs: The Senator from Illinois [Mr. DENEEN] with the Senator from Utah [Mr. KING];

The Senator from Colorado [Mr. PHIPPS] with the Senator from Georgia [Mr. GEORGE];

The Senator from West Virginia [Mr. GOFF] with the Senator from North Carolina [Mr. OVERMAN]; and

The Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from Arkansas [Mr. ROBINSON].

Mr. SHEPPARD. I desire to announce that the Senator from Arkansas [Mr. ROBINSON], the Senator from Louisiana [Mr.

RANSELL, the Senator from Nevada [Mr. PITTMAN], and the Senator from Arizona [Mr. ASHURST] are necessarily detained on official business.

The result was announced—yeas 20, nays 56, as follows:

YEAS—20

Barkley	Connally	Howell	Nye
Black	Cutting	La Follette	Pine
Blaine	Frazier	McMaster	Sheppard
Blease	Harris	Norbeck	Thomas, Okla.
Brookhart	Heflin	Norris	Wheeler

NAYS—56

Allen	Goldsborough	Kendrick	Smoot
Bingham	Gould	Keyes	Steck
Borah	Greene	McCulloch	Sullivan
Brock	Grundy	McKellar	Swanson
Broussard	Hale	McNary	Thomas, Idaho
Capper	Harrison	Metcalf	Townsend
Caraway	Hastings	Moses	Trammell
Copeland	Hatfield	Oddie	Tydings
Couzens	Hawes	Reed	Vandenberg
Dale	Hayden	Robinson, Ind.	Wagner
Fess	Hebert	Sackett	Walcott
Fletcher	Johnson	Shortridge	Walsh, Mass.
Gillett	Jones	Simmons	Waterman
Glenn	Kean	Smith	Watson

NOT VOTING—20

Ashurst	George	Patterson	Schall
Baird	Glass	Phipps	Shipstead
Bratton	Goff	Pittman	Stelwer
Bteenen	King	Ransdell	Stephens
Dill	Overman	Robinson, Ark.	Walsh, Mont.

So the amendment proposed by Mr. THOMAS of Oklahoma as a substitute for the joint resolution was rejected.

Mr. BARKLEY. Mr. President, I offer an amendment, which I send to the desk.

The PRESIDENT pro tempore. The amendment will be reported for the information of the Senate.

The LEGISLATIVE CLERK. On page 2, strike out lines 1 and 2 and insert in lieu thereof the following:

SEC. 2. (a) Subdivision (a) of section 400 of the revenue act of 1926, as amended (U. S. C., Sup. III, title 26, sec. 832), is amended to read as follows:

"Sec. 400. (a) Upon cigars and cigarettes manufactured in or imported into the United States which are sold by the manufacturer or importer, or removed for consumption or sale, there shall be levied, collected, and paid under the provisions of existing law the following taxes, to be paid by the manufacturer or importer thereof—

"On cigars of all descriptions made of tobacco, or any substitute therefor, and weighing not more than 3 pounds per thousand, 50 cents per thousand.

"On cigars made of tobacco, or any substitute therefor, and weighing more than 3 pounds per thousand, if manufactured or imported to retail at not more than 5 cents each, \$1 per thousand.

"If manufactured or imported to retail at more than 5 cents each and not more than 8 cents each, \$2 per thousand.

"If manufactured or imported to retail at more than 8 cents each and not more than 15 cents each, \$3.50 per thousand.

"If manufactured or imported to retail at more than 15 cents each and not more than 20 cents each, \$7.50 per thousand.

"If manufactured or imported to retail at more than 20 cents each, \$10 per thousand.

"On cigarettes made of tobacco, or any substitute therefor, and weighing not more than 3 pounds per thousand, \$1.50 per thousand.

"Weighing more than 3 pounds per thousand, \$5 per thousand."

(b) Subdivision (a) of section 401 of the revenue act of 1926, as amended (U. S. C., title 26, sec. 761; U. S. C., Sup. III, title 26, sec. 761), relating to the internal-revenue tax on tobacco and snuff, is amended by striking out "18 cents per pound" and inserting in lieu thereof "5 cents per pound."

SEC. 3. (a) Section 1 of this joint resolution shall take effect as of January 1, 1929.

(b) Section 2 of this joint resolution shall take effect on the expiration of 30 days after the enactment of this joint resolution.

Mr. BARKLEY. Mr. President, I hesitate to take even a short space of time to discuss the amendment at this late hour on Saturday afternoon, but I have been patiently waiting ever since yesterday morning for an opportunity to present it. Notwithstanding that fact, I promise to take only a few moments in discussion of the amendment.

I wish to say in the outset that I expect to vote for the adoption of the resolution when it is put on its final passage. I shall do so with some misgivings because, in view of what we have heard in the Committee on Finance and on the floor of the Senate, it is extremely doubtful whether we may not be called upon at the end of another year to increase the taxes above even what they are in the law as it now exists, although I myself do not believe we shall be called upon to do such a thing.

There is no point made or anything gained in saying "I told you so" with reference to legislation any more than in any other

proposition that we meet in the world, but it is a source of some consolation to some of us who, when the act of 1928 was before the Senate for consideration, undertook then what we are seeking to do now by a joint resolution supposed to be brought about by a temporary emergency. I think I myself offered an amendment during the consideration of the present tax law to make the corporation tax 11 per cent instead of 12½ per cent. If my memory does not fail me, I even proposed to reduce it as low as 10 per cent in order to benefit the smaller corporations scattered all over the United States.

I do not know whether business would have been in a better condition if that reduction had been made two years ago or whether it is better not to have done it then and to rush in here somewhat in an heroic fashion and do it in order to save business from the situation in which it finds itself to-day. I recall the old mythological story of Andromeda, who was chained to a rock on the seashore, and just as she was about to be devoured by the sea monster, Perseus came along and rescued her. Of course, by reason of the fact that she was chained there he was offered the opportunity to be a hero, and has been one ever since. It may be that this is a parallel situation. Business found itself, in view of conditions with which we are all familiar, in a desperate strait about a month ago, so Perseus rushes in to unchain the maid and rescue her from the sea monster of disaster and panic. The psychological effect of doing it now in an emergency may be better than to have done it gradually when we had the opportunity formerly to do it and when we were predicting then, against the advice of the Secretary of the Treasury, that this great surplus would be in the Treasury at this time if the tax were not reduced to the figures which we then thought wise. But we must not go into that matter now.

We have the resolution here. We have a condition confronting us. The question is whether the reduction has been properly distributed among the people of the United States. I would not offer an amendment reducing the taxes upon any particular groups if it were not for the fact that the groups involved in my amendment are now paying one-eighth of the entire revenues of the United States. We have heard a lot about farm relief and about agricultural depression. The amendment offered by me to-day is specifically designed to aid the growers of tobacco.

It may be a surprise to Senators to learn that last year tobacco paid \$434,000,000 in taxes into the Treasury of the United States, which represented one-eighth of all the revenues from all sources. Last year the increase in the tax on tobacco amounted to practically \$40,000,000, or one-fourth of the amount by which we are now proposing to reduce the taxes of the people of the United States. If the farm relief bill which we enacted into law a few months ago had afforded any hope to the tobacco grower I might not have sought now to offer the amendment to bring the situation to the attention of the Senate. But under the farm relief act the Federal Farm Board is limited to dealing with cooperative marketing associations; and even in its dealings with cooperative marketing associations it is authorized mainly to loan money to them. There is now no cooperative marketing association among the tobacco growers of the United States. Several years ago they attempted to organize, and did organize, cooperative marketing associations, but because those on the inside were unable to bear the burden of themselves and also of those who remained on the outside there has been serious question, at least, as to the efficacy and the success of one of those organizations. To say the least of it, the result of their effort has been such that it is not now probable that any practical organization of tobacco growers can be effected so as to bring them under the terms of the farm relief act authorizing the Federal Farm Board to loan money to such organizations; but if they organized, if they brought themselves within the law, all they could obtain from the Federal Farm Board would be a loan of money that might assist them in carrying their crops until they could feed them to the market as the market might be able to absorb them.

The result of the existing situation has been that the price paid to the grower of tobacco is lower this year than it was last year. The price paid to the grower of tobacco of all characters and kinds has been driven down, in part by this very tax which I am seeking to reduce, until many tobacco growers are unable to obtain as much for their crop as it costs them to produce it. I have received resolutions, letters, and petitions from tobacco growers in the State of Kentucky, and I am informed that in other States the tobacco growers have likewise petitioned Members of the Senate to bring about a reduction in these taxes, because those who purchase the raw product from the farmer, when they come to him and offer him a price for it say, "We can not afford to pay you more than a certain price per pound for your tobacco, because the Federal tax is so high

that in determining how much we can pay you we must take that into consideration as well as the expense involved in the various processes of manufacture before calculating any profit for ourselves."

I realize, Mr. President, that tobacco is regarded as a luxury and that taxes yielding at least one-eighth of all the revenues of the United States are levied upon tobacco and tobacco products because they are regarded as luxuries. Many things that yesterday were luxuries have become necessities of to-day, and while to the smoker, to the chewer, and to the snuff dipper, if there are any left among our people, tobacco and its products may be a luxury, it is a necessity to the man who, as the colloquial saying has it, is required to work 13 months out of every 12 months in order to produce a crop. It is to him a dire necessity, an inevitable money crop, without which he can not meet expenses, educate his children, pay for his land, and pay the interest on his investment and on his borrowed money.

We might, in one sense of the word, say that certain kinds of clothing are luxuries because the individual can wear a cheaper quality. We might in one sense of the word say that the enjoyment of turkey on the table is a luxury because it is possible to subsist on fat bacon without the luxurious foods which we all enjoy. Tobacco may be in one sense a luxury, but in another sense it is a necessity; and I believe that it is unfair to the growers of tobacco in the United States to require them and those who purchase their crops to contribute one-eighth of the entire revenues of the United States, which they are doing. It is because of that situation, Mr. President, that I have offered to the joint resolution this amendment, which proposes to reduce the taxes on tobacco about one-third in toto.

The figures of the Treasury Department show that last year the increase in the tax on tobacco was about \$40,000,000, and while the tax on the farmer's product has been increasing the price which he has been receiving for his product has been going down. That is an unhealthy, an unwholesome, and an unfair situation. It is impossible, of course, to say how much of this burden is borne by the producer of the tobacco; but the fact can not be denied that he is bearing a considerable portion of it. It is in his behalf that I urge this amendment upon the Senate.

Mr. President, I do not desire to take any further time of the Senate. I have expressed my views as briefly as I could, and I hope the amendment may be adopted.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Kentucky.

TAX REDUCTION FOR WHOM?

Mr. NORBECK. Mr. President, the pending measure is known by the fascinating term of a "tax reduction" proposal, but we must keep in mind that there are two questions involved:

First. Shall the income taxes for the future be reduced by about \$160,000,000 annually?

Second. Shall we refund taxes for this past year to the extent of \$160,000,000?

Every plea for tax reduction in the last 10 years has been based on the argument that manufacturers and dealers add the income taxes to the prices of their goods and that the consumer pays the taxes. If that argument is sound, then the beneficiaries of this gift have already collected from the public for the year just closing \$160,000,000. It is not proposed to return it to the public; and, therefore, it is only a gift, and a gift to those who need it the least.

This tax reduction in the shape of a gift does not relieve a single farmer in the United States. It does not relieve a single laboring man in this broad land of ours. Mr. President, it does not even relieve the lambs, who lost their money in the deflation of the recent Wall Street boom. The lambs get nothing; it is the wolves who get it—those who made the profit.

In this instance, the same plea is being made for tax reduction as has been made heretofore, and that is that it will relieve the public. We were so told on previous occasions when tax reduction bills passed, but no one has submitted any facts to show that the public derived any of the benefit.

The proof is abundant that the rich corporations made additional profits following the tax-reduction legislation of previous years.

Mr. President, some things are unavoidable. The expenses of the Government must be paid. The public debt must be reduced. Certainly, internal improvements must be undertaken. These have been strongly recommended by President Hoover as a means of relieving the threatened business depression. This means inland waterways; it means additional highways; it means more public buildings. And the question arises, Where is the money to come from?

It is a well-known fact that income-tax receipts will be much less next year than heretofore because of the many business

men who have suffered losses through speculation or through the shrinkage in the value of the stocks they owned. The loss in revenue will run into the hundreds of millions of dollars; it may reach half a billion dollars or more; yet it is proposed to reduce income taxes for next year \$160,000,000 and also to make a gift of that amount to those who do not need it.

THE M'MASTER SUBSTITUTE TO REDUCE FREIGHT RATES

Mr. President, the amendment offered by the Senator from South Dakota [Mr. McMASTER], which proposed to apply most of this money to a reduction of freight rates on agricultural products, received scant consideration and mustered only 12 votes.

The Government of Canada has dealt fairly with her people in the interior Provinces by giving them reasonable freight rates. This Government has so far failed, and this Senate has this afternoon reaffirmed the policy of the Government. We will continue to sell our wheat to the American industrial centers at 20 to 25 per cent discount over what we get for our wheat in Europe. The American manufacturer thinks he needs encouragement. Does he fail to recognize cheap food as a distinct advantage?

The amendment offered by the Senator from Michigan [Mr. COUZENS] was aimed to liberalize the law in order to better meet the threatened business depression. This received only 20 votes out of a Senate with 96 Members.

THE THOMAS SUBSTITUTE FOR INTERNAL IMPROVEMENTS

The amendment offered by the Senator from Oklahoma [Mr. THOMAS] was in effect also a substitute. It proposed to use the money for internal improvements, and it received only 20 votes.

THE BROOKHART AMENDMENT

By the various votes in the Senate it has been determined there will be tax reduction—that is, reduction of income taxes. In anticipation of this the Senator from Iowa [Mr. BROOKHART] has offered an amendment which we are still to vote upon. I am going to support it, for it gives the greater benefit of tax reduction to the smaller concerns; it scatters the benefits among a larger number of people. It will even reach a few in the Northwest, but if the program arranged for between the Democrats and the Republicans will be carried out, the Brookhart amendment will get no more votes than did the others.

THE REPUBLICANS AND DEMOCRATS COMBINE

When the Republican leaders and the Democratic leaders cater to the favor of "big business," the people will pay the bill. If we do not collect revenue for the Government from those most able to pay, we must collect it from those least able to pay. We will soon be faced with a sales tax upon the consumer, or we will be told that there is no money for Federal aid to highways; that there are no funds available for waterways; and that farm relief through the debenture plan becomes impossible, for it requires \$140,000,000 to make the tariff 50 per cent effective on farm products of which there is an exportable surplus.

A NEW STUMBLINGBLOCK TO PROGRESS AND JUSTICE

This is an indirect, and it may be an adroit, way to postpone or defeat long-delayed justice for those sections of the country which have suffered most. But the Republican and Democratic politicians have decided to take a chance; and, of course, it may make it easier for both parties to collect funds in the next campaign.

Evidently the Democratic leaders, as well as the Republican leaders, believe that favors will be more highly appreciated by industrial centers than by the farming population. The main beneficiaries of this plan live in Boston, Pittsburgh, and New York.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Kentucky. [Putting the question.]

The amendment was rejected.

The PRESIDENT pro tempore. The joint resolution is still before the Senate as in Committee of the Whole and open to amendment.

Mr. BROOKHART obtained the floor.

Mr. BLAINE. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from Wisconsin?

Mr. BROOKHART. I yield.

Mr. BLAINE. Before it is too late permit me to suggest that when the question on the amendment offered by the Senator from Kentucky [Mr. BARKLEY] was put that Senator was not in the Chamber.

The PRESIDENT pro tempore. The Chair will state that that is not the fault of the Presiding Officer.

Mr. BLAINE. I clearly understand that, Mr. President—

Mr. BARKLEY. Mr. President, I was called to the telephone for a moment.

Mr. BLAINE. I ask unanimous consent that the vote by which the amendment was rejected may be reconsidered.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the vote by which the amendment was rejected will be reconsidered. The question recurs upon agreeing to the amendment proposed by the Senator from Kentucky. [Putting the question.]

The amendment was rejected.

Mr. BROOKHART. I offer an amendment.

The PRESIDENT pro tempore. The amendment will be reported for the information of the Senate.

The LEGISLATIVE CLERK. The Senator from Iowa [Mr. BROOKHART] proposes the following amendment:

On page 2, strike out the words "Section 13 (U. S. C., Sup. III, title 26, § 2013), Tax on corporations," and in the column "New rate applicable to calendar year 1929" strike out the figures "11%," and in the column "Rate under 1928 act" strike out the figures "12%," and insert in lieu thereof the following:

"The tax upon corporations shall hereafter be based upon net income and levied and collected at the same rate for both normal and surtax and upon the same graduation as individual incomes up to \$28,000, and on all such incomes in excess thereof at the rate of 11 per cent of the amount of the net income in excess of the credits against net income provided in section 26.

"Subsection (a) of section 13 of the revenue act of 1928 is hereby repealed."

Mr. BROOKHART. Mr. President, I shall take but a few moments of the time of the Senate. I keep my word even on the few-minute proposition.

The Senate has passed a graduated corporation tax before. It is in favor of it. There is no doubt of it. If we are to have a tax reduction, it ought to be a fair tax reduction. That is why I voted for the amendment of the Senator from Michigan [Mr. COUZENS] and also for the amendment of the Senator from Kentucky [Mr. BARKLEY].

The tax on corporations is not a fair tax, and never has been a fair tax. There are the same reasons for graduation in the case of corporations that exist for graduating personal income taxes.

In this amendment I have proposed such graduation up to \$28,000. At that point the tax becomes 11 per cent, the amount provided in this joint resolution; and therefore all corporations earning above \$28,000 would be taxed a flat 11 per cent.

The relief needs to come in the smaller corporations; and here is what the rates would amount to if this amendment were adopted, and if, of course, the joint resolution were passed reducing all the rates:

On the first \$4,000 the rate would be one-half of 1 per cent, the same as on personal incomes.

On the second \$4,000 the rate would be 2 per cent.

On the next \$2,000 the rate would be 4 per cent.

On the next \$4,000 the rate would be 5 per cent.

On the next \$2,000 the rate would be 6 per cent.

On the next \$2,000 the rate would be 7 per cent.

On the next \$2,000 the rate would be 8 per cent.

On the next \$2,000 the rate would be 9 per cent.

On the next \$4,000 the rate would be 10 per cent.

That brings it up to \$28,000; and thereafter the rate would be 11 per cent.

Mr. President, I desire a roll call upon this amendment.

Mr. BLACK. Mr. President, will the Senator yield for a question?

Mr. BROOKHART. I yield to the Senator from Alabama.

Mr. BLACK. I did not exactly get the purport of the amendment. Is it to reduce the corporation tax paid by the smaller corporations on a graduated scale?

Mr. BROOKHART. Yes. On all corporations earning more than \$28,000 it leaves the rate the same as the original joint resolution that is pending; and then it graduates the rates on those earning less than \$28,000 down to one-half of 1 per cent, the same as the personal income tax.

Mr. WAGNER. Mr. President, I hope the pending joint resolution will pass without amendment. I shall detain the Senate but a minute, because practically everything that can possibly be said upon the subject on both sides has already been said.

I desire to call the attention of the Senate, however, to the fact that ever since I have been a Member of this body I have consistently pleaded for preparedness against depression, for preventive measures against unemployment, and for the stabilization of industry, not by mere speeches but by legislation which I have proposed and upon which there were hearings, and upon which the Committee on Education and Labor has made a favorable report; but the matter received very scant attention from this body. Furthermore, I have repeatedly pointed out the

superiority of planning for the future over emergency measures, and I shall continue my efforts in that direction.

At the present time, however, we are in the midst of what is not a theoretical debate but a practical condition. There has been a let down in activity. Considerable timidity about the business future has been expressed. We have not made preparation to meet the contingencies of a threatened depression and to avoid it with quiet efficiency, which we could have done if the legislation pending in this body, introduced by me, had become effective.

The circumstances being what they are, how can we possibly relieve ourselves from the obligation to do the utmost in our power to allay fears, to re-establish confidence, to restore courage, so that we may ride through the storm if there be one or prevent it if we can?

There is a decided preponderance of opinion that the tax-reduction measure now pending, though in effect for a single year, will be helpful. How can we take the responsibility of refusing to extend such assistance? If we refuse, what answer shall we make to those who will point at us an accusing finger should the condition become worse than it is now?

Mr. WHEELER. Mr. President—

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Montana?

Mr. WAGNER. Yes.

Mr. WHEELER. Will the Senator point out to the Senate just how the passage of this joint resolution is going to help unemployment in the country?

Mr. WAGNER. In the first place, we have heard a good deal about the psychological effect of this legislation. I am not going over that ground again. It has been ridiculed on one side and its effectiveness has been insisted upon on the other. Personally I believe that the psychological effect of legislation of this kind, showing the readiness of the Government to help business at a time of economic depression, exhibiting the co-operation of the Government, is to restore confidence, which is needed, and to reestablish courage, which is essential in order that business may continue prosperous; because, after all, prosperity is a matter of the efforts of the future. It depends upon confidence in the future.

That is one thing. Now, the other: To the extent of \$160,000,000, at least, the passage of this measure will increase the purchasing power of the individuals who are affected; and that will have a stimulating economic effect upon the business activities of the country.

Mr. WHEELER. But this \$160,000,000 is scattered. Does the Senator think, for instance, that any manufacturing company in this country is going to put on a single additional man by reason of the fact that it gets a brief rebate in its taxes?

Mr. WAGNER. It may not put at work a single additional man, but it may enable that company to keep employed men who otherwise would be discharged because of the economic depression. It will relieve the situation to the extent to which taxes are saved, at least.

Mr. WHEELER. I may say to the Senator that I happened to talk to-day with a large employer of labor, and I asked him this question: "Suppose this tax bill should be passed; would you put any more men at work, or would it affect the employment of your men in any way, shape, or form?" His answer was, "Of course not."

I do not want to interrupt the Senator; but I must say that if this measure is passed with the idea that anybody is going to employ any more men because some of these corporations get a tax refund, then I shall have to change my whole theory of economics, and I think we shall have to change the textbooks with reference to the subject.

Mr. WAGNER. My answer to the Senator is that we are not so much disturbed about possibly increasing employment as we are about preventing unemployment or, at least, checking a recession in employment. Call this a refund, if you like, or a saving, if you prefer, to the corporation or individual taxpayer. To the extent of that saving he has at his command an additional fund with which to continue his business and continue employment; and to that extent, whatever it may be, it seems to me, it will help prevent a further recession in employment.

Mr. WHEELER. If the Senator will pardon another question, does not the Senator think that if the Government itself used this money in improvements that would undoubtedly employ more men than by giving it back in a tax refund?

Mr. WAGNER. Yes. I am glad the Senator asked that question, because it gives me an opportunity to say something about one of the pending bills.

One of the bills I have introduced, and for which I tried to secure consideration by the Senate, provides for a long-range planning system by which the necessary public improvements

which the Government is to make would be all prepared in advance—that is, the locations, the surveys, the specifications, the blue prints, everything would be in readiness—so that when an economic depression arrived and unemployment was in sight we could at once begin actual work upon every project and aid in absorbing men released from other employment, but the suggestion made by the Senator from Oklahoma to-day by way of his amendment would require a minimum period of six months for the preparation of the plans and specifications, in the survey of locations, and in other preliminaries. In my judgment, therefore, the amendment is in no sense suitable as an emergency measure, because its operation is deferred for at least that period of time; and we are confronted with an immediate condition, not a prospect which we are anticipating six months hence. We need a measure which is immediately effective.

Mr. NORRIS and other Senators addressed the Chair.

The PRESIDENT pro tempore. To whom does the Senator from New York yield?

Mr. WAGNER. To anyone who desires to interrupt me.

Mr. NORRIS. I will take a chance, then, if the Senator will yield to anyone.

Mr. President, the Senator says it would require six months to get this amendment in operation. Does not the Senator realize that the present measure will require more than a year to complete its operation?

Mr. WAGNER. No.

Mr. NORRIS. And does not the Senator also realize that if the country knew that in six months the improvements provided for by the amendment of the Senator from Oklahoma were going to be undertaken there would be such a psychology existing immediately that it would bring us relief at once? That would be the psychology of it; would it not?

Mr. WAGNER. No, no; I beg to differ from the Senator.

Mr. NORRIS. Then let me ask the Senator another question.

Mr. WAGNER. Employment which one may expect six months hence does not help one very much to buy bread and butter at this very moment.

Mr. NORRIS. Is there not any psychology in that? He would get credit on the strength of that. He would be able to borrow money; and that, after all, is what Barnes wants us to do—borrow money.

Mr. WAGNER. No; the laborer does not know that he is going to be employed six months hence.

Mr. NORRIS. Will he not know that he will be employed six months hence if the joint resolution passes that the Senator favors?

Mr. WAGNER. No. If this joint resolution passes, the taxpayer who otherwise would have to pay this additional 1 per cent knows at once that he is not required to pay it, and therefore that is immediately in his possession. He knows it the moment the President approves the legislation.

Mr. NORRIS. And what is he going to do with it?

Mr. WAGNER. To the extent of the saving to him in taxes it increases his purchasing power, his power to continue his business, his power to keep men employed; and that, I may state to the Senator, is immediate and material.

Mr. NORRIS. That will be immediate. Now let us get something concrete.

If this joint resolution passes the Senator himself is going to be the recipient of part of this refund. He is going to be one of the beneficiaries. He is voting for a measure that will help him save some money. Will he not tell the Senate and the country what he is going to do with the part he saves, so that we can get a sort of psychological view of what will cover the entire country?

Mr. WAGNER. My saving probably would be no more than that of the Senator from Nebraska.

Mr. NORRIS. Exactly; but I do not know what to do with mine so as to help out. I should like to know what the Senator is going to do with his.

Mr. WAGNER. It will not be very valuable—I will give it to him.

Mr. WHEELER. Mr. President—

The PRESIDENT pro tempore. Does the Senator from New York further yield to the Senator from Montana?

Mr. WAGNER. Yes.

Mr. WHEELER. The Senator agrees that this is economically unsound, to use the language of the former head of the administration, does he not? So, when we find that it is economically unsound, instead of consulting economic experts, should we not then turn to psychologists, or experts along that line?

Mr. WAGNER. Is the Senator going to ask five questions?

Mr. WHEELER. No; I am going to ask just those two.

Mr. WAGNER. I have heard it stated that it is economically unsound, but I do not understand what that phrase means. At

a time when the Nation suffers an economic depression, and the Government, by its action, can lift that depression and restore business activity, relieve the mental strain of business and precipitate business activity, I repeat, if Government is able to accomplish that by its intervention, it is the proper thing to do. It is the sound thing to do; there is nothing unsound about it. It is the duty of the Government to do it. This talk about economic unsoundness is a platitude which is meaningless. The Government must be venturesome. If a situation arises which can not be relieved except by the intervention of the Government, it is the Government's duty to intervene. Such a course is sound economics.

Mr. WHEELER. Mr. President—

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Montana?

Mr. WAGNER. I do not yield further. I want to conclude.

The business community has been calmed, but it is still operating under a mental strain. I dread to think of the possible effect upon it of a refusal by the Congress to grant this tax relief. To the extent that the promise of reduction buoyed commercial enterprise up, our refusal would bear it down.

Politics are entirely irrelevant to this proposal. I can not conceive of any Senator, whether his politics be Republican or Democratic, eastern or western, industrial or agricultural, who is so zealous in his partisanship that for a doubtful political advantage he would be willing to leave undone that which is likely to prove helpful in the present disturbed economic conditions.

I hope for prompt action. Delay is the child of doubt, and we can not restore confidence outside of this Chamber if doubt rules within.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Iowa [Mr. BROOKHART]. On that question the yeas and nays have been demanded.

The yeas and nays were ordered.

Mr. WHEELER. Let the amendment be reported.

The PRESIDENT pro tempore. The clerk will report the amendment for the information of the Senate.

The LEGISLATIVE CLERK (reading):

On page 2, strike out the words "Section 13 (U. S. C. Sup. III, title 26, § 2013) Tax on corporations," and in the column "New rate applicable to calendar year 1929," strike out the figures "11%," and in the column "Rate under 1928 act," strike out the figures "12%" and insert in lieu thereof the following:

"The tax upon corporations shall hereafter be based upon net income and levied and collected at the same rate for both normal and surtax and upon the same graduation as individual incomes up to \$28,000, and on all such incomes in excess thereof at the rate of 11 per cent of the amount of the net income in excess of the credits against net income provided in section 26.

"Subsection (a) of section 13 of the revenue act of 1928 is hereby repealed."

The PRESIDENT pro tempore. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McKELLAR (when his name was called). On this vote I am paired with the junior Senator from Delaware [Mr. TOWNSEND]. I withhold my vote.

The roll call was concluded.

Mr. FESS. I desire to announce the following general pairs:

The Senator from Illinois [Mr. DENEEN] with the Senator from Utah [Mr. KING];

The Senator from Colorado [Mr. PHIPPS] with the Senator from Georgia [Mr. GEORGE];

The Senator from West Virginia [Mr. GOFF] with the Senator from North Carolina [Mr. OVERMAN]; and

The Senator from Arkansas [Mr. ROBINSON] with the Senator from Minnesota [Mr. SHIPSTEAD].

Mr. BINGHAM. I have a pair with the Senator from Virginia [Mr. GLASS]. Not knowing how he would vote on this question, I transfer that pair to the junior Senator from Missouri [Mr. PATTERSON] and vote "nay."

Mr. REED. I transfer my general pair with the Senator from New Mexico [Mr. BRATTON] to the Senator from New Jersey [Mr. BAIRD] and vote "nay."

The result was announced—yeas 16, nays 60, as follows:

YEAS—16			
Black	Frazier	McMaster	Pine
Blaine	Harris	Norbeck	Sheppard
Bleese	Heflin	Norris	Steck
Brookhart	La Follette	Nye	Thomas, Okla.
NAYS—60			
Allen	Borah	Capper	Couzens
Barkley	Brock	Connally	Cutting
Bingham	Broussard	Copeland	Dale

Fess	Hawes	Moses	Stephens
Fletcher	Hayden	Oddie	Sullivan
Gillett	Hebert	Ransdell	Swanson
Glenn	Howell	Reed	Thomas, Idaho
Goldsbrough	Johnson	Robinson, Ind.	Trammell
Gould	Jones	Sackett	Tydings
Greene	Kean	Schall	Vandenberg
Grundy	Kendrick	Shortridge	Wagner
Hale	Keyes	Simmons	Walcott
Harrison	McCulloch	Smith	Walsh, Mass.
Hastings	McNary	Smoot	Waterman
Hatfield	Metcalf	Steinwer	Watson

NOT VOTING—20

Ashurst	Dill	McKellar	Robinson, Ark.
Baird	George	Overman	Shipstead
Bratton	Glass	Patterson	Townsend
Caraway	Goff	Phipps	Walsh, Mont.
Deneen	King	Pittman	Wheeler

So Mr. BROOKHART's amendment was rejected.

The PRESIDENT pro tempore. The joint resolution is still in Committee of the Whole and open to amendment. No further amendment being offered, the joint resolution will be reported to the Senate.

The joint resolution was reported to the Senate without amendment.

Mr. FRAZIER. Mr. President, the junior Senator from New York [Mr. WAGNER] stated that this joint resolution, if passed, would result in a great deal of employment for the unemployed at the present time. The small contractor, with an income of \$4,000 a year, would get a refund of \$3.75. That would be sufficient to employ one man at 50 cents an hour for seven hours and a half. That would help some.

The big contractor or manufacturer with an income of a million dollars a year of course could employ more men. He could employ 2,000 men at \$5 a day for one day, and that would help more.

A good deal has been said about the psychology of this tax-reduction joint resolution. It seems to me that the term "psychology" has been badly used to-day. If they would call it "political propaganda" I think they would get a great deal nearer the situation. Political propaganda is putting across this so-called tax-reduction measure for the benefit, not of the people, but for the benefit of the wealthy classes and the corporations who pay the big income taxes and the big surtaxes.

I think there are pretty good reasons on the part of some for voting for this tax-reduction measure. Senators will remember that in some of the hearings held by the subcommittee of the Committee on the Judiciary investigating lobbying it was stated that some of the big financial interests had contributed a lot of money in the last presidential campaign to both the old parties, and some of the lobbyists said that they expected a full return through the tariff bill in order to pay back what had been contributed in the campaign of 1928.

Mr. President, there was a coalition against the tariff bill which has been referred to as a "coalition of the sons of the wild jackass," which has succeeded in amending, to some extent, the industrial rates in the tariff bill. It has been intimated, at least by some of the leaders on this side of the Chamber, that the tariff bill was dead, and of course if it is dead there is no chance of paying back through the tariff bill the contributors in the last campaign. So a political tax-reduction joint resolution has been introduced to pay back the campaign pledges and contributions of the rich contributors. Oh, yes; the corporation with a million-dollar income will be rebated or refunded, or its tax will be reduced for this calendar year, if that is the better way to state it, about \$10,000, and I presume that was probably about its average contribution to the past campaign, \$5,000 to the Democratic campaign fund and \$5,000 to the Republican campaign fund.

Therefore, in order to pass the so-called tax-reduction measure there is a coalition again—oh, no, not the sons of the wild jackasses, not by any means. The coalition to-day is a coalition of the "regulars," the regulars on each side of the Chamber, to provide a means to keep their campaign promises to the people who put up the millions of dollars to finance the last presidential campaign. So this new coalition has good reason, I think, to pass a measure reducing the taxes for the current year to the extent of \$160,000,000, which will pay back, perhaps, some of the contributions to the last campaign and lay a foundation for meeting the campaign expenses in the next campaign.

Mr. WHEELER. Mr. President, I dislike to disagree with the Senator from North Dakota [Mr. FRAZIER] in his conclusions, but I must say that, in my opinion, the real purpose of the joint resolution, and we ought to understand it, is a psychological tax reduction for the purpose of boosting the Hoover administration in a Hoover panic. That is the real purpose of it, and the real reason why we are paying back this money.

During the campaign out in my State and other Northwestern States we were told that if Mr. Smith and the Democratic ticket were elected a terrible calamity would come upon the country, and that the Wall Street stock market prices would drop. We were told that farm prices would go down. We were also told that we would have a general depression and panic in the country.

I was told a short time ago about a young man who came before the court in our State to be admitted to citizenship. He was asked the usual questions as to members of the Supreme Court and Members of Congress and various other questions, and he answered them very well. The judge said to him, "Young man, I want to compliment you upon your answers. We are glad to have you as a citizen of the United States. But," he said, "I neglected to ask you one question. Who is President of the United States?" "Why, sir," he said, "Al Smith is President." The judge said, "Are you not mistaken about it?" The young man replied, "No; I do not think so." The judge said, "I am curious to know why you think Mr. Smith is President rather than Mr. Hoover." The young man said, "All I know about it is that the Republican orators told us that if Al Smith was elected we would have a general panic in the country, that the prices in Wall Street would drop, that men would be out of employment, that the farmers would go broke and banks would fail. All of those things have happened, so I think Al Smith must be President of the United States." [Laughter.]

The PRESIDENT pro tempore. If there is no further amendment to be proposed, the question is, Shall the joint resolution be read a third time?

The joint resolution was read the third time.

The PRESIDENT pro tempore. The question is, Shall the joint resolution pass?

Mr. SIMMONS. Let us have the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. GLENN (when Mr. DENEEN's name was called). My colleague the senior Senator from Illinois [Mr. DENEEN] is necessarily absent from the city. He has a general pair with the junior Senator from Utah [Mr. KING]. My colleague supported the joint resolution in the committee, and if present would vote "yea." I am not informed how the junior Senator from Utah would vote.

Mr. HATFIELD (when Mr. GOFF's name was called). My colleague the senior Senator from West Virginia [Mr. GOFF] has a general pair with the junior Senator from North Carolina [Mr. OVERMAN]. If present, my colleague would vote "yea." I am informed that if the junior Senator from North Carolina were present he would vote "yea."

Mr. JOHNSON (when his name was called). I have a general pair with the junior Senator from Texas [Mr. CONNALLY]. His vote on this question would be the same as mine, so I feel at liberty to vote. I vote "yea."

Mr. MCKELLAR (when his name was called). On this vote I have a pair with the junior Senator from Delaware [Mr. TOWNSEND]. In his absence I withhold my vote.

Mr. SIMMONS (when Mr. OVERMAN's name was called). My colleague the junior Senator from North Carolina [Mr. OVERMAN] is unavoidably detained from the Senate. He has a general pair with the Senator from West Virginia [Mr. GOFF]. If my colleague were present, he would vote "yea."

Mr. REED (when his name was called). I have a general pair with the Senator from New Mexico [Mr. BRATTON]. I am told that if he were present he would vote as I intend to vote. Therefore I vote "yea."

Mr. SHEPPARD (when the name of Mr. ROBINSON of Arkansas was called). The senior Senator from Arkansas [Mr. ROBINSON] is necessarily detained on official business. If present, he would vote "yea."

The roll call was concluded.

Mr. WHEELER. My colleague the senior Senator from Montana [Mr. WALSH] was called from the Chamber on official business and is therefore unable to be present.

Mr. HAYDEN. My colleague the senior Senator from Arizona [Mr. ASHURST] is unavoidably detained from the Senate. If present, he would vote "yea."

Mr. BINGHAM. I understand that my general pair, the Senator from Virginia [Mr. GLASS], would vote as I intend to vote, and therefore I am permitted to vote. I vote "yea."

Mr. SHEPPARD. I desire to announce that the Senator from Georgia [Mr. GEORGE] has a general pair with the Senator from Colorado [Mr. PHIPPS].

I desire further to announce that the Senator from Washington [Mr. DILL] is necessarily absent from the city. If present, he would vote "yea."

Mr. FESS. I desire to announce the necessary absence of the Senator from Missouri [Mr. PATTERSON], the Senator from New Jersey [Mr. BAIRD], the Senator from Delaware [Mr. TOWNSEND], and the Senator from Colorado [Mr. PHIPPS]. These Senators, if present, would vote "yea."

The result was announced—yeas 63, nays 14, as follows:

YEAS—63

Allen	Gould	Keyes	Smoot
Barkley	Greene	McCulloch	Steck
Bingham	Grundy	McNary	Steiner
Black	Hale	Metcalf	Stephens
Brock	Harris	Moses	Sullivan
Broussard	Harrison	Oddie	Swanson
Capper	Hastings	Pine	Thomas, Idaho
Connally	Hatfield	Ransdell	Trammell
Copeland	Haves	Reed	Tydings
Couzens	Hayden	Robinson, Ind.	Vandenberg
Dale	Hebert	Sackett	Wagner
Fess	Heflin	Schall	Walcott
Fletcher	Johnson	Sheppard	Walsh, Mass.
Gillett	Jones	Shortridge	Waterman
Glenn	Kean	Simmons	Watson
Goldsborough	Kendrick	Smith	

NAYS—14

Blaine	Cutting	McMaster	Thomas, Okla.
Blease	Frazier	Norbeck	Wheeler
Borah	Howell	Norris	
Brookhart	La Follette	Nye	

NOT VOTING—19

Ashurst	Dill	McKellar	Robinson, Ark.
Baird	George	Overman	Shipstead
Bratton	Glass	Patterson	Townsend
Caraway	Goff	Phipps	Walsh, Mont.
Deneen	King	Pittman	

So the joint resolution was passed.

CONDITIONS IN THE DISTRICT OF COLUMBIA

Mr. BLEASE. Mr. President, I ask permission to have printed in the RECORD an editorial appearing in the Woman Voter, written by Mrs. Nicholson, entitled "Attention, Mr. President!"

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

The editorial is as follows:

[From the Woman Voter, Washington, D. C., December, 1929]

ATTENTION, MR. PRESIDENT!

The editor of the Woman Voter along with the people of the District of Columbia views with alarm the recent disclosures concerning the police and the district attorney's office in the Capital City of the Nation, which have made a profound impression on the citizens of the entire country.

After reading the evidence given before the grand jury, in the McPherson murder case, the statements in regard to the murder of Mr. Scrivener who himself was a respected member of the Washington police force, and the transcript of the evidence in the case of the quondam stockbroker, Mr. Moffatt, one feels it necessary to inquire whether the police force and the district attorney's office are maintained for the purpose of furnishing protection to murderers and thieves or for the protection of society against such law violators.

JURY DECISION

The decision that Mrs. Marmion made noneffective the work of the grand jury which indicted Mr. Robert McPherson for the murder of his wife, because she receives a pension on account of the services of her deceased husband, a naval officer, is the most far-fetched decision ever foisted on an innocent public. The law which says that no person who is in the employ of the United States Government may serve on a jury, was passed because such employee might be influenced by the insecurity of his position. Mrs. Marmion's pension would not be affected by any decision which she might make while serving on any jury in the world. Her pension is a fixed sum of money paid to her on account of the service of her late husband. The amount nor the regularity with which it is paid could not be affected except by her remarriage.

DID DISTRICT ATTORNEY'S OFFICE PASS ON LEGALITY OF JURY

The question that arises in the minds of many is, Did not some one in the district attorney's office pass on the legality of this jury before the members entered upon their duties? We are told that 196 cases were heard. According to the latest decision of the district attorney, the decisions in every case are invalid.

One must question the district attorney's qualification for the high office which he holds. He is either incompetent or, as has been alleged, is placed in the position of protecting a criminal.

PERSONNEL OF THE GRAND JURY

The personnel of the grand jury serving during the summer, was unusually representative of the educated fair-minded people of the District of Columbia—the decision in the McPherson case was arrived at after

weeks of careful consideration of evidence presented—the action of the two policemen in destroying evidence was also gone into exhaustively—and the taxpayers of the District paid for this. Considering the situation in all fairness, one is forced to the conclusion that the present grand jury which failed to indict anyone for the murder of Mrs. McPherson, is "hand picked"—otherwise the district attorney would not have voided the work of the last grand jury.

May we not ask—why are the two policemen retained on the police force, who are accused of destroying evidence in the McPherson case, while Officer Allen, faithful to his oath of office, has been dismissed after he produced evidence before the grand jury, which was so convincing that an indictment was found?

EVERY INDICTED PERSON IS ENTITLED TO FAIR TRIAL

Every man is entitled to a fair and impartial trial. The McPherson case was being prepared for trial in accordance with the decision of a grand jury of exceptional intelligence. If the young man under indictment is innocent, such innocence would be proven in open court. The action of the district attorney leads the public to think that evidence of guilt is so strong that the indicted man could not escape conviction—therefore, an injustice may have been done.

DISTRICT ATTORNEY IS DISQUALIFIED

In permitting his opinion to be influenced as to the legality of the decisions of the last grand jury; in permitting a man under two indictments for theft to continue to maintain an office and rob the public; the district attorney has disqualified himself to serve the people longer.

WHY DOES M'PHERSON MURDER DIFFER FROM ANY OTHER MURDER?

In what respect does the McPherson murder trial differ from any other murder trial held in the District of Columbia? A murder has been committed—a foul, unprovoked murder. Every honest effort should be made to apprehend the criminal; in the interest of organized society, no effort should be made to take advantage of legal technicalities or to camouflage the truth; such tactics lead to lynchings and mob rule. Our courts must be recognized as courts of justice, otherwise the people lose respect for all law.

The present chief of police, it is alleged, was guilty of coaching witnesses in the Scrivener murder case, and thus he becomes particeps criminis if this is true. He failed to suspend two policemen found guilty of suppressing and even destroying evidence in the McPherson murder case. The chief of police has thus shown himself unfit to protect the people of the District of Columbia and should be dismissed.

On June 11, 1929, Lee King, a Chinese narcotic informer employed by the Federal narcotic division of the Prohibition Unit, was shot and killed on Eleventh Street NW., by four other Chinese, who are connected with the Chinese opium ring.

Since January 1, 1927, there have been four Chinese killed and two wounded, as a result of the tong opium warfare. There are a total of seven suspects, two arrests only have been made—resulting in the indictment of one of the suspects.

The oft-repeated charge that certain Chinese leaders in the On Leong (richer tong or society), some of whom have criminal records for violation of the Federal narcotic act, have permits granted by the judges of the local police court to carry pistols. Why is this permitted, may we ask?

DISTRICT COMMISSIONERS UNFITNESS PROVEN

The District Commissioners have failed to enforce the laws of the District of Columbia and therefore have proven their unfitness as servants of the people.

Mr. President, the people of the District of Columbia are entitled to an honest, fair administration; remove these unworthy men and show to the people of the world that you intend to give the District of Columbia, the Capital of the greatest Nation on earth, an honest, clean administration; that the police force and the courts of the District shall be used to protect society against criminals and thus wipe out the stigma of present conditions.

GOVERNOR FISHER'S VIEW OF THE SENATE

Mr. NORBECK. Mr. President, I ask unanimous consent that there may be printed in the RECORD a statement by the Governor of Pennsylvania, in which he refers to Senators from "backward" States as "degenerates." I think that the people of the United States are entitled to have his view on this question.

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

[From the Washington Post, December 13, 1929]

GOVERNOR FISHER LASHES SENATE

NEW YORK, December 13 (N. Y. W. N. S.).—The Senate's refusal to seat William S. Vare and the uproar raised over the appointment of JOSEPH R. GRUNDY to fill his place would be "hilarious farce if it were not destroying the very fundamentals of American government," Gov. John S. Fisher, of Pennsylvania, said to-day on his arrival in New York City for the week end.

"It has this value," he added, "that through the newspapers it has shown the whole country just what kind of people we have in the Senate at present.

"No one could enter into a tongue-lashing contest with those degenerates down there without lowering his self-respect.

"There is not an office which Pennsylvania has to bestow that Joe GRUNDY couldn't have had long ago. But you could never get him to go near a public office."

GRUNDY, he said, is "a Quaker of the Quakers," a man "who will never do anything under cover and who will always justify every act."

EXECUTIVE MESSAGES REFERRED

The President pro tempore laid before the Senate sundry Executive messages from the President of the United States, which were referred to the appropriate committees.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed a joint resolution (H. J. Res. 163) authorizing the payment of salaries of the officers and employees of Congress for December, 1929, on the 20th day of that month, in which it requested the concurrence of the Senate.

HOUSE JOINT RESOLUTION REFERRED

On motion of Mr. JONES, the joint resolution (H. J. Res. 163) authorizing the payment of salaries of the officers and employees of Congress for December, 1929, on the 20th day of that month, was read twice by its title and referred to the Committee on Appropriations.

ENROLLED BILLS PRESENTED

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

S. 679. An act granting the consent of Congress to Knox County, Tenn., and Anderson County, Tenn., to construct, maintain, and operate a free highway bridge across the Clinch River at or near Solway in Knox County, Tenn.; and

S. 680. An act granting the consent of Congress to Knox County, Tenn., to construct, maintain, and operate a free highway bridge across the Holston River at or near McBees Ferry in Knox County, Tenn.

RECESS

Mr. SMOOT. Mr. President, I move that the Senate take a recess until 11 o'clock a. m. on Monday, the recess being in conformity with the unanimous-consent agreement heretofore entered into.

The motion was agreed to; and the Senate (at 5 o'clock and 15 minutes p. m.), under the order previously entered, took a recess until Monday, December 16, 1929, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate December 14 (legislative day of December 13), 1929

UNITED STATES ATTORNEYS

Henry M. Boss, Jr., of Rhode Island, to be United States attorney, district of Rhode Island. He is now serving in this office under an appointment by court.

Roy St. Lewis, of Oklahoma, to be United States attorney, western district of Oklahoma. He is now serving in this office under an appointment expiring December 15, 1929.

COAST GUARD

The following-named officers in the Coast Guard of the United States:

To be commanders (engineering), to rank as such from July 1, 1929

Lieut. Commander (Engineering) Whitney M. Prall.
Lieut. Commander (Engineering) George W. Cairnes.
Lieut. Commander (Engineering) John F. Hahn.
Lieut. Commander (Engineering) Harvey F. Johnson.
Lieut. Commander (Engineering) Martin A. Doyle.
Lieut. Commander (Engineering) Norman B. Hall.
Lieut. Commander (Engineering) Philip B. Eaton.

APPOINTMENT IN THE ARMY

To be chief of chaplains with the rank of colonel for a period of four years from date of acceptance, with rank from December 23, 1929

Chaplain (Lieut. Col.) Julian Emmet Yates, United States Army, vice Chaplain (Col.) Edmund P. Easterbrook, chief of chaplains, to be retired from active service December 22, 1929.

HOUSE OF REPRESENTATIVES

SATURDAY, December 14, 1929

The House met at 12 o'clock noon.

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

Eternal God, our Father, we approach Thee not because we are good but because we need Thee to make us so. Thou and Thou alone art the fountain of eternal goodness. We do thank Thee that there is nothing that is able to separate us from Thy love, which is infinitely broader and deeper than the measure of man's mind. By countless blessings and a thousand thousand things Thou art calling us. Teach us how to use sorrow when it comes, disappointment when it is sent, and chastisement when it is upon us. Bless us with the fruits of the Spirit, which are love, joy, peace, and long suffering. These augment our powers, enlarge our strength, and enable us to stand in our own divinely inspired liberty. Hear our prayer for the sake of our Savior. Amen.

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

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and under the rule referred as follows:

S. 108. An act to suppress unfair and fraudulent practices in the marketing of perishable agricultural commodities in interstate and foreign commerce; to the Committee on Agriculture.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 679. An act granting the consent of Congress to Knox County, Tenn., and Anderson County, Tenn., to construct, maintain, and operate a free highway bridge across the Clinch River at or near Solway, in Knox County, Tenn.; and

S. 680. An act granting the consent of Congress to Knox County, Tenn., to construct, maintain, and operate a free highway bridge across the Holston River at or near McBees Ferry, in Knox County, Tenn.

RESIGNATION FROM A COMMITTEE

The SPEAKER. The Chair lays before the House the following communication:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., December 13, 1929.

Hon. NICHOLAS LONGWORTH,
Speaker House of Representatives.

MY DEAR MR. SPEAKER: I hereby resign as a member of the Committee on Agriculture.

FRANKLIN W. FORT.

The SPEAKER. Without objection, accepted.

There was no objection.

SALARIES OF LEGISLATIVE EMPLOYEES

Mr. WOOD. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (H. J. Res. 163) authorizing the payment of salaries of the officers and employees of Congress for December, 1929, on the 20th day of that month, which I send to the desk.

The SPEAKER. The gentleman from Indiana asks unanimous consent for the present consideration of the resolution, which the Clerk will report.

The Clerk read as follows:

House Joint Resolution 163

Joint resolution authorizing the payment of salaries of the officers and employees of Congress for December, 1929, on the 20th day of that month

Resolved, etc., That the Secretary of the Senate and the Clerk of the House of Representatives are authorized and directed to pay to the officers and employees of the Senate and House of Representatives, including the Capitol police, the office of legislative counsel, and employees paid on vouchers under authority of resolutions, their respective salaries for the month of December, 1929, on the 20th day of that month.

Mr. GARNER. Mr. Speaker, may I ask the gentleman if this is not the customary resolution that is passed when the Congress takes a recess for the holidays?

Mr. WOOD. It is. It is passed every year.

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

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. WOOD, a motion to reconsider the vote by which the joint resolution was passed was laid on the table.

NAVAL CONFERENCE AT LONDON

Mr. WOOD. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution (H. J. Res. 158) to provide an appropriation for expenses of participation by the United States in the naval conference to be held at London in 1930.

The SPEAKER. The gentleman from Indiana asks unanimous consent for the present consideration of a resolution which the Clerk will report.

The Clerk read as follows:

House Joint Resolution 158

Resolved, etc., That the sum of \$200,000 is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to remain available until June 30, 1930, for the expenses of participation by the United States in a naval conference to be held at London in 1930, including traveling expenses, subsistence or per diem in lieu thereof (notwithstanding the provisions of any other act), compensation of employees, stenographic and other services by contract if deemed necessary without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5), rent of offices and rooms, purchase of necessary books and documents, printing and binding, official cards, entertainment, rental, operation and maintenance of motor-propelled passenger-carrying vehicles, and such other expenses as may be authorized by the Secretary of State.

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

Mr. GARNER. Mr. Speaker, reserving the right to object, I understand from the gentleman from Indiana [Mr. WOOD], chairman of the Committee on Appropriations, that his committee has had hearings and has concluded that a necessity exists for this appropriation in the full amount and, as I understand, this is a unanimous report from the Committee on Appropriations.

Mr. WOOD. That is correct. I desire to say further in answer to the gentleman from Texas, that Assistant Secretary of State Carr, who appeared before our committee in support of the appropriation, gave us a very full and detailed statement of the manner in which this money is to be expended.

The necessity for action at this time is due to the fact that this conference will commence on the 21st of January and there are a number of preliminary steps to be taken before they leave this country, and some abroad before the meeting, and it is very essential that this money should be available early.

I am pleased to inform this body that I am assured the gentlemen who go over there will travel upon a vessel carrying the American flag. [Applause.]

Mr. LAGUARDIA. I thought they had already taken passage on the *Bremen*.

Mr. WOOD. No; they will go on an American vessel.

Mr. LAGUARDIA. I read where the naval officers had taken passage on the *Bremen*, and the *Bremen* does not fly the American flag.

Mr. WOOD. I will state to the gentleman I am informed that everybody connected with the delegation will travel upon an American vessel, as the law requires they shall travel.

Mr. LAGUARDIA. What are they going to do with the provision you have in your resolution for entertainment?

Mr. WOOD. There will have to be some entertainment, but I wish to say that it will be a very moderate amount in comparison with the entertainment that has been provided for by other delegations or by those who were here when we had the Washington conference.

Mr. LAGUARDIA. I agree with the gentleman. The gentleman, perhaps, did not get my point. [Laughter.]

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

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

JOINT COMMISSION ON AIRPORTS

Mr. TILSON. Mr. Speaker, I wish to call up two emergency resolutions extending time for reports of certain commissions.

The first resolution is Senate Joint Resolution 87, to amend the joint resolution establishing a Joint Commission on Airports, approved March 4, 1929.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Senate Joint Resolution 87

Resolved, etc., That the joint resolution establishing a Joint Commission on Airports, approved March 4, 1929, is hereby amended by striking out "December 15, 1929," and inserting in lieu thereof "April 15, 1930."

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

Mr. GARNER. Mr. Speaker, has this resolution been referred to any committee of the House?

Mr. TILSON. It was referred to the Committee on Rules, I believe. The gentleman from New York, Mr. SNELL, chairman of the Committee on Rules, has been slightly indisposed for the last few days and the commission expires on to-morrow. It is therefore necessary that the resolution be passed and sent to the President to-day. It is as a genuine emergency that I have called it up. I understand that it was passed unanimously in the Senate.

Mr. GARNER. The gentleman has investigated the matter and thinks it is necessary to extend the time to April 15?

Mr. TILSON. I think it should be extended to April 15.

Mr. SWING. Mr. Speaker, reserving the right to object, will the gentleman from Connecticut state to the House what is the function of this committee and just what it is they are doing? I think some of us are in doubt about their work.

Mr. TILSON. It was established under Senate Joint Resolution 216, Seventieth Congress, which is a rather long resolution, covering about three pages. The purpose of it was to establish a joint commission on airports.

Mr. SWING. Particularly, what is the unfinished business that they need to finish up?

Mr. TILSON. I understand that it is largely a matter of getting the report ready for submission.

The SPEAKER. Is there objection?

There was no objection.

The resolution was ordered to be read a third time, was read the third time, and passed.

INSULAR REORGANIZATION

Mr. TILSON. Mr. Speaker, I send to the desk Senate Joint Resolution 97 and ask unanimous consent for its present consideration.

The Clerk read the Senate joint resolution, as follows:

Senate Joint Resolution 97

Resolved, etc., That the joint resolution establishing a Joint Commission on Insular Reorganization, being Public Resolution No. 108, Seventieth Congress, approved March 4, 1929, is hereby amended by striking out "December 16, 1929," and inserting in lieu thereof "January 16, 1930."

This is in the same situation as the other resolution just passed, except that January 16 will be a sufficient time in this case.

Mr. GARNER. What is this commission?

Mr. TILSON. It is to study the subject of insular reorganization.

Mr. GARNER. And they hope to make a report by the 16th of January?

Mr. TILSON. Yes; by January 16.

Mr. GARNER. And you anticipate some legislation as a result of that report?

Mr. TILSON. I do not know that any legislation will come out of it, but if the commission finds any necessity for legislation, they will probably recommend it.

The SPEAKER. Is there objection?

There was no objection.

The resolution was agreed to.

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

ORDER OF BUSINESS

Mr. TILSON. Mr. Speaker, while I have the floor I should like to announce that there are some very important bills to be considered next Monday. Next Monday will be the only unanimous-consent and suspension day before the holidays. There are some important bills, among them the radio extension bill and some public buildings bills.

Mr. LAGUARDIA. Will the hospital bill come up?

Mr. TILSON. I am not able to say definitely.

Mr. GARNER. Does the gentleman contemplate calling up anything where there has been no report of the committee?

Mr. TILSON. Not so far as I know.

Mr. GARNER. They have been reported.

Mr. TILSON. I understand that they have. In the case of the radio extension bill the commission expires by the end of the year; and then there are two public buildings bills.

Mr. COLTON. Will the gentleman yield?

Mr. TILSON. Yes.

Mr. COLTON. The Public Lands Committee is anxious to call up a bill authorizing a commission to study the public domain.

Mr. TILSON. I am making this announcement simply for the convenience of Members. As the gentleman knows, this is a matter entirely within the discretion of the Speaker, so that other bills may be added. I am now stating, for the convenience of Members, that these three important bills will come up.

Mr. HASTINGS. Mr. Speaker, I did not understand the inquiry of the gentleman from New York [Mr. LaGuardia]. I thought he inquired about the hospital bill. If he did not, I want to inquire whether the bill providing for hospitalization of veterans will be likely to be called up.

Mr. TILSON. I am not sure as to that, and therefore would rather not speak in regard to it. At any rate, the other three bills that I speak of will be called up.

The SPEAKER. The Chair will state that those bills have been reported.

ADDRESS OF HON. MARY T. NORTON, OF NEW JERSEY

Mr. JEFFERS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by publishing a speech by the Hon. MARY T. NORTON, Representative from New Jersey, before the National Housewives Alliance of Baltimore, in the Southern Hotel, Baltimore, Md., December 12, 1929.

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

There was no objection.

The speech is as follows:

THE TARIFF BILL

It is expected that debate will continue in the Senate on the famous—or, as it should be called, infamous—tariff bill.

The women of the country, alive to the danger to their homes should this bill pass, are organizing everywhere in order to bring about a strong public protest to the bill.

This, I understand, is the object of your meeting to-day. It is gratifying to know you are supporting us in our effort to "kill" the tariff bill. We shall do our part to awaken public opinion and protest, and we ask that you do yours and share our responsibility.

Since the tariff bill was steam-rolled through the House it is interesting to note the changes that have taken place throughout the country.

When Mr. Coolidge left the White House the country was reported to be in affluent circumstances. Since that time Wall Street has gone through one of the worst, if not the worst, panics in its history, with its accompanying business depression.

Our President, evidently sensing a great industrial upheaval, has called to Washington the leading big business men of the country to confer with him. All this in just a few months. What does it signify? Some of the people seem to think much of the trouble started with the tariff bill. To justify this opinion they point to the much-discussed prosperity in the recent campaign and ask, "If it was true then, why not now?"

The answer, as we see it, lies in the fact that big business, not satisfied with large profits, tried to force a tariff bill upon the country that would insure for them enormous profits and, in doing so, overreached; failing to take note of that greatest of all organizations in this country—public opinion.

Now, let us take a look at this tariff bill from the consumers' point of view.

It increases the tariff duties on practically all food products to the end that farmers may receive more for their crops. No other reason is given for this action.

If the farmers' hopes are realized, the consumer, of course, must pay more to live; including the farmer himself.

Many of the farm tariffs are idle gestures, being ineffective because they cover crops that are on a world-price basis; but, on a number of essential food products, such as butter, eggs, milk, meats, condiments, and numerous vegetables, the very high rates that have been adopted will be effective and will lay a heavy burden on the table. This burden will prove oppressive to industrial workers, many of whom are already below the level of a decent subsistence.

Proponents of the higher tariffs attempt to defend them with the contention that farmers are entitled to share in the benefits of tariff protection, and that higher prices for farm products are necessary to place agriculture on equality with industry, which enjoys rates that are fully effective and which result in higher prices for commodities which the farmer must pay.

Whatever may be the merit of this argument, it does not apply to many food products which are not and can not be produced in this

country and on which the question of protection does not arise, but which are subject to tariff taxation.

If Congress has any interest whatever in the consumer, it will remove these taxes and place the articles on the free list. That would, in some slight measure, offset the higher prices the consumer must pay as his contribution to farm relief. Such action would benefit farmers themselves, as consumers, while it would not injure them as producers.

Included among food articles that are now taxed, and which can not be grown in this country, are practically all the spice seeds—ansie, cardamon, cassia, cloves, cinnamon, coriander, gingerroot, mace, nutmegs, black pepper, and others—of which nearly 50,000,000 pounds are imported annually. With the skyward prices that accompany the laying of tariff taxes, the consumer is paying many millions of dollars yearly on these imports, merely as revenue.

There is no domestic production of vanilla beans, cocoa, and other food products, yet they are subject to tariff taxes. On the other hand, rubber and other products of tropical and semitropical countries, essential in manufacturing, are on the free list.

It would be just as reasonable to put tariff taxes on tea and coffee as on spices, cocoa, and similar products, if the raising of revenue is the only object.

If Congress feels that it should, in justice to agriculture, grant tariffs that will increase prices of products that are domestically produced; then it should, in justice to consumers, seek in other ways to lighten his load of higher living costs. It can, in some measure, compensate the consumer for more costly butter, eggs, milk, meat, and other necessities by removing the taxes on foods that our farmers can not produce, and on which he can not reasonably demand protection. That would make the outlook for the harassed consumer a little less gloomy.

We boast that our country is the richest and most prosperous in the world. Its tax sources have not been exhausted. It is not compelled to raise revenue from taxes laid on the table, and it should not do so at a time when the consumer is faced with increased costs of living that have been laid under the guise of farm relief.

Should the farm tariffs prove fully effective the result to the consumer will be the levying of taxes of \$293,000,000 on butter; \$332,800,000 on meats; and \$216,200,000 on eggs—to mention only three items.

It has been estimated by economists that if all the farm rates were fully effective, the total resulting tariff tax that would fall on consumers, would reach the staggering figure of \$3,822,600,000—or, about \$100 per family. It is not the fault of Congress that this poverty-breeding excise is not effective.

It is fortunate for the consumer that many of the agricultural tariffs will not be translated into higher prices; otherwise, he would be crushed under the burden.

However, many items of food will cost more after the enactment of the pending tariff bill. No intelligent person will deny that conclusion. In recognition of this fact, Congress should remove taxes, at least, in those cases where there is no question of protecting any domestic industry.

High protectionists have asserted that the tariff is solely responsible for the existing relatively high standards maintained by our working people, and workers have heard this claim time and again, until many have accepted it as gospel truth and have no inclination to inquire into its validity.

I believe there are more than 3,000,000 clerks, typists, and others, not employed in stores, who do not come under the protecting folds of high tariffs.

The 800,000 coal miners are not showered by this proposed dispensation of governmental privilege and bounty.

Other groups that are not and can not be "protected" are the professional classes, numbering 2,143,000; retailers, agents, etc., numbering 2,242,000; and 800,000 employed in the Federal service. To all these workers, and others, the promise of "protection" is bunk, pure and simple.

I am informed that there are 10,500,000 people laboring on farms, perhaps 40 per cent of them working for wages. Between 80 and 85 per cent of them are connected with the growth of staple products that get no real tariff benefit. They are beyond the reach of "protection," yet the farmers are told that such wages as they get, and such prosperity as they occasionally enjoy in special lines, are due solely to the tariff system.

The textile industry, having been given everything it asked for in tariff making, is notorious for the low wages it pays its workers.

The tariff does not distribute its benefits impartially. For every worker, who is directly benefited by high duties, there are five workers who are directly injured by them. This inequality and injustice is so obvious that no reasonable person will attempt to deny their existence.

According to the most reliable available statistics, there are approximately 28,000,000 wage earners in this country.

What percentage of these workers are in position to benefit in the way of increased wages for tariff, even theoretically? Probably not

more than 15 per cent; certainly not more than 25 per cent. It is high time that our working people—for they are the backbone of the Nation—had their eyes opened as to the true significance of the tariff and its effect upon their fortunes.

AGRICULTURAL APPROPRIATION BILL

Mr. DICKINSON. 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. 7491) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1931, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. TREADWAY in the chair.

The Clerk reported the title of the bill.

Mr. DICKINSON. Mr. Chairman, I yield five minutes to the gentleman from Oklahoma [Mr. McCLINTIC].

Mr. McCLINTIC of Oklahoma. Mr. Chairman, the morning papers print a notice stating that C. L. Stealey, former general manager of the Oklahoma Cotton Growers Association, has told an investigating subcommittee that Carl Williams, cotton representative on the Federal Farm Board, was to blame for the board's failure to stabilize cotton and wheat prices. Mr. Williams has not requested me to make any statement in this connection and is disposed to ignore the same.

I have resided in what is now Oklahoma for the past 27 years and in a sense am fairly well acquainted with many events that have taken place during this period. I remember very distinctly that Mr. Stealey is not what we would term an expert when it comes to an actual knowledge of the problems that go hand in hand with the growing and producing of cotton and wheat, but on the other hand, his claim to fame, if he has any, comes from his experience in organizing and managing cooperative societies. It is true that he was general manager of the Cotton Growers Association and upon making an investigation of this subject, I find that it was Carl Williams, the person whom he is now attacking, who was responsible for his being appointed to his first position there as organizing secretary of the Cotton Growers Association in 1920, and later the same Carl Williams was successful in getting him appointed as manager; then, for some reason, the officials of this organization and the cotton growers decided that he was not qualified to perform this service and this brought about his removal.

I do not know the nature of Mr. Stealey's attack other than that which was printed in the paper; however, it will be interesting to this body to know that the following telegrams were received this morning:

Notwithstanding Stealey's attack, the Oklahoma State Board of Agriculture continues to have the utmost confidence in Carl Williams.

H. B. CORDELL,

President State Board of Agriculture.

Have just read charges preferred against Carl Williams by C. L. Stealey. Neither myself nor any member of this organization believe it to be true. Oklahoma City and the State of Oklahoma are for Carl Williams.

ED OVERHOLSER,

President Chamber of Commerce, Oklahoma City.

The State of Oklahoma is very proud of the President's recognition of Carl Williams on the Federal Farm Board. His selection met with the approbation of both Democrats and Republicans alike. Every member of the delegation believes in his ability and his integrity, and it does not come with good grace for a person who was a candidate for the same position that Mr. Williams now holds and who was given both of his former positions through the activity of Mr. Williams, to come to Washington and express an opinion entirely different from that which exists in Oklahoma. Mr. Stealey covers a lot of territory when he gives one man credit for regulating the price of cotton and wheat throughout the Nation, and such a statement is so foolish as to be not worth the notice of anyone who is conversant with the many angles that go hand in hand with the production of these two great crops. [Applause.]

Mr. DICKINSON. Mr. Chairman, I yield 20 minutes to the gentleman from Washington, Mr. SUMMERS.

Mr. SUMMERS of Washington. Mr. Chairman, the bill under consideration carries several prosaic items for Alaska. The picture I treasure of that great northland is of placid waters of the deepest blue, channels, lakes, and mighty rivers, emerald islands, unique little cities and hamlets nestled between sea and mountain, totem poles, waterfalls and enchanting parks, innumerable glaciers and North America's highest mountain—this is Alaska.

Timber enough to house a nation, the world's greatest fisheries, wild life and fur farms, shrubbery and flowers in astounding profusion, succulent vegetables and luscious berries, grains and grasses, gold mines, sawmills, and dairy farms—this is Alaska.

Two thousand miles of coastal summer climate as inviting as that of New England and winters milder than Tennessee, the fascinating midnight sun and the northern lights, luxuriant vegetation growing over the great interior rolling plains with centuries of frozen earth and ice a few feet beneath—this is Alaska.

The world's "Farthest North College"—dog teams, automobiles, a picturesque railroad, and a network of airways—a queer blending of frontier and modern that grips the traveler and calls him back again, and cultured enthusiastic men and women in love with their country, greeting the visitor with unsurpassed hospitality—this is Alaska, land of mysteries, as I found it.

AN EMPIRE OF GIGANTIC BEAUTY

It is a surprising empire of gigantic beauty with a background of colorful romance and delightful adventure. And what a surprise it is! Instead of the cold and forbidding land of snow and ice, we find flowers in great profusion and berries and vegetables and grain fields and forests, with innumerable glaciers intermingled, and snow caps to the rear.

Three rather distinct branches of native stock inhabit this northland. Alaska Indians are found along the southeast coast to the mouth of the Yukon and in the interior along the rivers.

The Aleuts inhabit the chain of islands extending far to the west. The Eskimo is found along the Bering Sea and on the Arctic slope.

Mr. Chairman and gentlemen, there is so much misunderstanding with regard to that great land of mystery that I have decided to give you some of the impressions I gained and some of the information we gleaned when this committee visited Alaska last summer. I do not speak as an expert. The Alaskans would very promptly deny that I am an expert, but there is so much of mystery and surprise about that land that I am going to give you a brief travelogue on Alaska as I saw it—though I must freely borrow descriptions from more gifted tongues.

World travelers tell me they have seldom or never seen more delightful scenery than they find in that inspiring land.

RESOURCES AND MAGNITUDE

Her waters furnish the largest salmon catches in the world. Her gold and copper mines are among the largest and richest in existence. She breeds an unlimited number of fur-bearing animals. Her abundance of big game beckons the hunter from the far corners of the earth. Alaska is a great breeding ground for ducks, geese, and other migratory birds which spend a part of the year in the United States. The timber in her national forests is estimated at 85,000,000,000 board feet.

The visitor sees Mount McKinley, the highest mountain on the North American Continent, the peak of which, among all mountains throughout the world, rises to the highest point from its immediate base. He sees multitudes of flowers, some of them the largest he has ever seen; strawberries, large and luscious; grain fields and vegetable gardens; big game; great gold and copper mining operations; and he learns that Alaska has produced a wealth of over \$600,000,000 in minerals alone—that it has produced a total wealth of near \$2,000,000,000 since we purchased it for a pittance in 1867.

It is difficult for us to realize the magnitude of this northern empire. I have had the map of Alaska superimposed upon the map of the United States, and both drawn to the same scale. You observe that southeast Alaska on this map touches Savannah, Ga. It extends up through Georgia, Tennessee, Kentucky, Indiana, and on to Duluth, Minn., and then swings down to the Southwest and rests on the California-Mexico line.

More than 3,500 miles from the extreme southeast corner of the Territory to the most westerly island. It is three times the size of France. It is about one-fifth the area of the United States. It is equal in extent to Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, Ohio, Indiana, Missouri, Iowa, Michigan, Wisconsin, and Minnesota. It is two-thirds the size of all of the United States east of the Mississippi. We paid Russia but \$7,200,000 for this vast empire.

SURPRISING CLIMATE

Some one asks, "What of the climate?" Naturally, the climate varies greatly. In southeastern Alaska you have throughout the year a very mild climate. At Juneau, the capital of the Territory, in 35 years they have had only 56 days of zero weather. The winter climate of the Pacific coast of Alaska for a thousand miles and more is quite as mild as the city of Wash-

ington. The summer climate there is perfectly delightful, corresponding closely to that of the coast of Maine.

If you travel to the interior, as far as Fairbanks, only a hundred miles from the Arctic Circle, the winters are cold and dry, but not unlike conditions in some of our Northern States—but in the interior you also find a pleasant summer climate. The midsummer days are long. You are in the "Land of the Midnight Sun." When we were there early in August dusk came at 10 o'clock and daylight at 2 o'clock in the morning—so I was told.

THE CRUISE

A never-to-be-forgotten 2-day cruise from Seattle, through sheltered waters, brings you to Alaska.

The beauty of this cruise can not be appreciated by those who have not availed themselves of that pleasure. The mainland has its inlets and promontories and lights and dense forests backed by snow-covered mountain peaks and ranges. From the Pacific you are sheltered by innumerable islands, large and small, densely covered with their evergreen forests—unless from the center of the island rises a snow-capped mountain.

Fishing villages, mining and lumber camps, and thriving cities dot the shore. The channel alternately widens into an inland sea and then narrows to a river only wide enough for your boat. You sight myriads of small fishing craft along the way. The constantly shifting panorama grips you from Seattle to Ketchikan. You are surprised that only 500 miles from Georgian Straits and the State of Washington brings you into Alaskan waters.

KETCHIKAN AND HER INDUSTRIES

Ketchikan, in the southernmost part of Alaska, is a bustling little city of about 6,000 people. They come from every State in the Union—there are some Indians and a few orientals. The port is open 365 days in the year and 2,000 boats clear annually.

The fishing industry is here at its best. Salmon are taken in near-by waters, canned, and shipped to all nations. Halibut is a deep-sea fish found near the coast, but often the little fishing boats make their catch a thousand or fifteen hundred miles from shore. Sablefish, cod, flounders, and other varieties abound in these waters. The brailling of a fish trap, where 40 or more tons of salmon are loaded in a scow in an hour's time, is an interesting spectacle. A visit to one of the many canneries, where tons of salmon fresh from the pure, sparkling waters are dressed and canned every hour wholly by machinery without human touch, and a visit to the cold-storage plants, where millions of pounds of frozen fish are handled like cord wood, completes an interesting afternoon. Gold, copper, silver, and iron underlay the mountains.

We are now in the heart of the great Tongass National Forest of 15,000,000 acres, where western hemlock, Sitka spruce, and western red and Alaska cedar are converted into building and box materials in electrically driven saw mills.

Pulp mills are being established at Ketchikan and Juneau to utilize the unlimited supply of rapidly growing pulp woods. Timber, water power, and tidewater offer every inducement for its manufacture. Since the United States is a heavy importer of pulp and print paper this industry should be encouraged. Cuttings will be regulated so that this new industry may produce 2,000,000 tons of paper annually for all time.

Alaska is known as a hunter's paradise, but the more practical occupation of fur farming is also a growing industry that augurs well for the future. Fox and mink farms are found profusely over the islands and mainland, while seal abound on the Pribilof Islands. The fur industry, which now produces a four and a half million dollar output, by cultivation will return annually more than the original cost of the entire territory.

SIGHTSEEING—BEAUTIFUL SITKA

In no land has sightseeing been made more convenient for the traveler. Your tourist boat carries you from Ketchikan to Wrangell with its totems and plank streets and flowers, then to picturesque Petersburg with all of these, and its crab and shrimp canneries.

Now, let us visit Sitka with its charming harbor filled with myriads of small islands, its stately mountains, its extinct volcano, its unique Indian River Park—with its lovers' lane adorned with totem poles—its Sheldon Jackson School and Museum, its interesting old Russian cathedral dating to 1848, and its blockhouse telling of early struggles. Sitka was the thriving maritime center of the west coast of America before there was a Seattle or San Francisco.

It was the seat of Russian government in Alaska and is yet permeated with interesting history of love, intrigue, and combat of those early days. A visit to the agricultural experiment station will reveal grains and grasses and especially berries, vegetables, and flowers growing in such magnificence and profusion as to utterly bewilder those who come looking only for glaciers

and polar bears. Protecting the gardens from deer, however, is a real problem. Sitka alone justifies the tourist's trip to Alaska.

From village to village your good boat cruises through winding channels with island coast lines of never ending change and beauty.

THE CAPITAL

Juneau, the picturesque capital city, greets the visitor with unfeigned hospitality and proudly points to her schools, churches, lodges, museum, baseball park, golf course on a sand bar, her comfortable governor's residence, her new capitol about to be built, her canneries, mines, mills, good roads, and dairies. A gold quartz reduction mill interests every visitor. Her docks are commodious and bespeak much commerce. Airplanes are always in evidence. This charming little city, as all other coastal towns, nestles between tranquil seas and high mountains—sea, timber, mountains—this trio in intriguing combinations always.

Perhaps the visitor may next visit Skagway and take the old gold seekers' trail into Canadian territory by way of White Horse and Dawson to the Klondike and then down the Yukon again into Alaska. Others may stay with their craft and visit Cordova and Valdez. Our boat proceeded from Juneau to Cordova with its beautiful hinterland, then to Seward.

SEWARD AND BIG GAME

Seward, on Resurrection Bay, is the gateway to interior Alaska. It is the ocean terminus of the Alaska Government Railroad and the turning point for several steamship lines that run regularly from Seattle. The Jessie Lee School and Orphanage is located there. Big game hunters outfit at Seward when starting in quest of mountain sheep and goats, grizzly bear, and moose. Some may proceed by boat to Kodiak Island to the southwest and bag a Kodiak bear whose weight is about 1 ton and whose fighting ability is commensurate with his enormous size.

A million reindeer now graze on the summer grasses and by winter on the moss-covered lands of the great interior back of Nome. Caribou range in herds of thousands or tens of thousands and "run" over wide limits of the interior.

ALASKAN RAILROAD AND INTERIOR

Proceeding by the Alaska Railroad we travel 470 miles inland.

Interior Alaska is, in itself, an empire, totally different in almost every way from the southern coast of the Territory. And the very heart of that domain—the golden heart—is Fairbanks!

The interior contains the magnificent mountains and the highest peak in America—Mount McKinley—glaciers, valleys, waterfalls, mountain streams, lakes, the mighty Yukon River, the great open spaces, gold fields, wild life, and all that makes a marvelous and inspiring trip.

Here in the "Land of the Midnight Sun," where night is but a name and the sun shines for about 22 hours, the "Cheechako" (tenderfoot or newcomer) must consult his watch to ascertain the time to retire. In midsummer at this latitude the sun does not "set." For about two hours it dips beneath the horizon of surrounding hills, still shedding light, brilliant enough to permit the taking of "snapshots" at midnight. Thus the tourist has in store another thrill and an experience the memory of which will linger throughout his or her life.

One of the most interesting and unusual sights for tourists is a midnight baseball game.

MATANUSKA VALLEY

Along this railroad and perhaps 50 miles from tidewater is the Matanuska Valley where an agricultural experiment station for several years has demonstrated that oats, barley, wheat, potatoes, strawberries, and vegetables may be grown quite as well as in many of the Atlantic States. However, dairying is their specialty. Wild grasses grow luxuriantly. Red top, which grows in our Mississippi Valley States to a height of 2 and 3 feet, grows wild in Alaska to double that height.

This interior rolling and hill country is largely covered with brush or with white birch, cottonwood, and maple, usually not more than 18 inches or 2 feet in diameter, whereas the coastal timber sometimes exceeds 6 feet.

THE GOLDEN HEART OF ALASKA

If you would visit the frontier town of America, then go to Fairbanks.

Though here and there is a modern cottage or bungalow, the quaint log cabin still predominates in the residential district, its primitive charm enhanced by well-kept lawns, native shrubbery, marvelous flower gardens, and shade trees transplanted from the near-by virgin forest.

These pioneer dwellings, though of rustic exterior, provide cozy and comfortable homes. They are usually heated by furnaces, equipped with modern plumbing, electricity, hardwood floors, and invariably con-

tain pianos, phonographs, and radio sets. Log garages, housing high-priced automobiles, create a pleasing blend of the primitive and ultra-modern.

Near Fairbanks is the Alaska Agricultural College and School of Mines, the farthest north college in the world, 2,000 miles from its nearest neighbor and only 100 miles from the Arctic Circle. This college is a going concern, established seven years ago, and now has an efficient faculty of 18 members and a student body of near 200.

The college offers regular 4-year courses in agriculture, business administration, chemistry, civil engineering, education general science, geology and mining, home economics, metallurgy, and mining engineering.

The Fairbanks Experiment Station adjoins the college grounds. Here Galloway cattle thrive, but must be well housed in midwinter. An interesting experiment is the successful crossing of the Galloway and Yak, which produces an animal that is very hardy and better withstands the severe winters.

Alaska is not going to compete with the great agricultural sections of the United States, but—

The following vegetables, berries, and grains grow here to perfection: Cabbage, carrots, turnips, rutabagas, beets, parsnips, onions, lettuce, radishes, Brussels sprouts, celery, parsley, thyme, sage, oyster plant, kohlrabi, potatoes, rhubarb, strawberries, currants, raspberries and other small fruits, rye, wheat, barley, and oats.

But the marvelous revelation in this land of mystery is that only 4 to 8 feet beneath these growing crops the earth is solidly frozen and has been frozen for countless ages.

Placer gold mining has flourished in the Fairbanks "creeks" since 1903. Dredges costing from four to six hundred thousand dollars are now reworking the entire territory that once yielded fortunes to individual prospectors. On the advice of their engineers that a hundred million or more of gold yet lies in this worked-out field, embedded in the gravel next the bedrock, one concern has spent nearly \$15,000,000 constructing an 80-mile water main, erecting modern electric plant, power lines, roads, building dredges, and providing housing facilities for a modern mining camp.

The mammoth dredge, floating in its own little pool of water, noses down to bedrock 70 feet below the surface and brings out 10,000 yards of gravel daily, from which particles of gold, large or small, are taken. But preceding the dredge iron pipes are driven into the ground at 20-foot intervals. To these high-pressure hose are attached, forcing the water out at the bottom and thus thawing the perpetual underlay of ice and frozen earth. Following the cold-water thawing process, a giant nozzle plays a powerful stream of water on the tundra and newly thawed muck and sluices it clean to the underlying gravel. An interesting modern process that makes profitable the reworking of gravel beds that have already yielded \$110,000,000 of gold—about fifteen times the cost of the entire Alaskan empire.

ROADS, BUSES, AND AIRPLANES

Public roads, while limited to a few miles adjacent to the towns in coastal Alaska, are nevertheless fairly extensive in the interior. A few connecting links will give many miles of good automobile roads in the Matanuska Valley and connect with coast towns. Fairbanks has a fairly extensive network of good roads that converge and connect with the world-famous scenic Richardson Highway, over which busses now operate to Valdez, on the coast, 300 miles south.

The dream of Alaskans and many citizens of the States is an international highway connecting the golden heart of Alaska with Seattle via the Klondike region and scenic British Columbia. Of this 2,000-mile project only 700 miles, lying mostly in Canada, remain to be built.

Airplanes operate out of Fairbanks on 26 lines to landing fields in every important section. Because of great distances perhaps in no place in America is the airplane more at home than in Alaska.

SEE ALASKA FIRST

If you think of going to Scotland, Norway, and Switzerland to see beautiful islands, beautiful coast lines, and to see great glaciers and mountains, then I suggest you first visit Alaska. There are single glaciers in Alaska containing more ice than all of the glaciers in Switzerland combined. There are many unnamed glaciers in Alaska larger than any found in Switzerland. Switzerland is a beautiful country, but I want you to get acquainted with your own Alaska. Its islands, coasts, mountains, rivers, forests, fish, game, gold, and especially the hospitality of its people fascinate beyond description.

In closing may I borrow the poetic words of the late President Harding:

I wish I had language to convey the lure and fascination which grow on one during every hour of a constantly wondering visit. Nature must

have been in a lavish mood, not alone to create incalculable resources but to adorn them with mountain and lake, and the streams and waterfalls which connect them, until one may fancy the festival of creation, celebrating the mysterious miracle, with God Himself making merry in tossing ribbons of falling waters, 500 to 2,000 feet long, like confetti at the carnival.

This is Alaska, the land of mystery.

Mr. BUCHANAN. Mr. Chairman, I yield 30 minutes to the gentleman from Alabama [Mr. HUDDLESTON].

Mr. HUDDLESTON. Mr. Chairman, at yesterday's session I came in in the midst of the speech of the gentleman from Maine [Mr. BEEDY] on the subject of Haiti. I sat here and listened to him, and a few minutes later I heard the speech of the gentleman from Michigan [Mr. HOOPER] on the same subject.

They were good speeches from their point of view. I was greatly moved to reply at the time because I felt that what they had to say was not a fair presentation of the Haitian problem. I felt that something should be said that would tend to restore the equilibrium of information upon that subject. I was not able to get time to speak then, but I have now obtained a few minutes which I shall devote to that subject.

When I entered the Chamber yesterday afternoon the gentleman from Maine [Mr. BEEDY] was in the midst of relating the incident in which \$500,000 in gold was removed by the American marines from the Bank of Haiti. He very carefully refrained from telling you at whose instance it was removed, and also from relating where it was carried. I notice in his remarks as published in the RECORD this morning, which, of course, need no correction, he tells us it was carried to the city of New York for safe-keeping.

Of course, this is a slight incident, but it is illustrative of the spirit in which we have dealt with Haiti; that is the only reason I now refer to it. The facts with reference to that transaction are that there was a dispute over the ownership of that money.

The bank officials claimed that it had been earmarked for certain public purposes.

The Haitian Government claimed that it belonged to the Government, that it was the proceeds of taxes which the bank had collected. Bear in mind that American financiers at that time owned a large part of the bank. The National City Bank in New York owned a very important interest in the bank, and had their representative there in charge, and that representative, being afraid that the Haitian Government would assert its claim to this money through the courts or otherwise, called for help from the American Government. No doubt the National City Bank supported his call. There was absolute peace between ourselves and Haiti, we had not the slightest complaint nor ground for complaint, when we made no complaint against them. In such a time we find that the American interests which were back of the bank were sufficiently powerful to cause an American war vessel, the *Machias*, to be sent to Haiti. Marines were landed on the soil of that country, with which we were in the state of profound peace, were marched to the bank of that country where the money claimed by that country was kept, and took possession of the \$500,000 in gold—took it by force, and put it on this war vessel. They conveyed it to New York, as Mr. BEEDY says, but as he did not tell you I will tell you, they put it in the National City Bank of New York. That was a year before we intervened, and no one else had intervened at that time. So much for whatever the incident may be worth.

The fact was that at that very time Sam, the revolutionist, was making his way toward the Haitian capital, Port au Prince. Theodore was President of Haiti. Because he could not get the money that, according to his claim, belonged to the Government, he could not buy the coal with which to coal his vessels, and so he was unable to make an attack at the proper time upon the forces of this revolutionist band.

As the result the Theodore government fell, unable to defend itself against Sam; and thereby Sam, the bloody assassin, who after a year's time was himself torn to pieces by the Haitian people, ascended to the Presidency.

You may figure it out for yourselves, the contribution which we made to the downfall of the government, a lawful government in Haiti, and the success of the revolutionary movement of this subsequent President, Sam.

I heard the speech of the gentleman from Michigan [Mr. HOOPER]. He began just after the Delegate from the Philippines had made an eloquent plea in behalf of his country and its independence. Mr. HOOPER felicitated Congress and the people of the country upon the fact that here with us, a colonial power, it was possible for a colony, an American dependency, to have a representative on this floor who could plead before us for his country's independence. He thought it was a wonderful thing. May I say that I, too, think it is wonderful. I

listened with a most responsive heart to the fine appeal that was made for the Philippines.

But as Mr. HOOPER spoke his felicitations the thought occurred to me that there is one American dependency populated by some two and a half million souls, much nearer to us than the Philippines, that is not permitted to have a representative here. One dependency that is not permitted to have anybody speak for them or plead for their independence. Mr. HOOPER then proceeded to try to defend our actions in that dependency, Haiti, which not only has no representative here to speak for its people and for their independence, but which for more than 10 long years has had no legislative body in their own capital before which they might appear, and no forum in all the world in which they might present their cause.

And as he spoke I contrasted the difference in the situations between the two dependencies—the Philippines, which we had rescued from the hand of a century-long oppressor; the Philippines, for which we fought alongside of her own sons for her liberation. I contrasted that with the situation as to Haiti. And I thought surely there is more excuse for our failure to evacuate the Philippines than there is for our stay in Haiti, which we seized without a struggle and without the loss of a man. We went into a friendly country, an independent country, and ruthlessly seized possession of its Government and are conducting it down to this time—a country where we have never had the slightest legal or moral excuse for our presence. And the Haitians are so meek and poor and friendless that there is none to raise his voice for them! They are not permitted to speak for themselves, not only here but even in their own country. They are throttled, and their voices are silent.

I hold in my hand a clipping from the Times of Port au Prince, which carries the proclamation of martial law in Haiti. It was issued in both English and French, the language of the country, only a few days ago. It was published in the Times of Port au Prince, and I shall place it as a part of my remarks in the RECORD. I want to read to you a few clauses from it. I read:

The United States forces in Haiti are engaged in aiding and supporting the constitutional Government of Haiti.

Oh, for sincerity; oh, for candor! A constitutional government! A puppet government, filled by a tool of the American chief commissioner, who dares do nothing except what his master tells him to do. A constitutional government! There has not been a legislative assembly in Haiti in over 10 years. There has not been an election by the people of Haiti in over 10 years.

This "constitutional President," so-called, was elected by a committee of 21 worthless scoundrels, whom he, himself, had appointed to the council to do the dirty work that they did. The constitution adopted in 1918 was forced upon the people of Haiti by the American military control. They had a legislative body in session. Our military authorities tried to force this constitution on that body. They refused to accept it. They were dispersed and disbanded by military force and driven out of the legislative halls. And then the American representatives went through the farce of submitting the constitution, which they had themselves drawn up, for adoption by a popular vote of the people of Haiti. They submitted it in an unconstitutional manner. There was no provision in the Haitian constitution which was in force for the submission of a constitution to a popular vote in the absence of the approval of their legislative body.

The situation was exactly the same as if a military force should come into my State and write up a constitution and hold an election without authority of my State and submit it to the people and ask them to adopt it. It was adopted at an election, with a marine at every polling box watching every vote that was cast. Did they vote by secret ballot? No; they voted by colored balls. If you were for the new constitution, you would vote one color; if you were against it, you would vote a ball of another color. And the word was sent out in the meantime that if a man did not vote at the election they would consider him unfriendly to the American occupation and unfriendly to the Government of Haiti. The people voted in fear with these colored balls.

The hypocritical reason given for using the system of colored balls was that the people were illiterate, that they did not know how to vote by ballot. The reason for not allowing them to elect legislative representatives, as provided by their constitution, was that the people were incompetent to vote. They were considered competent to vote to cede away their liberties, but they were not competent to elect members of the legislature.

I read further:

The United States forces in Haiti are engaged in aiding and supporting the constitutional Government of Haiti and are your friends.

By their efforts and those of the garde of Haiti, peace and tranquillity has been established throughout your land for many years, permitting you to conduct your business and earn an honest living.

Peace and tranquillity! The peace of arm and tranquillity of fear and the quiet of death. I read further:

Certain agitators are now endeavoring to foment trouble. It therefore becomes necessary to again place in vigor the power and authority of martial law, which has during the past few years been inoperative.

You are also informed that articles or speeches of an incendiary nature or those that reflect adversely upon the United States forces in Haiti or tend to stir up agitation against the United States officials who are aiding and supporting the constitutional Government of Haiti are prohibited, and offenses against this order will be brought to trial before a military tribunal.

Notice the language—

You are also informed that articles or speeches of an incendiary nature—

are prohibited; not only that, but tending "to stir up agitation," such as, possibly, the reading of the Declaration of Independence or the Constitution of the United States—

which tend to stir up agitation against the United States officials who are aiding and supporting the constitutional Government of Haiti.

And so it is not only unlawful to criticize the American Government and the military forces but you dare not criticize any particular officer who has had to do with the administration of these things.

All are prohibited, and—

offenses against this order will be brought to trial before a military tribunal.

From the promulgation of this proclamation, all inhabitants of the cities of Port au Prince and Cape Haitien will remain in their houses from 9 o'clock p. m. until daylight.

Think of it!

Appended to this proclamation is a statement made by the publisher of the Times, Charles Moravia, who is well known in diplomatic circles in Washington. He was formerly the minister of the Haitian Government in Washington. He is well known as a man of splendid qualifications and high patriotism. He is distinguished as a poet in his own language. Moravia's statement is in French and I am unable to give a literal translation of it. In substance it states that publication of his newspaper is suspended from date. He is in fear of his life from the American forces.

That is liberty; that is freedom; that is ordered government in Haiti—ordered as we order it!

The proclamation is not issued in the name of the Haitian Government. That was a useless subterfuge. It is issued in the name of the American military authorities. It is not even issued in the name of the gendarmerie. It is issued in the name of Col. R. M. Cutts, the commanding officer of the brigade of United States Marines constituting the United States forces in Haiti.

I heard the speeches of the gentleman from Maine [Mr. BEEBY] and the gentleman from Michigan [Mr. HOOPER]. They were able speeches. As these gentlemen spoke, I noted the arguments they used and the character of the statements which they made from time to time, and I almost thought I was listening to the defense of the notorious Warren Hastings and heard them as his defenders in his impeachment.

What Hastings said and what was said in his behalf was said here by them; the same prattle about humanitarianism and about the welfare of an inferior people.

They tell you they have better roads in Haiti than before we went there. They did not tell you that those roads were built by the military authorities in order the better to subject the country to their control. They did not tell you they were built by forced labor. They simply went out and herded those poor people together and put them to work and made them build those roads.

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

Mr. SANDLIN. I yield to the gentleman 10 minutes more.

Mr. HUDDLESTON. Our position in Haiti has been exactly what the position of Great Britain has been in all her conquests and exploitation in India. It has been her position in all countries where she has exercised her imperialistic power and methods. Whatever may be said in defense of Great Britain may be said in our behalf. Whatever may be said in defense of Japan in Korea may be said for us in Haiti. Nothing more can be said in our behalf than could be said in behalf of any imperialistic power which has seized the territory and government of a weaker people, ruthlessly seized it, without moral or legal excuse.

Oh, I know they clothe themselves in specious arguments and pretenses—

We go merely for humanitarian purposes; we ask merely to cure the sick and make whole those who are lame and halt.

Then they point to their achievements. They say:

These people, when we came, were poor and ignorant, and had none of the blessings of civilization. We have conferred those blessings on them. They now have trade and commerce.

They now have this and that in the way of assets when formerly they only had something not so good.

And so on down all the rotten list of excuses and pretenses. You know, I have more respect for a bandit than I have for a sneak thief. I think it would be more creditable to any government to say, "Yes; we went upon conquest because it is to our interest; yes; we went for purely selfish purposes," than to sneak around apologizing with this wretched hypocrisy and these miserable pretenses.

One way by which we can tell what we went into Haiti for is by the results. Let us look at some results and ignore the pretense of material betterment for the Haitian people. What benefits have we derived? What have we accomplished in the way of governmental policy and in the interest of American business?

I will tell you some of the things. We forced into their constitution, against the will of the Haitian people, a provision which enables foreigners to acquire land in Haiti. The land question comes up here. There is no people in all the world so devoted to their little land holdings than are those who live in Haiti. Some of the farms are not larger than this Chamber, and yet the half-naked owner of that farm would die before he would give it up. There is no people in the whole world so loyal to the soil as the Haitians. Some of it is good soil. Bear you this in mind: Half the land in Haiti formerly belonged to the Haitian Government by succession from the French. The people settled on it and have lived on it; they have had their little farms carved out of this public domain for generation after generation beyond the memory of man; and now Borno has appointed a court which has the power, and which under his direction has decided, that squatters' rights are invalid in Haiti and that prescription does not operate against the Government. So these people must lose their land, although their grandfathers and their great-grandfathers before them lived upon it and tilled it.

They are expropriating these lands and taking them away from these ignorant people. I am told upon good authority that a former Member of this House is the head of an American organization which has for its purpose the acquisition of these government lands in Haiti for the purpose of exploiting them and the Haitian laborer in the production of sugar and other profit-making crops. I am also told that this former Representative has associated with him some men who are high in politics in Washington. I would be glad to see this committee that is to be appointed go into that matter and see what the land question is.

Another thing we have accomplished: The Haitian public debt is now in the control of New York financiers. They own it all. They bought it up at a great discount. The bonds were worth little or nothing when we went there. The financiers acquired them for little or nothing and by the administration of the island by American forces they have brought those bonds up until they are selling, according to my information, at about 95.

Some gentleman yesterday commented with great unctiousness upon the fact that the Haitian debt had been cut in half during the American administration. There is no reason why it should not have been paid in full, and it would have been paid in full had the American Government not forced the Haitian authorities to accept a loan of \$40,000,000 from the National City Bank and other New York financiers. That entire debt is owned by Americans. But so far as the debt reduction is concerned, the change in value of the franc itself cut the debt in half. If the Haitians had had the benefit of the falling value of the franc the debt of its own weight would have been reduced to less than half. We did not hear anything about that from these other gentlemen. We have shifted the Haitian debt from local and foreign holdings into the hands of American financiers. We are busily engaged in shifting the ownership of the best land in Haiti from the ownership of the natives and people of Haiti into the hands of American exploiters.

The real trouble in Haiti is dissatisfaction with American control. That is what is the matter with Haiti, and it is not a problem of a day or a month or a year; it will last through the ages. It is a problem which never will be solved, never until it is solved honestly and fairly.

The Haitians want to govern themselves. They are dissatisfied with the puppet, Borno. They want a President of their

own and not a President who represents the American Government. They want an opportunity to choose their own President.

The real trouble of the situation which has recently arisen is that Borno announced himself—and the election occurs next month—some time ago as a candidate. His purpose was to have the council commission—which he appointed himself and which is his subservient tool—name him for a third term. Dissatisfaction over this arose so high in the island that the American Government took note of it and told him not to run again. Then when he said he would not be a candidate they graciously felicitated him.

Now, what is going to happen? Somebody of the selection of the American Government will be the next President of Haiti. That does not solve the question at all.

The President's intervention into this situation in the form which it takes comes at a most inopportune time. It simply muddies the situation and puts off the solution until some day in the future when it may be too late. If the people of Haiti are not allowed to elect a President next month, under their constitution there can be no election for two years thereafter and that means two years more of government by an American puppet.

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

Mr. BUCHANAN. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. HUDDLESTON. If the President wants to do something to solve this situation, if he wants to do something in the interest of humanity, I will tell him what to do. Remove that military satrap, General Russell, who is there in charge of Haiti. Call him out of Haiti. No Haitian wants him there. Remove him and appoint an enlightened civilian, such as, we will say, Towner, the gentleman who was lately Governor of Porto Rico, a former eminent Member of this House, a fine gentleman, imbued with the principles of democracy. Appoint somebody who understands American principles and loves liberty for himself.

Then announce to the people of Haiti, "You are to be permitted to select your own President. We will supervise the election merely in the interest of peace and order, but we assure you in advance that we will make no attempt to influence choice; you are free to make your own choice; elect your own President."

If President Hoover would make that announcement to the Haitians to-day, at once all disorder and agitation would be quieted, at once all threats of strife and violence would pass away, and the people of Haiti would rise like one man and acclaim Mr. Hoover as their savior.

We hold these truths to be self-evident. Men are created equal. They are clothed with certain inalienable rights, among which are life, liberty, and the pursuit of happiness. Governments derive their just powers from the consent of the governed.

I quote to you from a very respectable document, alas, now almost forgotten and lying away in the dust and ashes. It is the American Bible—our confession of political faith. If you are an American, you believe in it. If you do not believe in it, you are not an American. You may live in this country, but you have no business here.

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

Mr. BUCHANAN. Mr. Chairman, I yield one more minute to the gentleman.

Mr. HUDDLESTON. If you believe in it, you believe in it not only for yourself but you believe in it for others; if you believe in it for others, you believe in it for the people of Haiti; if you believe in it for them, you will do something toward securing its principles for them.

No man loves liberty for himself that does not love it as much for others. If ever the time comes when the American people are so servile and undemocratic in their ideals that they are willing to abandon the basic principles of the declaration, and by the strong arm deprive other peoples of their civil rights, then we may be sure that we can not long hold on to our own rights.

It is an amazing American who can excuse our conduct in Haiti. It is an amazing American who can balance off material advantage against human liberty. I leave you to your choice. [Applause.]

Mr. DICKINSON. Mr. Chairman, I yield 20 minutes to the gentleman from Montana [Mr. LEAVITT].

Mr. LEAVITT. Mr. Chairman and members of the committee, I have not in mind any discussion of the question of Haiti nor any effort to reply to the address that has just been delivered. I want to talk to you about wolves and coyotes and prairie dogs and gophers and things of that kind. The gentleman from Alabama who has just addressed you might oppose appropriations for the control of these predatory animals on

the ground that they have as much right to live and use the range of the western country as the cattle and the sheep that live upon them, and from which the people gain a large part of their prosperity, but that is beside the mark. [Applause.]

Mr. Chairman, I have here as an exhibit the skin of a wolf to which to-day is an anniversary. A year ago to-morrow M. E. Musgrave, who is in charge of the extermination of predatory animals in the State of Arizona, received a telegram from one of the principal cattlemen of the southeastern part of that State saying that a trapper, Al Fields, had succeeded in catching what he called the old wolf. Since that was a year ago to-morrow, it means in all likelihood that on the day before, this trapper, Al Fields, had found this famous old wolf in the trap which had been set and baited for him since early in September of that year.

So much of an event was this in the southeastern part of Arizona that the cattleman brought this trapper as a matter of celebration into Phoenix, Ariz., to make the report of what had been accomplished and to express to the head of that organization the appreciation of the cowmen of Arizona and New Mexico that this had been accomplished. And why? It is well explained in the letter which came to me about this wolf a number of months ago.

I hope before I read that letter that you will pardon me if I inject just a little of the personal at this point, because this wolfskin came to me as a gift for old-times' sake from a man with whom I as a ranger in the eastern Oregon country, the cow country, and he as a ranger in an adjoining district, rode many days and many miles together, sometimes in pursuit of predatory animals, in the carrying on of the work of the Forest Service. He wrote me this:

You remember when I last saw you in Washington I promised you a Mexican wolfskin. In December we caught what I believe is the largest Mexican wolf that I have ever seen, and a very notorious old boy, one that had lived for the past seven or eight years in a corner of New Mexico, old Mexico, and Arizona. Occasionally this old fellow came across into Arizona—about once in every three or four months. In September I visited his range with our hunter, Al Fields, of that district. After going over the passes that the wolf went through on his periodical visits to Arizona I issued instructions to the hunter to put his traps down in each one of these passes and leave them there until he got the wolf, regardless of how long it took, for this wolf had cost the livestock men of that district a loss of at least \$25,000 during his lifetime. The hunter began work on September 1, and on the 15th of December I received a wire from the cowman whose range the old wolf went through while in Arizona. It read like this:

"Fields caught the old wolf; coming to Phoenix to tell you all about it. (Signed.) W. M. MacDonald."

He not only came to Phoenix but brought the trapper with him. So you can see that the old fellow had some record behind him, and it will also give you some idea of the pleasure experienced by the cowman when he found that the old wolf was actually caught.

Mr. KNUTSON. Will the gentleman yield?

Mr. LEAVITT. I will.

Mr. KNUTSON. Does the gentleman mean to state that the Federal Government was a party to the dastardly murder of that animal? [Laughter.]

Mr. LEAVITT. I intimated that charge might be made by the gentleman from Alabama.

Mr. KNUTSON. By what right does the Government go out and kill like that?

Mr. LEAVITT. Up in Minnesota, the State from which the gentleman comes, a request has been made for the cooperation of the Federal Biological Survey in the extermination of wolves and in the extermination of other predatory animals. The State of Minnesota, I understand, has considered it sufficient of a problem to appropriate \$15,000 to cooperate with the Federal Government in such destruction of these animals there during the next year. The reason for that is entirely plain—that animals of this kind are destructive to domestic stock to the extent, as was the case with this wolf, of \$25,000, at least. That was the loss which could be checked up against him by the Biological Survey in only Arizona and New Mexico, and you would have to add to it the damage done in old Mexico.

Mr. RAMSEYER. Will the gentleman yield?

Mr. LEAVITT. I will.

Mr. RAMSEYER. It would be very interesting for the Members of the House to know how they could keep track of the damage done by a wolf up to the extent of \$25,000. That looks to me like a big figure. I do not see myself how they could make an estimate of the damage done by this wolf.

Mr. LEAVITT. The answer is almost in the words of the gentleman himself. They can "keep track" of it. That is to say, the stockmen and the hunters come to know by the tracks

an individual that carries on such depredations over a period of 6, 8 or perhaps 10 years. There was, for example, the famous 3-toed wolf in South Dakota; he had lost two of his toes and left a characteristic track. They can tell in such ways that it is a particular wolf. It is also true that, just as the skilled detective of a city comes to recognize the work of individual criminals by how they perform their criminal acts, the hunters become able to say that certain damage was done by a particular wolf. In some cases the wolf becomes an historical animal in a particular section. They can eventually identify the individual by his works.

It is not always true that you are able to say what particular wolf did a certain damage, but it is true in the case of a famous wolf such as this, who hunted almost entirely by himself over certain known ranges until he became thoroughly known by the stockmen and hunters and trappers.

Mr. TAYLOR of Tennessee. What were the characteristics of this particular wolf?

Mr. LEAVITT. I can not tell you just what particular characteristics he had, but knowing the record of the Biological Survey, there is no question in my mind that the theory of the survey is correct.

Mr. RAMSEYER. In regard to this \$25,000 damage, what kind of stock was the damage committed on?

Mr. LEAVITT. Sheep and cattle—and particularly what we call long yearlings, are killed by wolves. Sometimes they kill larger cattle. Probably it would be more young cattle, and then there is a great loss of sheep and colts.

Mr. RAMSEYER. Do they just kill to eat or destroy?

Mr. LEAVITT. That depends on the habits of different individuals. In the case of the coyote they frequently get into a corral of sheep or some inclosure, and they kill as many or more by running them around until they pile up in the inclosure as they actually kill with their teeth. There have been cases where 200 sheep have been destroyed by one or two coyotes, who get into a sheep pen.

My information is with regard to the old 3-toed wolf of South Dakota that he was a killer of more than he ate. A wolf such as this I have here will kill two head of cattle each week.

The Biological Survey estimates that there is a return of \$10 to the farmers and ranchers of this country for every dollar that has been expended for the Biological Survey.

Mr. LARSEN. Will the gentleman yield?

Mr. LEAVITT. Yes.

Mr. LARSEN. Will the gentleman state the approximate weight of that animal?

Mr. LEAVITT. I should imagine, just guessing at it, that he must have weighed around 150 pounds. It is the largest wolfskin I ever saw and I have seen quite a few. From the tip of his tail to the tip of his nose he is taller than I am. He was probably over 6 feet long. He has an immense width of skull between the ears. He is a magnificent specimen, and from the standpoint of color, coming from Arizona in that desert country, he is quite different from the wolves of the North.

These underparts in the northern wolf would be more ash gray, while down there in the desert country of yellow and red rock and sand they take on this golden hue, and with that protective color evade capture sometimes for many years.

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

Mr. LEAVITT. Yes.

Mr. WOODRUFF. Does not a skin of that kind shrink considerably in tanning?

Mr. LEAVITT. It has shrunk a little, perhaps. I do not think it has shrunk any since I got it. I got it last spring and had it mounted last summer.

Mr. WOODRUFF. I understand the skin of any animal shrinks very materially during the process of tanning, and I have an idea that if that skin were exhibited here before tanning, freshly taken from the animal, it would be considerably larger.

Mr. LEAVITT. That might be the case, although I do not recall very much difference in the size. This was skillfully tanned, and the size was preserved as fully as possible.

As I was saying when the questions were asked, in the Seventieth Congress a request was made by resolution for a study by the United States Biological Survey and a report to Congress showing what would be necessary to complete this job and bring the predatory animals under practical control in a period of 10 years' time. Of course, it is evident to all of us that if this control work is done and the wolves are shut out from a certain area, and then the work is stopped there and no control kept up indefinitely, there will come back into that range crafty specimens that are driven out from other sections in which the control work is being carried on more severely.

Just as an illustration of that, yesterday in the cloakroom the gentleman from Missouri [Mr. JOHNSTON] asked in regard to this work and stated that wolves were beginning to come over into his district in Missouri, very largely from the surrounding States and out of the Ozark Mountains.

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

Mr. LEAVITT. Yes.

Mr. MANLOVE. It so happens that the State of Missouri put on three or four years ago an extensive program in an attempt to exterminate the wolves. The trouble there was that the wolf trappers caught a lot of very valuable and much beloved dogs, and for that reason we abandoned the program.

Mr. LEAVITT. The difficulty in that case is probably that the trapping might not have been done by the skilled hunters of the Government, though I do not say that that is so. I know that Missouri is asking at this time and that there is in this bill an increase allowing for work in Missouri, and that they have proposed raising there about \$15,000 for this work, to be carried on during the next year, and all because of the great damage now being noted.

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

Mr. LEAVITT. Yes.

Mr. LOZIER. In support of what the gentleman has stated, in the last 10 or 15 years there has been quite a number of wolves in Missouri, and I know that throughout the Middle West, where they had thought the wolves had been exterminated for a generation, they are beginning to reappear.

Mr. LEAVITT. I thank the gentleman for that statement, because that illustrates the necessity of continued work of this kind and the loss of funds that comes from too small appropriations year after year, allowing a recurrence of these attacks.

Mr. WOODRUFF. In that connection, in the State of Michigan for a vast number of years, under the direction of the State conservation commission, the trappers working under the direction of that commission have taken each and every year many wolves and coyotes. I have not in mind at this time the number that was taken, but I do know that a great many in the past two years have been taken in Michigan, and they have been coming back, I presume largely because of the fact that for a time the efforts of the conservation commission to exterminate these predatory animals had been greatly relaxed.

Mr. LEAVITT. Under the work of the Biological Survey in Michigan, since the biological work started, there have been killed 34 predatory bears, and they are not as severe a menace as the wolves, of course; 193 bobcats and Canada lynx, 1,337 coyotes, 267 wolves; or a total of 1,840 animals.

Mr. MICHENER. Over how long a period?

Mr. LEAVITT. This work started in the fiscal year 1916, and these figures run up to the end of the fiscal year 1928.

Mr. MANLOVE. If the gentleman will permit, to confirm what has been said to a certain extent about wolves coming back into Missouri, by the distinguished gentleman from Missouri [Mr. LOZIER], down in the southwest part of the State and in the hill part of the State, I am sure that the return of the Fox Hunters' Association and the bringing together of large packs of foxhounds has eliminated the wolf almost entirely from that section in Missouri.

Mr. LEAVITT. Of course, the creation of forest-protected areas down in the Ozark Mountains has allowed some areas that had been burned over to begin to come back again to young growth, and that furnishes a cover for wild animals of various kinds. However, since the preservation of those forests is a State and national duty, it places on us an added obligation to see that that does not result in an increase in predatory animals, which will prey on the domestic stock of the farm, and on poultry in that vicinity.

I shall place in the RECORD at this point a table that is included in this report asked for by Congress, showing the number of various kinds of predatory animals that have been killed and destroyed by the Biological Survey during this period of time:

TABLE 3.—Predatory animals destroyed by the Bureau of Biological Survey and cooperators from the initiation of the work on July 1, 1915, to the end of the fiscal year 1928

States	Bears	Bobcats and Canada lynxes	Coyotes	Wolves	Mountain lions	Total
Arizona.....	143	2,025	12,304	358	910	15,740
Arkansas.....		76		287		363
California.....	129	5,941	25,191	3	133	31,397
Colorado.....	114	1,401	19,085	174	90	20,844
Idaho.....	136	1,865	25,789	133	11	27,934

TABLE 3.—Predatory animals destroyed by the Bureau of Biological Survey and cooperators from the initiation of the work on July 1, 1915, to the end of the fiscal year 1928—Continued

States	Bears	Bobcats and Canada lynxes	Coyotes	Wolves	Mountain lions	Total
Illinois.....			10	18		28
Kansas.....			62			62
Michigan.....	34	193	1,337	276		1,840
Missouri.....		52	133	187		372
Montana.....	201	1,604	30,621	596	159	39,262
Nebraska.....		1	16			17
Nevada.....	4	9,940	60,762	6	41	70,753
New Mexico.....	188	2,582	16,644	604	460	20,478
North Dakota.....		10	655	1		666
Oklahoma.....		18	479	183		680
Oregon.....	264	4,654	36,476	31	89	41,514
South Dakota.....	1	338	9,495	53		9,887
Texas.....	1	3,896	23,252	3,153	21	30,323
Utah.....	59	4,301	33,125	188	131	37,804
Washington.....	173	1,236	28,143	2	42	29,596
Wyoming.....	156	1,582	37,422	707	18	39,885
Total.....	1,603	41,805	1,366,981	6,960	2,096	419,445

¹ Above total represents coyotes the bodies of which were actually recovered and the skins or scalps secured. The total number of coyotes, however, does not take into consideration those killed by poison and not found. It is estimated that an additional number of coyotes totaling more than 800,000 were taken during the period covered.

In order that I may complete my talk within the limits allowed me as nearly as possible, I am now going to hold rather closely to my prepared remarks. I want to say this, however, before I start doing that, that this report made to the Congress as a result of that resolution in the Seventieth Congress, calls for greatly increased annual appropriations. It calls for \$782,500 for control of stock-killing animals and \$596,200 for the smaller predators, or a total of \$1,378,700 for all lines of predatory-animal control over a 10-year period.

These increases have not been included by the Budget and they are not included in this particular bill. Whether an added authorization is necessary I am not sure, but if that is required we ought to be working to that end and thus put that program into effect.

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

Mr. LEAVITT. Yes.

Mr. BUCHANAN. In reference to the item referred to by the gentleman, it was put in the agricultural appropriation at the instance of the Committee on Appropriations in the Seventieth Congress, not by a resolution of the House. The request was to estimate only appropriations for a term of five years for the extermination of predatory animals. A report was made on that, and the gentleman has that report. Now, has the gentleman from Montana or any other set of Members in this House representing States in which predatory animals are numerous made any effort before the Budget to have this program carried out?

Mr. LEAVITT. I have taken this matter up with the Biological Survey, but not with the Budget. I have raised the question as to whether an added authorization is necessary.

Mr. BUCHANAN. There is no question that an authorization is not necessary. We have made these appropriations from year to year. The question I have asked is if the gentleman or other gentlemen representing States interested in the subject made representations to the Budget for the purpose of having that program carried out?

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

Mr. SIMMONS. I yield to the gentleman 15 minutes more.

The CHAIRMAN. Is there objection to the gentleman's request to print the tables he has referred to?

There was no objection.

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

Mr. LEAVITT. Certainly.

Mr. WILLIAMSON. I personally took up this matter with the Biological Survey with the hope of getting an appropriation. It does not do much good to take it up with the Budget. It must come through the Biological Survey in the first instance.

Mr. BUCHANAN. The question is about getting this 5-year program approved by the Budget.

Mr. LEAVITT. I understand the Committee on Appropriations would be favorable to this item if we got the approval of the Budget?

Mr. BUCHANAN. Yes. That is what I contend.

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

Mr. LEAVITT. Yes.

Mr. LAGUARDIA. Do we understand that the House of Representatives is subject to the recommendations only of the Budget Bureau?

Mr. BUCHANAN. No. Nobody in this House of any sense would contend that.

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

Mr. LEAVITT. Yes.

Mr. PALMER. Your contention is that the Budget recommendation is not sufficient to carry this out?

Mr. LEAVITT. As I explained to the chairman when I asked for time, I understood that the subcommittee has brought in an increase of \$10,130, contemplating taking up the work in Missouri and Minnesota this year.

Mr. PALMER. I want to say that the people in certain counties of my district have suffered from the depredations of wolves. The wolves have driven out the sheep industry entirely in some places. I want to say now that adequate appropriations should be made to take care of this situation.

Mr. LEAVITT. I will say to the gentleman from Texas [Mr. BUCHANAN] and to the gentleman from Missouri [Mr. PALMER] that I have expressed to the chairman of the committee my appreciation of the action so far as it has been taken; but my purpose now is to bring this entire matter definitely to the attention of the House and to discuss the reasons why the report of the Secretary of Agriculture ought to be acted upon, and why we ought to get a favorable report from the Budget on it, and why adequate appropriations ought to be made.

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

Mr. LEAVITT. Yes.

Mr. WOODRUFF. I see from looking over the document which the gentleman submitted respecting conditions in the State of Michigan that some 30 predatory bears were killed by the Biological Survey. What is the difference between a "predatory" bear and an ordinary bear?

Mr. LEAVITT. The ordinary black bear is not considered very dangerous to livestock; but there are individual bears that get a taste for meat that has been left by wolves or coyotes. Sometimes old bears whose teeth have gotten bad find difficulty in obtaining other things to eat, and they begin to eat the decayed remains of sheep that are left on the range, and they will then come into a band after it has bedded down and often cause a great deal of damage. In a State like Michigan they sometimes become a menace to the domestic stock. Where individual bears are found to be doing damage the Biological Survey goes after them.

Mr. WOODRUFF. The reason why I mention the fact is that I saw in one of the newspapers the other day the statement that during the past hunting season, in which they hunt deer and bear in Michigan—a period of only 10 days—there were 90 bears shipped from the upper to the lower peninsula. That does not take account of the many bears that were killed in the lower peninsula or in the upper peninsula by residents of the upper peninsula or those who came in there to hunt.

Mr. LEAVITT. In some of the States there is a closed season throughout the year on bears. We do not start out with the determination to effect the complete extermination of bears, but only those individuals that are a menace to domestic stock.

Mr. WILLIAMSON. May I ask the gentleman from Montana if he gave a history of the animal submitted?

Mr. LEAVITT. Yes. I read a letter from the officer of the Biological Survey who sent it to me, Mr. Musgrave.

Mr. WILLIAMSON. Was this specimen known as a killer wolf or one that killed for his own purposes?

Mr. LEAVITT. He was known as a wolf who killed mostly for his own purposes. But he was a tremendously powerful wolf, so that his damage was estimated by the Biological Survey as about \$25,000.

Mr. MANLOVE. I might say that I am informed, and I think reliably, that wolves are annoying the northern section of Missouri, which is to a great extent prairie country, more than in the Ozarks.

Mr. LEAVITT. I would like, if possible, since I have yielded so much, to hold rather closely now to my prepared statement, which gives some history, and, I think, some very interesting facts about this work.

Ever since the early settlers stocked the western ranges with flocks and herds, predatory animals, such as coyotes, wolves, mountain lions, and bobcats, have been the cause of millions of dollars' loss in the so-called range States, of which Montana is one.

Injurious rodents, likewise, such as prairie dogs, ground squirrels, pocket gophers, field mice, jack rabbits, porcupines, and rats, have been destroying millions of dollars' worth of agricultural crops and products. These rodents cause great damage, not only in the western agricultural regions but in the East as well. Meadow mice, pine mice, rats, and woodchucks have been giving the eastern farmers and orchardists much trouble and are causing millions of dollars loss every year. The pine-mouse

infestation is the cause at the present time of great concern to many eastern orchardists. I learn that the Department of Agriculture is working to devise some more effective means for the control of this rodent. The department is constantly receiving requests from eastern orchardists for assistance in the control of this small pest, which I am advised raises a most difficult problem because of the fact that this mouse works under ground and obtains its livelihood in the main by gnawing the bark and roots of all kinds of orchard trees. The orchardist is not quickly made aware of the depredations of this mouse, because the damage is not always apparent to the naked eye. As a rule, the first he knows that harm has come to his trees is when they topple over after the roots are completely gnawed through.

The importance can not be overestimated of controlling these injurious pests. A brief history of the Federal Government's participation in measures of control, therefore, will not be amiss.

On July 1, 1915, Congress made its first definite appropriation for predatory-animal control. This fund, totaling \$125,000, was provided through the Department of Agriculture to enable it to organize campaigns against predatory animals and injurious rodents on national forests and other public lands and to correlate and direct along effective and economical lines the work of the many agencies that are attempting to solve the problem. The main objective from the very start has been to relieve both farmer and stockman from the serious drain caused by predatory animals and rodents upon the productive capacity of the great western ranges.

The Department of Agriculture began at once to build up the necessary field organization through the Bureau of Biological Survey. This bureau had studied this problem for years prior to 1915, and as a result of careful field observations had estimated that in the United States \$30,000,000 was lost every year through the slaughter of domestic stock by predatory animals and that rodents caused a loss of \$150,000,000 a year in cultivated crops and a similar loss in forage on the pasture ranges, bringing a total loss for rodents of something like \$300,000,000 annually.

In getting control work under way the Biological Survey developed a research laboratory at Denver, Colo., the functions of which are to delve into the problems connected with the development of effective and economical methods of controlling predatory animals and injurious rodents.

In order to control a pest one must first learn something of its traits, breeding habits, food habits, and other pertinent information. The chemistry of poisons must be understood in all its intricate details. The control methods research laboratory at Denver is a unique institution. Briefly, its staff of research workers have developed successful and economical methods of controlling rodents and predatory animals. As promptly as practical control means are found the information is passed on to the operational force of the Biological Survey in the field as well as to the cooperating farmers, stockmen, ranchmen, and others interested.

In developing its field operational force the Biological Survey selects men who have a keen insight into animal psychology and men capable of applying the combative methods developed by research work, so that heavy infestation of predatory animals and rodents can be brought under control when their presence is detrimental to farming, stock-raising, and sheep-growing industries.

These Biological Survey men have hunted and trapped and have used poisoning methods, and during the past five years they have developed one of the most effective poisons yet devised for use in combating infestations of coyotes and rodents.

In the year 1916 rabies, commonly referred to as hydrophobia, broke out among coyotes in Nevada, and to combat this an emergency appropriation of \$75,000 was made available by Congress on March 4, 1916. This disease, which is spread mainly by coyotes, went through the entire State of Nevada and parts of western Utah, eastern California, eastern Oregon, and Idaho. For three years the Biological Survey struggled with the problem of controlling the animals that were carrying this dread disease. The seriousness of the outbreak is to be noted from the fact that during the year State authorities treated more than 60 persons who were bitten by either wild or domestic animals. So great was the dread inspired by these maddened wild animals that children were accompanied to school by armed guards.

Driven by their rabid blindness, coyotes entered feed lots and snapped at and infected cattle, sheep, and other domestic animals. Likewise they attacked pedestrians, horsemen, and even automobiles on the public highway. The destruction of livestock was enormous. For instance, in a feed lot at Winnemucca, Nev., a single rabid coyote caused the loss of 27 steers. This led to an appropriation by the State of Nevada of \$30,000 to cooperate with the Biological Survey in waging a campaign against the

pest in that State, and Nevada has continued her cooperation from that day to the present. Before this outbreak of the disease had run its course some 1,500 people were bitten by rabid animals.

Several other serious outbreaks of rabies have occurred since 1916, particularly in eastern Washington, eastern Oregon, and south central Colorado, in the vicinity of Walsenberg, but the Biological Survey has been keenly on the alert to take prompt action in suppressing the disease before it could spread seriously. Last spring six counties in eastern Washington had an epidemic of rabies, which was finally brought under control by prompt action of the Secretary of Agriculture in releasing \$3,500 of the \$7,000 held in reserve for just such emergencies.

The files of the Biological Survey contain records of case after case of losses caused to western stockmen by predatory animals. In Colorado a single wolf took a toll of nearly \$25,000 worth of cattle in the 12 years that he roamed the ranges south of Pueblo. In Texas two wolves in a period of two weeks killed 72 sheep, valued at \$10 each. One wolf in New Mexico killed 25 head of cattle in 10 months, while another was reported by stockmen of the same State to have killed 150 head of cattle, valued at not less than \$5,000, during six months preceding his capture by a Biological Survey hunter. In Wyoming two male wolves were killed, which, during one month, had destroyed 150 sheep and 7 colts. In Colorado one pair of adult wolves took better than 40 per cent of the calf crop from one stock raiser in the vicinity of Grand Junction.

After a personal investigation in 1917, the president of the State Agricultural College of New Mexico reported that predatory animals in that State killed annually 34,350 cattle, 165,000 sheep, and 850 horses, and that these losses amounted to nearly \$3,000,000. However, the diligent work of the Biological Survey has reduced much of this loss in New Mexico and other parts of the West.

The control operations are organized in a systematic way in 15 of the Western States. The hunters of the various States are paid in part from the Federal Treasury and in part from State cooperative funds, coming largely from appropriations by State legislatures, counties, livestock organizations, and individuals. In each State a trained man is in charge of the hunters.

As a result of intensive work, stockmen have indicated that on many ranges and lambing grounds the former heavy annual losses have become negligible or have stopped entirely, but there has never been sufficient money appropriated on the part of the Federal Government to do its just and equitable share of the work, because the great areas of public domain in the West, particularly on the national forests, serve as breeding grounds and centers of reinfestation of near-by farm and ranch lands. Because of the effectiveness of this work and its supervision by the Biological Survey, many local woolgrowers' associations in the West have assessed themselves from 1 to 6 cents per head on their sheep, and thereby have raised a cooperative fund for use in working with the Federal Government. Very often this produces more money locally than is allotted by the Federal Government. Particularly is this true in Idaho, Colorado, Texas, Montana, and California.

Since the inception of this work the Biological Survey has carried on unrelenting warfare against the gray wolf, and has now succeeded in bringing this large predator under control west of the one hundredth meridian, which is the meridian of central Texas and the Dakotas. But it is absolutely necessary that the Federal Government maintain trained wolf hunters for patrolling the international borders in Arizona, New Mexico, and Texas, as well as in the tiers of States bordering Canada, because of the danger of wolf invasion from neighboring countries.

Speaking of wolf control, I might add that because of a slight increase in the Federal appropriation for this work the past year it has been possible to extend cooperative predatory-animal work to Oklahoma and Arkansas, and in a small way to Alaska. Alaska has taken steps toward definitely organizing systematic campaigns against the large wolf and the coyotes in that Territory. The Territorial legislature has appropriated \$30,000 for the biennial ending in 1931. The Biological Survey is aiding in the control work in the Territory by sending two of its expert wolf men to execute the cooperative program for the control of predatory animals, pursuant to the desires of the Alaskan people.

I now call your attention to House Document 496, of the second session of the Seventieth Congress. This is a comprehensive report, called for by Congress in Public Act 392, Seventieth Congress, on page 23, under the heading "Bureau of Biological Survey," and recommends a 10-year program for the control of predatory animals and injurious rodents.

Adoption of the program as outlined in this report will aid materially in carrying on more extensive operations in other portions of the United States, such as in Wisconsin, Michigan, Minnesota, Missouri, Alabama, Mississippi, New Hampshire, and Virginia, from which recent and urgent requests have been received by the Department of Agriculture for control operations. At the same time it will furnish additional expert supervision in Alaska and allow of further concentration on the coyote. All the stock-growing States are keenly interested in receiving increased help from the Federal Government if one is to judge by the many resolutions in support of the adoption of the program set forth in the department's 10-year program.

If the increase which the program provides is allowed, it can be reasonably expected that cooperative funds will increase correspondingly and thus produce a more speedy solution of what is at present a serious problem.

In preparing estimates for 1931 the Chief of the Biological Survey, in view of the many urgent demands being made upon him, recommended an increase of \$450,000 in funds for predatory animal and rodent control work over the current appropriations, having in mind putting into effect a portion of the program called for in the 10-year program detailed in House Document 496. Of this amount the Bureau of the Budget recommended a decrease of \$410,291; in other words, it permitted an increase of \$39,709.

It is my opinion that the Bureau of the Budget increase as recommended was not meant to be part of the increase called for in House Document 496, as these total \$812,066 over current appropriations.

I am keenly interested in this matter. In Montana I come face to face with the actual operations of the Department of Agriculture through the Biological Survey. I find them doing a good and constructive work. My feeling, however, is that the Federal Government does not assume its full share in this matter, and that it is inadequate particularly on national forests and other public domain, where much could be done to lower the \$20,000,000 annual loss that it is estimated that coyotes alone are responsible for. Nor is the Federal Government assuming its definite responsibility for carrying out the systematized program for rodent control that is called for over many parts of the public domain, including particularly every national forest west of the Continental Divide. And the sole reason is that we are not giving the department sufficient funds to carry out its recommendations, based on conclusions arrived at after a careful and impartial study.

The Department of Agriculture, through the Biological Survey, has an organization for doing this work and for furnishing the expert leadership required. Consider my own State: In the vicinity of Miles City and on the Custer National Forest prairie dogs had denuded a considerable area and had eaten to the roots all available forage. Some five or six years ago the grasses on these areas were barely ankle deep at the height of the growing season. For five years the Biological Survey men, in cooperation with the State, stockmen's associations, and individuals, carried on a campaign against these rodents that started on the outside edge of the infestation and gradually closed in on it. The result is that to-day not one live prairie dog remains in this large area. The prairie dog has been entirely eliminated there. All the old land scars caused by prairie-dog burrows are gradually being succeeded by succulent grasses.

Near Miles City, at the Bureau of Animal Industry experiment station, some 4,300 acres of range were badly infested with prairie dogs and pocket gophers. It was estimated that more than 2,000 acres was totally ruined for grazing by either cattle or sheep. Two carloads of oats were secured by the Bureau of Animal Industry, and with the cooperation of the Biological Survey this area was systematically poisoned. As a result, the district forester estimated that the vegetation to-day is nine or ten times more valuable over the area than before this rodent-eradication campaign began. This is but one example; there are hundreds of others to be found in other States where this work has been slowly but effectively going on.

Now, in regard to renegade wolves: This predator has been practically eliminated from my State. An effort looking toward the eradication of the mountain lion and the control of the coyote has on small areas been just as effective. I find that up to the close of June 30, 1928, Biological Survey hunters, in cooperation with those of the State of Montana, had destroyed more than 600 large gray wolves; and when we know that a single wolf will kill on the average two head of livestock a week, you can well imagine what this meant to our livestock growers.

All that I have said regarding the results obtained in pest control in Montana is true in other Western States also. Colorado has been practically freed of renegade wolves after six

years of intensive campaigns. This is the case also in Wyoming, Utah, New Mexico, portions of southeastern Oklahoma, western Arkansas, Idaho, and South Dakota. There are many local ranges also where the coyote is being controlled, but more aid is needed from Congress to permit the extension of these beneficial operations by the Biological Survey.

The increase called for in the so-called 10-year program, as set forth in House Document 496, will help more particularly with new projects that should be carried into effect relative to rodent eradication work on those areas in the national forests where we are losing the 25 to 80 per cent of available forage that is taken by prairie dogs and ground squirrels.

This brings to mind also the widely known fact that the ground squirrel serves as a host for the insect bearing the dreaded Rocky Mountain spotted fever. Not only is the ground squirrel a host for the tick that carries spotted fever but in California it is host also for the flea that carries bubonic plague, and squirrels afflicted with this disease are now prevalent in the coastal area south of the San Francisco Bay region. Because of this the State Legislature of California, at its last session, passed a \$100,000 emergency appropriation for squirrel control, the work to be done cooperatively with the Biological Survey.

Increased help on the part of the Federal Government will give added encouragement to such cooperators as State departments of agriculture, agricultural colleges, county agricultural agents, livestock associations, and individual farmers and stockmen. Both of these projects—predatory-animal control and rodent control—help the ranchers, wheat growers, orchardists, stockmen, poultrymen, turkey raisers, bulb growers, and nurserymen. Thus it will be seen what a wide range of agriculture is affected by the rodent and predatory-animal-control work of the Biological Survey.

In this cooperative work I have found by personal experience that practically every agency in an agricultural section always stands ready to cooperate in all approved methods of predatory animal and rodent control. From the financial viewpoint alone this cooperative spirit is of great importance, for without it little headway could be made. During the past year more than 90,000 farmers and ranchers took part in the predatory animal and rodent control campaigns.

With the increase made as contemplated by the report set forth in House Document 496, I have every assurance that there will be a material increase in the cooperative funds for both predatory animal and rodent control, which are now approximately \$1,800,000. This has been the story ever since the Department of Agriculture undertook the systematic control of these destructive animals.

Organized campaigns against predatory animals and injurious rodents have stood the test of time when the proven methods developed by the Biological Survey have been used. Control work has shown in a remarkable way what can be done even with inadequate Federal appropriations. We are only marking time by doling out money for this work piecemeal and constantly making appropriations below the amounts estimated by the Department of Agriculture as necessary. It is high time that we handle this situation in a businesslike manner. My feeling is that we should not stop at approving the amount provided for in the bill, but should put it up to cover part of the 10-year program, or else pass an authorization that will put into effect the program explained in House Document 496. I believe that the financial condition of the Government will permit such action and that the present business situation demands it, and I agree with former Secretary Jardine that the adoption of the proposed program, calling for an increase over current appropriations of \$812,066, would be in effect a most tangible form of agricultural relief. [Applause.]

Mr. BUCHANAN. Mr. Chairman, I yield 30 minutes to my colleague from Texas [Mr. Cross].

Mr. CROSS. Mr. Chairman and gentlemen of the committee, I want to discuss briefly the commodity exchanges and in particular the cotton exchange. I am not one who believes that these exchanges ought to be abolished because I think they perform a great function for the country. These exchanges grew out of business necessity, having their origin in the old guilds of Europe, and they are supposed to be the scales that register true values. As long as they perform that function they are doing a wonderful work for the country, but they are subject to registering false values.

Cotton futures had their origin just after the Civil War, when cotton factors and spinners in Liverpool had men in the cotton fields of the South buying up cotton. The mills were so anxious to get cotton that they would often buy it to be delivered within 60 or 90 days, and these factors knowing that they could get the cotton delivered by that time would sell for

future delivery. From this custom arising after the Civil War there has gradually developed the present future transactions on cotton exchanges.

Now, the three great commodity exchanges in this country are, of course, the grain exchange, the Chicago exchange, and the cotton exchange. Congress, in the Sixty-seventh Congress, passed a law thoroughly regulating the grain exchange of this country. The same cry was raised then by those who manipulated and profited by the gambling on the grain exchange that is raised now by those who operate and profit by the gambling on the cotton exchanges, that it is a piece of delicate machinery and if you touch it or attempt to regulate it you will wreck the price of cotton. During the Sixty-seventh Congress, when the regulation of the grain exchange was being considered, there was a number of hearings before the Committee on Agriculture of the House and the Finance Committee of the Senate. Those hearings resulted in testimony showing that on the Chicago exchange the price of grain was badly affected by overselling. Nevertheless Congress enacted this law, which provides that the Secretary of Agriculture, the Attorney General, and the Secretary of Commerce shall compose a grain board; that every night that exchange shall report to that board the amount of grain sold during the day, the amount delivered; and at the end of each period it shall do likewise. This law provides that at any time the Secretary of Agriculture has reason to believe that this exchange is being manipulated this board can close that exchange, or that any time any member is trying to manipulate it the board can prevent him from sitting as a member on that exchange. This law makes it a penalty for anyone to send out false reports as to the condition of the wheat crop. It in every way protects and hedges the exchange from manipulation.

Chief Justice Taft, in sustaining this law, which the Chicago exchange immediately attacked and claimed it would mean the ruin of the exchange, quotes testimony given by member after member of the Chicago exchange saying that the grain market was affected heavily by speculation and by overselling. So this law gives this board the power to stop sales on that exchange at any time they decide that too much wheat is being sold. They had before the Finance Committee of the Senate many witnesses. They had Mr. Hoover, who had been Food Administrator, and Mr. Hoover testified that the grain market had been depressed, first shot down and then shot up, by manipulation, which was a great detriment to the producers of wheat in the country. They had Mr. Julius Barnes, who testified to the same effect. Chief Justice Taft quotes this evidence, and he sustained that law throughout. So to-day you have a grain exchange that is thoroughly protected. The testimony there adduced showed that within a short period—less than a year—there were sold on the grain exchange of Chicago more than 20,000,000,000 bushels of wheat, and yet the testimony showed that not 1 per cent of that wheat was ever delivered or handled. I have statistics from the revenue department showing that the entire amount of wheat sold from August 1, 1927, to July 31, 1928, on the exchange was only 9,169,973,000 bushels. So it is more than cut in two.

Now, how about your cotton exchange act? The cotton exchange act on the statute books was passed in 1914, I believe. There is not a line or word in it from cover to cover that mentions the word "manipulation." It is as wide open to manipulation as anything could be. The Secretary of Agriculture, nor the Attorney General, nor the Secretary of Commerce, nor any other body has any control. Not only is it wide open to manipulation, but section 5 is the very master key by which and with which they do manipulate it.

Congress when it enacted this law put in two sections, one known as section 10 and one as section 5. Section 10 provides that when you buy cotton under section 10 you designate class and staple and on the delivery day that the cotton purchased must be delivered which is designated. Section 5 provides that when you buy under this section middling shall be the basis grade, but the seller can deliver to the purchaser anything from low middling, seven-eighths in staple, to middling fair, going to an inch and one-eighth.

You understand that the commodity exchange is supposed to be a great wholesale market where the consumer can go and purchase and have delivered to him something he can consume. The cotton exchange is just the reverse. No consumer can go on the exchange and buy and have delivered to him anything he can consume. If a spinner whose cloth contract, for instance, calls for cloth made out of cotton, middling in grade and fifteen-sixteenths of an inch in staple, buys on the exchange, on the fifth business day before delivery, the seller can hand to the purchaser a list of cotton he is going to deliver to him, and it may be from low middling seven-eighths to middling fair one

inch and one-eighth. He can not use it, and as a result, no spinner can go on the board and buy and have any cotton delivered to him which he can use.

As a result of this, you have but two classes of people on there, the men who hedge, which is legitimate, and the men who are chalk speculators.

If the consumer could buy under section 10, he could get what he bought, but section 10 has never functioned. I wrote to the economic division of the Department of Agriculture, and they wrote me that not a single bale had ever been bought or sold under section 10. I have had more or less experience with the exchanges. I raise some cotton and I have some interests in cotton mills. I wired New Orleans to test out the question to a firm with whom I had done some hedging to buy me 1,000 bales of May cotton under section 10.

Ordinarily I get my telegram back in a few minutes. I waited for an hour and there was no reply. I sent a second telegram, "What is the matter with my order to buy me 1,000 bales of cotton under section 10?" They wired me back in words to this effect—"We do not function under section 10, and if you want to buy, you must buy under section-5."

Therefore you have an exchange where the great mass of cotton that is sold on it is sold by men who have not a bale of cotton and never expect to have a bale; but, mark you, these are supposed to be scales that register the true value of the product by reason of bona fide transactions, and whenever you put on those scales a false weight or a fictitious transaction, you are affecting those scales wrongfully.

Understand it is not always that it is manipulated downward. They often manipulate it upward, making it more valuable, apparently by putting on higher prices.

I have attended all of the major cotton conferences that have been held in this country for some years, and the spinner, as well as the producer, wants a stabilized price. If you and I are in the mill business and by chance you buy cotton down low and I have to pay an abnormally high price, you have me at your mercy and can break me, and this is the trouble with many of the New England mills to-day. The spinners in the South have the advantage when it comes to buying the cotton. They are in closer touch. They are in the field and with these exchanges, where the prices are manipulated up and down, your people are at a disadvantage.

Supply and demand and not gambling impulse, should register the price. Of course, the price will go up and down to some extent by reason of weather conditions and so forth, but, Mr. Hoover and every man who testified in connection with the grain exchange, testified that it was detrimental both to the consumer and to the producer to have the market hopping up and down. They stated that in the long run, of course, they could not control the price, because supply and demand would finally function, but temporarily they could; and this is what hurts.

The speculators themselves testified that it was to their interest to have the market fluctuate up and down rapidly, because of the gambling feature in it. This is contrary to the interests of both the producer and the man who consumes it.

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

Mr. CROSS. Certainly.

Mr. PATTERSON. I am just wondering if the gentleman has in his information the number of bales of cotton sold on the exchange annually?

Mr. CROSS. I have.

Mr. PATTERSON. I hope the gentleman will put that in the RECORD.

Mr. CROSS. I will come to that.

Mr. PATTERSON. Then I have one other suggestion; Does not the gentleman believe it would be lawful for Congress to pass a law to require these exchanges, where they buy this cotton, to actually deliver the cotton and in this way do away with a great deal of this speculation?

Mr. CROSS. You can pass such a law. I prepared such a bill some years ago before I came to the Congress. You must have in such a law only one buying and selling section, and you must let that section designate the staple by letters and the class by figures; then the consumer can buy what he needs, and the seller must deliver to him what he buys.

As it is, does supply and demand function? Listen: Take the cotton year from the 1st day of August, 1927, to the 31st day of July, 1928—there was sold on the New Orleans and New York Stock Exchanges 171,580,600 bales. These are the figures given me by the Revenue Department. You understand that the parties to these exchange sales pay a tax on each 100 bales on contract, and in this way the Government keeps tab on the number of bales that are sold.

I asked the economic Department of Agriculture how many bales of cotton they had certificated during the cotton year

1928—that was from the 1st day of July, 1927, to the 30th day of June, 1928—and they said 137,695 bales. This covered the whole country, exchanges and all. How many bales do you think the New York Cotton Exchange tendered? Nine hundred thousand three hundred—more than 900,000 bales.

Now, that is the way they beat down the price. The average price of cotton is not the true price registered on these exchanges in response to supply and demand, and the worst feature is it is invariably lowest during the months that the farmer is selling his crop. In the bumper year of 1926 the average price of middling cotton on the New Orleans Exchange during the months of October, November, December, and January was only 12% cents, while the average price for the remaining eight months was 15% cents. That made a difference of \$15 a bale, a difference between success and failure to the man who produced it.

Mr. O'CONNOR of Louisiana. Will the gentleman yield?

Mr. CROSS. I yield.

Mr. O'CONNOR of Louisiana. I have heard it stated by men who have given it some thought that the Farm Board could by rule and regulation control the trading in cotton, grain, and other agricultural products for future delivery. Has the gentleman given that subject any thought; and if so, will he advise us what his judgment is?

Mr. JONES of Texas. Will the gentleman yield to me?

Mr. CROSS. I yield.

Mr. JONES of Texas. I offered an amendment which would give them that power, but the House did not adopt it.

Mr. CROSS. In response to the question from the gentleman from Louisiana, I think they could, in so far as cotton is concerned. The board could set up a stabilization corporation and accomplish this result for cotton, from the simple fact that cotton is the one product that we have practically a monopoly of. The world, in the aggregate, is dependent on us for its spinnable cotton.

You hear much talk about India and about the cotton in Egypt, but do you know that since 1924 the acreage of the cotton crop in India has dropped from 26,801,000 acres to 24,722,000 in 1928 and that the production has dropped 174,020 bales? Here are the figures. These were taken from the Department of Agriculture and from the secretary of the New Orleans Cotton Market, Mr. Hester.

India planted in 1924-25 26,800,000 acres and she produced 4,870,820 bales. You understand their bales are 478 pounds and I have figured it on 500 pounds per bale the same as ours. In 1927-28, she planted 24,722,000 acres and she produced 4,696,800 bales. Now the fact is I have made a special study of cotton for years and the staple of Indian cotton runs from one-half inch to three-quarters of an inch. Take sea island or the long-staple cotton of Egypt and put it in India and the staple will degenerate, the result of climatic conditions. And then for 20 years her average production per acre has been only 82½ pounds.

Mr. KNUTSON. How does that compare with the average crop in the United States?

Mr. CROSS. The average in the United States for 14 years is 156.7 pounds per acre. The cotton in India is not worth more than half what the cotton in this country is because of its inferior staple.

Mr. KNUTSON. Does it cost them one-half of what it costs here to produce?

Mr. CROSS. By reason of such inferior staple, low production, and lack of transportation it costs more. That is the reason they reduced the acreage.

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

Mr. CROSS. Yes.

Mr. DUNBAR. If America has a monopoly on the production of cotton, why can not organizations among the cotton growers, associated or affiliated with the Farm Board, regulate the price to be received for cotton exported?

Mr. CROSS. If you could organize them, but you have a territory planted in cotton from the Pacific to the Atlantic, going from Missouri clean to the Gulf. You have millions of people, colored people, Mexicans, and whites, all kinds and classes and grades, millions of them, and they borrow money to make that crop, and you can not get them organized. They are shy of organizations. I belonged to one of them and I was a director of one of them for eight long years, and I talked and talked until I was hoarse, and by reason of some calamity you can get them aroused and get a number in, but the next year they would drop out, and you can not get them back. You are simply talking about curbing the winds when you talk about getting them organized. You can not get them organized—it can not be done—and what we demand here in this is justice and not a bonus. Give us a square deal. If a man goes out here and manipulates the scales and swindles you out of a few dollars

on something you buy or sell which has to be weighed, he is prosecuted and punished for swindling, and when he manipulates or influences the great scale of supply and demand and swindles millions, either the consumer or the producer or both, you let him go free and call him a smooth business man.

Mr. JONES of Texas. Mr. Chairman, will the gentleman yield?

Mr. CROSS. Yes.

Mr. JONES of Texas. I am very much interested in the gentleman's statement. He has given this subject a great deal of study and is presenting the subject in his usual convincing manner. I agree with his position; in fact, I would go further than the gentleman goes. The gentleman made a statement a while ago that the Farm Board, through a stabilization corporation, could control it.

Mr. CROSS. No; I did not say that. I said I could tell you how they can do it with cotton; but it is the only product I know of in which it could be done. My State is a heavy producer of wheat and other products, but I do not see how we are going to help those products to amount to anything, since the world produces more of those products than it can consume without getting a bushel from us, while they depend on us for cotton. Help wheat; how? We might build more warehouses and fill them up and keep the wheat and grain there; but it is there, and everybody knows it is there, and you would break the country paying for it. But when you come to cotton that is the one product in which it can be done. England for years has been paying and guaranteeing 24 cents a pound for cotton raised in her African Provinces, and they can not produce it successfully in a commercial way. Take the average production of this country for the last 6 years, which are the greatest 6 years of successive crops in our history, and the average production is 15,173,000 bales of cotton; while the average world consumption of American cotton during the last 5 years has been 15,760,000 bales of cotton. It has consumed the tremendous carry-over we used to have back some 10 years ago, and to-day we have practically no carry-over. If I had the time, I would explain to you how carry-overs are made up and demonstrate to you the inaccuracies of the alleged carry-over. So that you see that this consumption of American cotton is outrunning the production of American cotton.

The average price of middling cotton on the New Orleans cotton exchange for a period of eight years has been 21 cents and five points, taking in the bumper year of 1926, when cotton went so low. And since the production is running under consumption, I suggested to Mr. Carl Williams, the cotton representative on the board, that they set up a stabilization corporation, and when cotton middling in grade reached 18 cents allow that corporation to buy it up, and when it reached 21 cents, feed it back on the market. This would be 3 cents per pound or \$15 per bale below the 8-year average. If this was done the probabilities are the stabilization corporation would not have to buy a bale, since individuals, when the price came within a few points of 18 cents, with a chance to make a large profit and certain, at any rate, not to lose more than a mere bagatelle would take up the slack and thus spread the fat years on the lean years. Cotton is a very uncertain crop, so much depends on weather and insects. One year on a small acreage you get a tremendous crop; another, because of weather and insects, on a large acreage your crop will fall far below the average.

Mr. JONES of Texas. Mr. Chairman, will the gentleman yield?

Mr. CROSS. Yes.

Mr. JONES of Texas. I agree with my colleague upon his theory about the activities of a stabilization corporation if it would operate, but this bill which we passed does not authorize the Government to form a stabilization corporation, but only to loan money to cooperatives who may organize and operate such stabilization corporations. How would my colleague get a stabilization corporation to act unless the members of the cooperatives wanted to act in that way? If the Government could organize a corporation, it would be different, but it can not do it directly under the law referred to.

Mr. CROSS. I am inclined to think that under that bill they can set up a stabilization corporation and loan money to the corporation and the corporation could do what I have been talking about. Of course, I am not so certain of that, because I have not studied the legal phases of it, but that is what you could do to stabilize cotton to help the spinner and the producer. The trouble with the average farmer is that when he goes to plant he dreams of a rainbow, that he is going to get 25 or 30 cents a pound, and wakes up to find out that he is only going to get 15 or 16 cents.

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

Mr. BUCHANAN. Mr. Chairman, I yield the gentleman 15 minutes more.

Mr. O'CONNOR of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. CROSS. Yes.

Mr. O'CONNOR of Louisiana. Inasmuch as the gentleman has admitted the legitimacy and the necessity for hedging, will he inform the Members present how one could determine what is hedging and what is speculation?

Mr. CROSS. Whenever you pass a bill here that when a man buys on the exchange he designates staple and class, that whole thing is solved, because there will be no fake gambling there. Under the facts here as I have shown, 171,600,000 bales of cotton were sold on the New Orleans and New York Exchanges, and those figures do not include Chicago.

Your crop that year was 14,444,000 bales. Hedge! Why, there was not 10 per cent of this taken up by hedging. It was pure gambling. How could you expect anything else than that the price would be shot up and down by such a tremendous amount of fictitious buying and selling? You must keep your scales free of all fictitious transactions if they are to register the true price in accord with supply and demand. Do not forget Mr. Hoover's testimony. The same thing that applies to grain applies to cotton.

This book I have in my hand, gotten out by Mr. Griffiths, of the New Orleans Cotton Exchange, shows the wild, gyrating daily fluctuations on the cotton exchanges. Look at those lines showing how the price shoots up and down without reason or rhyme. I would that every man in this House could study this book. I would know, then, how you would vote. It would give you an idea of just what happens. You see here "Decline on liquidation of December contracts." "Liquidation" means when they are selling, you understand—when the speculators are selling and pressing down the market. It is speculation, not hedging; hedgers do not run. These speculators get out of the market because the Government is going to report. Again, "The price declines on the 23d of October on a wide-open break in the stock market."

Your scales ought to be accurate and just, where no transaction save a bona fide transaction should be made. Nine-tenths of these transactions we know are fictitious when hundreds of millions of bales of cotton are sold more than are produced.

Just as Chief Justice Taft said about wheat, where the testimony showed that 20,000,000,000 bushels were sold in a year on the Chicago Exchange, it was to the detriment of the producer. You know how Patten and Litter and their crowd shot it up and then the other side shot it down like a jumping jack. Justice is what I demand. Scales that will register the true price in response to bona fide transactions. That is all I ask.

Mr. O'CONNOR of Louisiana. Mr. Chairman, will the gentleman yield again?

Mr. CROSS. Yes.

Mr. O'CONNOR of Louisiana. We are all very much interested in the gentleman's speech. Years ago when I was employed in New Orleans in a cotton factor's house we got rid of the lower grade of cotton by putting it in with cotton of a higher grade. Otherwise we would never have been able to dispose of the low-grade cotton, because there was no demand for it. If the principle of your bill were established and men had the right to determine the grade, would not practically all the demand for the low-grade cotton cease?

Mr. CROSS. No; because that cotton ought not to ride in on the back of another grade and press down the other grade in order to raise itself up.

Mr. O'CONNOR of Louisiana. Of course, in selling cotton on the basis of middling the classification of each bale is given to it and marked on the back of samples on which it is sold, and the quotation or price marked on the back of it as well. "Middling" would get the price of middling; good middling its quotation for that day just as low middling and ordinary and low ordinary would get their quotations for the day on which a table of cotton would be sold made up of 200 bales running all the way from fair to low ordinary, but averaging middling, at which quotation it would be sold. By that method low-grade cotton is disposed of, and it did not depress the value of the higher grades at all, as each grade got the quotation or price of that grade on that day and the total prices of each and every bale on any table sold would average the price of middling on which basis it would be sold.

Mr. CROSS. I happened to be in conversation with a friend who was the manager of several cotton mills, when he said he was in town to buy cotton for his mills and being in front of a local exchange I asked why he did not buy through the exchange, and he replied that his contracts called for cloth to be made out of cotton middling in grade and an inch in staple and that if

he bought on the exchange they would deliver him a mixture in grades and staples all the way from low middling seven-eighths inch in staple to middling fair $1\frac{1}{8}$ inches in staple, which would be just what he could not use. Let the law provide that when a purchaser buys for future delivery designate staple and grade and that on delivery day the seller must comply with his contract.

Mr. JONES of Texas. Mr. Chairman, will the gentleman yield?

Mr. CROSS. Yes.

Mr. JONES of Texas. I agree with the gentleman on that proposition. But why not limit their activity to actual cotton delivery? Your position is, I take it, that the gambling and speculation itself adds nothing to the value or the product. Wherefore, why not have it as a clearing house for actual cotton?

Mr. CROSS. A man should have the right to make a legitimate hedge. For example, if a spinner gives a broker an order to buy him a thousand bales of cotton, he ought to be able to hedge by selling immediately a thousand bales, though he has no actual cotton; but this is based on his bona fide contract to buy a thousand bales of spot cotton.

Mr. JONES of Texas. The gentleman would have it because he is in the production of it. It seems to me that if the gentleman's suggestion, which is a good one, were put into effect it would practically limit purchases and sales on the exchange to such amount as the man actually had or had prospect of having.

Mr. CROSS. If you are a producer of cotton or a buyer of cotton you could sell me 1,000 bales, but you would know when you sold that cotton that on the delivery day I would demand that you deliver to me the cotton I had bought.

Mr. JONES of Texas. I am for that.

Mr. CROSS. And yet, you see, you would not have the cotton. It is a question of common sense and of plain justice.

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

Mr. CROSS. Certainly.

Mr. ABERNETHY. One of the millmen down in my country found he could make more money by selling short or hedging, if that is what you call it, than he could by operating his mill, so he did not open his mill at all. What about a situation of that sort?

Mr. CROSS. Well, he will go broke sooner or later. I have seen many men in my time who started to gamble on the exchange, but they finally went broke. You can not outguess them for they run the game and you pike, and in such cases you put up a kitty. It is just like going into a gambling house and every time there is a jack pot you feed the kitty. Of course, you men do not know anything about this [laughter], but nevertheless something is dropped into the kitty, and you are doing the dropping, paying for the privilege of gambling and he is doing the receiving, and sooner or later he or some one will have to give you a meal or you will go hungry.

Mr. ABERNETHY. The gentleman is making a very interesting and illuminating address, and I would like to learn something more about it. What is hedging if it is not gambling?

Mr. CROSS. It is not gambling for this reason: If I have 1,000 bales of cotton of if I give some one an order to buy me 1,000 bales of cotton at a certain price, then in order to keep from taking a chance of losing I go and sell 1,000 bales against my bona fide contract to buy a thousand bales of spots. It is similar to insuring a house. I can not protect myself perfectly, but I can in part. That is called hedging. That is legitimate and nobody objects to that. But when you take the exchange, where millions and hundreds of millions of bales are sold by people who have not any cotton, nor have made any bona fide contract for the purchase of spot cotton, then it is purely a gambling proposition and it depresses the price. That is not legitimate. It is simply making of the exchange a vast Monte Carlo.

I appeal to the Members of this House when this bill comes on this floor, if it does, to stand up and give us justice. I know that the boys from the cotton exchange will be here to talk, but I have studied this thing for years. I am a producer of cotton; I have some mill stocks and I live where it is produced, and I know I am on the side of right and justice. If it is going to be a gambling machine, you might as well wipe it out, but it can be a tremendous asset to the cotton business when properly functioning, but not when it is used in the way it is.

Mr. ABERNETHY. Just this further question. As I understand the gentleman's position, it is this: If you are a producer, you could go and contract to sell something you are going to raise, but you do not think it is right for a man to sell something he does not have and does not expect to have?

Mr. CROSS. Yes. I think that is all right if he has a reasonable expectation of getting it and is producing it. I never did sell more than about half of what I thought I would make, because I figured on insects and weather conditions possibly

taking half of it away from me, but I am honest and legitimate in what I am doing. I am trying to protect something I am raising, but the fellow who sits around and is purely a gambler and speculator, who shoots down the market and shoots it up, is the curse of the country.

Mr. JONES of Texas. Will the gentleman yield?

Mr. CROSS. Certainly.

Mr. JONES of Texas. I want to suggest that another difficulty of the present system which the gentleman is condemning is this: That the present grades and classifications of cotton are based not on their fitness for mill use and consumption but on their fitness for contracting on the exchange.

Mr. CROSS. I understand that.

Mr. JONES of Texas. And those grades ought to be changed.

Mr. CROSS. I agree. Supply and demand. Manipulation. Listen. On the 8th day of May, 1928, with a 15,838,000-bale crop recently harvested with a carry-over of 5,472,000 bales and confronted with an enormous prospective acreage for the coming crop, middling cotton on that day registered a price of 21.48 on the New York Cotton Exchange, while on the 13th day of November, 1929, in the midst of the gathering of a short crop of less than 15,000,000 bales with the carry-over reduced from 5,472,000 to 4,679,000 bales, and with consumption making a record, middling cotton registered a price of 16.55, or practically 5 cents a pound, or \$25 a bale less than it registered in May on the same New York Cotton Exchange. What more convincing proof do you want than that, that supply and demand has been dethroned and manipulation has been enthroned. Twenty-five dollars a bale less when if the voice of supply and demand could be heard it would be \$25 a bale more than it was in May. What higher duty can rest on this body than to see that the millions of toiling producers who trustfully look to it are not cheated by the trickery of those in control of the Nation's price-registering scales of supply and demand. [Applause.]

Mr. BUCHANAN. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. EDWARDS].

Mr. EDWARDS. Mr. Chairman, a few weeks ago I addressed the Exchange Club, in Savannah, Ga., on the subject of Aid to Agriculture, and some of the members of the club, including Mr. John G. Kennedy, who is State president of the Exchange Clubs of Georgia, asked that I talk on this subject in the House, that it might go in the Record, and in that way reach many more people than otherwise. The clubs in question have adopted "aid to agriculture" as its program. It is a matter Mr. Kennedy and I had discussed, and, of course, one of intense interest to Georgia, because its chief business is farming.

Some time ago, sponsored by the Savannah Board of Trade, now the chamber of commerce, a largely attended meeting of farmers and business men from some sixty-odd counties of Georgia and South Carolina was held in a conference room at the De Soto Hotel, in Savannah, and one of the principal addresses was delivered by Dr. Clarence Poe, of Raleigh, N. C. His address was a most excellent one, and he blamed the lack of greater prosperity in the South to the fact that we are using a "one-armed system" of farming, employing the plant-crop arm of agriculture and neglecting livestock, poultry, and dairying. He stressed quite strongly the importance of southern farmers turning, in addition to the general plant crops, also to the other arm of agriculture.

As yet the farm relief act has not greatly benefited our section, first, because it has not had time to get well under way; and secondly, because our farmers, skeptical as farmers generally are, have not fallen in line to form cooperative associations or commodity corporations. Out of the meeting at Savannah to which I have referred, which was addressed by Doctor Poe, Mr. J. C. Penney, and others, including myself, grew an organization that will, I hope, result in benefit to the section in which it will operate.

All along I have urged the farmers to organize. They must organize in line with the terms of the farm relief act if they hope to get benefits from the \$500,000,000 revolving fund we created in Congress for agricultural relief. It is the duty of leaders among the farmers as well as the duty of bankers and business men to counsel the farmers as to how they must cooperate through organizations in order that the greatest benefits may come to them through the farm relief act. Regardless of how we feel toward this act, we all should join in an effort to try to make it effective and helpful. That relief is needed there is no question. This fact has been recognized all down the line and by the President, who sent a special message to Congress on the subject.

The controverted idea of the equalization fee caused great delay, and Mr. Coolidge, who was then President, vetoed the McNary-Haugen bill because of the tax or fee on agricultural products. I supported this bill without the fee or tax, as I

supported all other bills offered, but did not favor the tax idea on farm products. I voted for and helped pass the present bill, and my ardent hope is that it may prove of great help to the country, for there has been and still is great distress among the farmers. The industry is the oldest and one of the most honorable known to man, and from the earth must come the necessities of life to insure the happiness and prosperity of the people. Agriculture is our basic industry, and upon it all others more or less depend for their success. As farming is prosperous, so are other industries; but when farming is at a low ebb, unprofitable, and limping along, other industries, including banking, is likewise adversely affected, especially in the sections of the country that are almost entirely agricultural, as our section of Georgia is. The problem of trying to relieve agriculture is therefore no longer the farmers' problem but it is the problem of every forward-thinking man in the whole country. It concerns not the agricultural industry alone but all industries, and that is why big business men have taken hold in an effort to help in this cause. It is therefore commendable in the exchange clubs and other organizations that have unselfishly pledged themselves to a program to aid the farmers, and from it will unquestionably result much good.

Very few people who live in big cities, in nice homes, with nice cars, radios, and comfortable surroundings, understand the seriousness of the agricultural depression. Such people can not visualize the real misery, worry, and distress that is upon our rural population. It has been brought about through conditions over which the farmers have had no say or control.

There are six and one-half million American farmers. Only a small percentage of them are prosperous, while thousands upon thousands of them have lost their homes, many others have abandoned their farms, moved to towns and cities, while many more thousands upon thousands are living on mortgaged farms and are hardly able to pay the interest and the taxes that are accumulating day by day upon them. Many doubt that the situation can be remedied by law or with vast appropriations. Whether it can or not, I am willing to help try to remedy the situation. The board that has been named and the stupendous sum of \$500,000,000 appropriated for farm relief will not relieve the situation unless the farmers come in under the act and cooperate in making it a success or at least beneficial.

In the study of the farm situation and in trying to find out what caused the breakdown of agriculture in this country, the evidence, reports, and debates showed one thing very clearly, and that is that sections where 1-crop systems have been relied upon there has been more ruin and distress than in sections where they have not had "all their eggs in one basket." It has also shown that the most prosperous sections are those where there is a great deal of dairying, poultry, and livestock raising, coupled with the regular or general crops.

It is not my purpose to discuss this matter as a nation-wide topic, but I want to confine myself to Georgia and the South. In fact, I want to talk mostly of conditions in south Georgia, because I am acquainted with that section where I live. My heart is with the tolling masses, and in their troubles and distress the farmers have my deep sympathy. All I have is in farm lands and all my people have is in the same class of property and, of course, I am caught in the depression and the ill fortunes that have befallen the people of my section. I have tasted and am drinking of the bitter cup along with those whose fortunes and hopes have been shattered through the breakdown of the agricultural industry in south Georgia.

Surely, surely there is a dawn to this dark night of gloomy despair and there must be a brighter day ahead and let us hope and trust that the brighter day will come soon for the sake of the farm industry and for the sake of the happiness and prosperity of the whole country.

A PROGRAM FOR PROSPERITY

A reaction is bound to come in the industry. The farm relief act and other things will help. But the farmers themselves must cooperate and help most of all. They can help in south Georgia and throughout the whole State by looking to other things as a crop and not rely on cotton alone. We have many farmers in Georgia who plant nothing but cotton. We can not compete with Texas and Oklahoma in raising cotton. We might as well know it, and knowing the fact we had better turn quickly to other things. Now why can not we compete with Texas and Oklahoma? Because in those prairie States they do not have to use commercial fertilizers, labor is cheap, and they use machinery in farming and it is safe to estimate they can raise cotton from 2 to 4 cents on the pound cheaper than we can produce it in Georgia and the other cotton-producing States. That means they are able to raise cotton from \$8 to \$20 on the bale cheaper than Georgia can raise it. There are other things Georgia can raise as cheaply as Texas and Okla-

homa can, and some things more cheaply, so those are the things we must turn to. Then too, we have been trying to run a race with only one leg. We have been in a battle with only one arm as Doctor Poe told us in his farm address at Savannah. We are relying almost wholly on plant-life farming in Georgia and have neglected livestock and poultry raising and we have hardly scratched the surface in dairying, and our State is admirably suited for all of this. No country has ever prospered in its agriculture that has not coupled these elements of farming with the raising of general crops. History tells us that, experience shows us that, then why do we of Georgia not profit by what history tells us and by what our experience has bitterly shown us?

CONDENSED-MILK PLANTS

Congressman RANKIN, of Mississippi, and Congressman OLIVER, of Alabama, have told us, as the RECORD shows, how things were revolutionized in their districts and sections through dairying and through securing Borden, Carnation, and other big condensing plants to locate in their sections and use the milk raised by the farmers. Conditions were, I am sure, quite similar, perhaps no better and perhaps no worse, than they are now in our section of Georgia. They realized something had to be done, and the business men and farmers got together on plans to induce these condensing plants to locate in their midst, with the result that others came. It has proven, as we know, a great success in Mississippi and Alabama. It has brought a new hope and greater prosperity to those communities. The farmers keep a few dairy cows of fine breed, and they sell the milk and cream to the condensing plants and to the cheese plants. On each Monday, I understand, they are paid by the plants for their products. This brings fresh money into circulation and helps keep a steady and more regular flow of cash all through the year, where heretofore there was cash only at one period of the year, and that in the fall and winter when the cotton was sold.

The boll weevil has ruined the cotton industry and it is not profitable under present conditions any more. Twenty-odd years ago I secured experts to make addresses, and sent literature to the first Georgia district, warning the people against the boll weevil, which had not yet reached our happy and prosperous section. No one took much interest in it. I appealed to a banker several years ago to arouse his people and lead the fight in getting the people to turn to diversification of crops and to other than cotton, and he said I was playing politics and that the weevil would never get that far. I went back to the town where that man lives and where he was operating a successful bank a few months since and I saw him down and out, his bank closed, and the people generally in distress because they did not turn to other things before the boll weevil reached them. Many of our people are still trying in vain to fight the weevil. A good friend of mine told me recently he planted 150 acres of cotton this year and had to replant it late on account of hail, and that it came up late and was caught by the boll weevil, and that he made only two bales of cotton on the whole thing, where formerly he should have made 125 or 150 bales of cotton. You think farmers can survive with such things to contend with? It is impossible.

SOUTH GEORGIA CAN GET CONDENSING PLANTS

The people in south Georgia can do what they did in Mississippi and Alabama. They can turn to poultry raising, stock-raising, and to dairying. The business men and farmers ought to get together before conditions get worse and form committees and go after the big and well-known condensing plants and turn to dairying, to poultry, and to stock raising in connection with general crops. When I was a boy my father, who was a successful farmer, had 1,000 to 1,200 head of sheep. He had a large bunch of cattle, a lot of goats and hogs. He raised a lot of turkeys, geese, ducks, and poultry, and he planted the general crops. We raised nearly everything we needed on that farm, and I think our circumstances and conditions were better then than we find on most of the farms of that section to-day. In fact, I doubt if there are 200 head of sheep in the county of Evans, in which we lived, while the number of cattle has likewise decreased and nothing like the number of hogs are raised as formerly. You do not find any Georgia-raised horses and mules to speak of in south Georgia, yet they can be raised there. In fact nearly everything that can be raised anywhere else can be raised there. Long-staple cotton was the great money crop, along with the wool clip and the sale of pork and poultry. The boll weevil got the long-staple cotton, and none of it is grown there any more. Nothing seems definitely to have taken its place as a great money-maker. Our folks have been slow in getting to something else. They are trying tobacco, but the marketing conditions are not such that it has proved profitable so far. Some remedy must be worked out in the marketing of tobacco.

CLIMATE LIKE THAT OF LOS ANGELES

In the coastal section of Georgia from Savannah for some distance interior the climate is fine the year round. It is that oceanic climate very much like around Los Angeles, Calif. We have ample rainfall, which, coupled with our wonderful climate, will enable us to make two and three crops per annum, and, of course, a gentle climate is fine for dairying and for stock raising. Our possibilities are wonderful if we can just decide to turn, not entirely but almost wholly, away from cotton growing and couple general farming with the hog, hen, and cow program, I feel sure we will come into the fullness of a new day for the farmers of our section. It will mean better times for our merchants, doctors, lawyers, school-teachers, preachers, and for men and women of every walk and calling of life.

I congratulate the exchange clubs on adopting "aid to agriculture" as their program, especially in Georgia where it is so badly needed. Every other club and agency, as well as every business and professional man should join hands with the leading men among the farmers in a campaign to effect a revolution in agriculture in the South.

THE POSSIBILITIES OF DAIRYING IN THE SOUTH

The South has many natural advantages for a profitable dairy industry. In many sections the soil is such that legume hay and grasses of various kinds—the backbone of good feeding—may be produced cheaply and abundantly. Because two crops a year—one of these a legume—may be grown in many sections, the South has an advantage for raising dairy cattle and producing dairy products at a low cost. Many sections of the South, particularly the Piedmont region, are adapted to the growing of alfalfa, the premier hay crop for dairy cattle. The numerous grasses adapted to the soil types of the South provide grazing a large part of the year. Supplemented by such roughages as Sudan grass and sorghum, these grasses provide a cheap and nutritious feed for dairy cattle.

The climatic conditions of the South favor the economical feeding and housing of dairy cows. Cows may be on pasture for a large part of the year, and comfortable buildings may be provided at low cost. The South has an adequate supply of pure water which is a distinct asset in the conduct of a dairy business.

Although the large cities of the South furnish a market for an enormous supply of milk and cream for consumption in its fluid form and in the form of manufactured dairy products, these markets are not within the reach of the rank and file of the southern farmers. During the past few years, however, creameries and cheese factories have been established in various parts of the South, thereby placing within reach of the farmers, particularly the farmers owning only small herds of cows, an excellent outlet for their products.

Such outlets make it profitable for the cotton farmer, for instance, to engage in dairying as a part of his farming system. Dairy products provide an income which enables the farmer to carry on his farming operations on a cash basis. That dairying has already spread over a large part of the South is indicative of the fact that the advantages of this industry are being recognized.

Much progress is being made in the South not only in the production of more home-grown feeds but also in the improvement of dairy cattle through breeding. The splendid progress made during the last few years in calf club work insures for the future an increase in the number of cows which will produce far more than the average dairy cow in that section. At the present time many high-producing cows are being kept. The work of the State agricultural colleges is a large factor in improving the class of cattle being kept on farms in the South. As time goes on and as the results of this work accumulate, profitable dairy herds will be found in increasing numbers. Dairying may never be the leading agricultural industry in the South, but properly developed it will prove a valuable and stabilizing adjunct to cotton or other types of farming.

EDUCATION NEEDED

Along with it all education is needed. Recently there has been a lot of strange thinking and talking in south Georgia about education. Holding as I do a high official position, I feel I would be false to the trust the people have reposed in me if I did not say a few words on this subject. There are those who, because of the depleted condition of our State's funds for education, counsel that the schools be closed until the State gets funds through its regular source of raising revenue with which to pay cash as we go. Think of any progressive Georgian advising that the public schools, the bulwark of our civilization, be closed until the taxes can be collected? Think of disorganizing the public schools for months and closing them? If the State has not ready money at hand it should borrow, if necessary, to the very last cent of its credit, and keep the public

schools open and going. We need and must have the benefits of the public schools for what they mean to-day and what they will mean to future generations.

I do not care how poor parents are or how humble the child is, the child should have the benefit of the public schools and be fitted as well as possible for the duties of citizenship. It will help us solve many of our problems that perplex us if we educate our boys and girls.

A program of education with respect to the farm situation I have referred to is needed in Georgia and the South, and nothing will help the State of Georgia and the whole South come into the fullness of their own like the proper education of our boys and girls. Many uneducated men are successful and are fine citizens, but you never knew one who would not have been more successful or a better citizen in the fulfillment of his obligations to human society and to our splendid civilization if he had been educated. You never knew an uneducated man or woman, either, who did not regret the fact that circumstances had been such they were denied the great blessing of an education. There is no fear or even serious thought that our schools will close, but, to the contrary, I believe it will arouse our State and people and that they will take a greater interest in our public schools and in educational affairs. [Applause.]

Mr. SIMMONS. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. COYLE]. [Applause.]

Mr. COYLE. Mr. Chairman and gentlemen of the committee, I had brought home to me very clearly yesterday and again to-day how perfectly remarkable are the contributions which 435 men from all over this country bring to this Congress. Yesterday afternoon the gentleman from Maine [Mr. BEEBY], the gentleman from Michigan [Mr. HOOPER], and the Delegates from the Philippines made a remarkable contribution, if you please, based on the fund of their own knowledge, and this afternoon we have had a very delightful contribution from a cotton-growing State. Each gentleman contributed to this House out of his own particular experience and he brought to our attention something that would help us in shaping legislation. To-day, as I come back to repeat, if you please, my freshman year in this House, I want to speak for a moment from my experience, not principally of Haiti but just a moment as to what I saw in Haiti two years ago. I can not speak from personal experience of what was before that, but of what was there then and is to-day, I can speak.

Haiti, under the administration of the Haitian people, guided and led by the American people, has come out of darkness into daylight. There is no American on duty in Haiti but what is giving every day of his energy to teach and to raise among the Haitian people competent policemen, careful and sincere school-teachers, a wonderful corps of nurses, doctors who are taking care of the health of their own people; and believe me, they are raising surgeons from among the native people who came out of the jungle that we heard of yesterday.

This is not being done by force of arms. It is being done by the consent of the governed. It is being done at the request of the governed. In addition to this, for the first time, perhaps, in over 100 years, the people of Haiti who may have owned the land for the first time in their history are having the use of the land that they own. They may have owned it heretofore, but the use of it had been taken away from them.

If you will now pardon me, I want to leave that topic at this point. It is based on personal experience and observation and from talking to the people of the country.

Mr. KNUTSON. Will my good friend from Pennsylvania yield before he leaves that particular subject?

Mr. COYLE. Gladly.

Mr. KNUTSON. It was stated on the floor an hour or two ago by the gentleman from Alabama [Mr. HUDDLESTON] that large American interests have gone into Haiti and dispossessed the inhabitants of the land, disregarded squatters' rights, and so forth. The gentleman has been in Haiti and knows that that is not true?

Mr. COYLE. I do so know. It is not true.

Mr. O'CONNOR of Louisiana. Will the gentleman yield?

Mr. COYLE. Gladly.

Mr. O'CONNOR of Louisiana. Has the gentleman ever had the pleasure of visiting Haiti and making observations with respect to their agricultural and educational institutions?

Mr. COYLE. Yes.

Mr. O'CONNOR of Louisiana. Will the gentleman permit me to say that there is a great deal of thought among people in this country who have intimate relations with Haiti that the educational system is conducted along wrong lines. They are educating and turning out men from the book standpoint whose wishes can never be gratified. As a consequence, there are too many lawyers and too many doctors and too many educated

Haitians who can not get jobs. No one can gratify their wishes, and this makes for discontent. If the educational system was slanted along agricultural lines it would be far better than the present system.

Mr. HUDSON. Will the gentleman yield right there?

Mr. COYLE. Gladly.

Mr. HUDSON. Is it not true that in previous years what the gentleman from Louisiana [Mr. O'CONNOR] has said may have been true, but the entire policy of the Government now, as well as the object of the money now expended by the Government, is to develop men and women to deal with the agriculture of their own country, and they are working very extensively along that line?

Mr. O'CONNOR of Louisiana. When did they begin to put that system into operation?

Mr. KNUTSON. About three years ago, if I may interrupt.

Mr. O'CONNOR of Louisiana. Quite recently.

Mr. COYLE. Mr. Chairman, if I may answer these questions myself, I believe I can answer them satisfactorily. You may have, if you please, Mr. Chairman, your opinion and I may have mine about the faults of the educational system in Haiti. My observations made on the ground in Haiti leads me to believe that for every vocation in life that is now being filled by an American in Haiti, that American is training a Haitian to take his place, looking for the day when America comes out of there. I think there is no exception to that.

You can go to Cape Haitien, where there are the remains of the buildings started or built by Columbus on his first expedition still standing, and you can find there, built among the ruins that have come down from that time, a great hospital, with a great American surgeon and a staff of native internes, some of them having been sent to America or to France to study, who have come back there and are carrying health clinics to every little crossroad station in the island of Haiti and teaching a people who believed up to very recently in voodooism and witchcraft; and to-day to have brought sanitation and health not only to that hospital but to every little country crossroad village and hamlet is a remarkable job.

Mr. KNUTSON. Is it not true, may I ask the gentleman, that the Americans have completely eradicated hookworm in Haiti?

Mr. COYLE. The Americans have completely eradicated hookworm, yellow fever, which decimated the island—

Mr. KNUTSON. And pellagra?

Mr. COYLE. Pellagra, yes; and have made strong inroads on smallpox. A great opposition among the uneducated classes to vaccination was overcome, because in a smallpox scourge they saw that every marine who was vaccinated was free of smallpox and many of their own population died of smallpox. The next time, there was less objection to vaccination. I also believe that vaccination was not in any case forced upon any native.

Mr. O'CONNOR of Louisiana. Will the gentleman again yield?

Mr. COYLE. Gladly.

Mr. O'CONNOR of Louisiana. I know neither the gentleman nor any member here misunderstands my attitude in the matter.

Mr. COYLE. I think that is true.

Mr. O'CONNOR of Louisiana. And I hope the gentleman accepts my remarks as being intended to be helpful. As a matter of fact, I am thoroughly in line with the views so splendidly expressed here on the floor yesterday by our colleague, the gentleman from Michigan [Mr. HOOPER]; but I want to reiterate that the salvation of Haiti depends upon its agricultural development, and up to three years ago, I know from many visits that I made, that agriculture was seriously neglected. Cotton was growing wild and any organized effort on the part of agriculturists, in my judgment, would have made for a development which would have done a great deal to relieve the conditions that existed there at that time.

Mr. HOOPER. Will the gentleman permit an interruption?

Mr. COYLE. Certainly.

Mr. HOOPER. Has it not been true in Haiti in the past that too many of the ruling class there have been educated professionally and have been trained as lawyers or doctors without having any field in which to practice?

Mr. COYLE. I think that is true.

Mr. HOOPER. And the mechanical arts and agriculture had been almost totally neglected from an educational standpoint until the arrival of the Americans and the establishment of their administration.

Mr. COYLE. I think that is a fair statement.

Now, Mr. Chairman, I wish to go for a moment to the question of the Virgin Isles.

The CHAIRMAN (Mr. BEEDY in the chair). The time of the gentleman from Pennsylvania has expired.

Mr. SIMMONS. Mr. Chairman, I yield to the gentleman five minutes more.

Mr. COYLE. My experience in the Virgin Islands dates back now nearly 30 years, when they were the Danish West Indies. The first time I observed what still remains the fact that these three islands were different, or at least there were two differences in the three islands. One was entirely a trading island, dealing in agricultural products and in agricultural possibilities. The largest of the other islands raised a good deal of sugar. During the World War the islands came under the American administration. From that time down to the present there has not been passed by this Congress any fundamental law covering the administration of these islands. They are being administered, by default of any other method, being governed, by naval officials detailed by the Government, and the law of the Danish Crown is still the law of the land, so far as it applies.

Mr. ABERNETHY. Will the gentleman yield?

Mr. COYLE. I yield.

Mr. ABERNETHY. Will the gentleman explain what he thinks is the real trouble there?

Mr. COYLE. I am almost unable to state definitely the trouble. What I want particularly to call the attention of Congress to is the need for a competent body to study the situation and determine, first, what is wrong with the situation. Employment? Lack of funds? Excessive, unsound taxation? Yes; and what is back of that? I do not know. What is the cure? I am not quite sure, but I am certain that men like the gentleman from Michigan [Mr. HOOPER] and the gentleman from Maine [Mr. BEEDY], who spoke yesterday so intelligently and have given such sincere devotion to insular affairs, and similar men, could study the problem that has been forgotten and solve it. The islands have been left out of consideration merely because they are small. These men could study and give us a solution.

We maintain in the islands all the machinery of a United States district court that would be necessary for any great jurisdiction. There are a greater number of people in each of the eight different boroughs in one of the three counties in my district, and we do not have a United States court in the district, but they do have a United States court in the Virgin Islands.

The islands are suffering from the burden of a tax on sugar production, which is their main agricultural product. The Constitution does not follow the flag to that extent. It does follow the flag to the extent of the eighteenth amendment. We have eliminated an industry there in the manufacture of rum and bay rum which was a big industry on the islands. Right or wrong, that fact remains.

The Constitution, with one hand, took away their trade and employment, and, with the other hand, taxed what is left. It does seem a very serious situation that because they are small they should be so entirely overlooked, and it is to commend them to your serious attention, with the idea that a proper governmental administration should be developed which would not be so extravagant and so oppressive as is the present burden of tax on these subject people. They have no representative in this Congress, no delegate to represent them, and they are not even administered through the Bureau of Insular Affairs in the War Department. [Applause.]

Mr. SIMMONS. Mr. Chairman, I yield 15 minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Chairman, in view of the fact that we have up for consideration the agricultural appropriation bill, I deem the subject to which I wish to address myself appropriate. There is pending before the Insular Affairs Committee of the House a measure introduced by me in the closing days of the first session of this Congress, providing for the independence of the Philippine Islands. A few days after the measure was introduced there appeared in the St. Paul Pioneer Press an editorial, which I shall ask the Clerk to read in my time.

The CHAIRMAN. Without objection, the Clerk will read.

There was no objection, and the Clerk read as follows:

[From the Pioneer Press, November 26, 1929]

PHILIPPINE FREEDOM

Representative HAROLD KNUTSON, of the sixth Minnesota district, has a bill before Congress providing for the independence of the Philippine Islands, which he is advocating on the ground that the welfare of American dairy farmers demands exclusion from this country of Filipino vegetable oils which now enter duty free. There may be good reasons to set the Philippine Islands free at this time, but a mere desire to put a tariff on coconut oil and copra is most definitely not sufficient.

America did not go into the Philippines 30 years ago for glory of empire, for self-aggrandizement, for its own material enrichment, or for any other selfish purpose. The preamble to the Jones Act of 1916, extending to the Filipinos a liberal measure of self-government, defined the motive that took America to the islands, saying: "It has always been the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein."

That declaration still represents the policy of the American people toward the Philippine Islands and constitutes the sole legitimate test of the independence question. The islands have made immense progress in commerce, education, public health, and political capacity since their capture from Spain. Whether America has yet discharged its obligation to the Filipinos is something to be decided on its own merits and apart from any selfish advantages to be gained by cutting them loose to fare for themselves as best they may.

There have been two official inquiries into the fitness of the Philippine Islands for self-government within recent years. In 1921 President Harding sent Maj. Gen. Leonard Wood and W. Cameron Forbes, a former governor general of the islands, to make a complete survey of conditions. They recommended that "the present general status of the Philippine Islands continue until the people have had time to absorb and thoroughly master the powers already in their hands," and that "under no circumstances should the American Government permit to be established in the Philippine Islands a situation which would leave the United States in the position of responsibility without authority."

Again in 1926 President Coolidge sent Carmi A. Thompson, of Ohio, as his personal commissioner to the islands. Mr. Thompson urged that greater autonomy be granted in internal affairs "as conditions may warrant," but believed that independence should not be extended for "some time to come."

It may be advisable now to reexamine the conditions of the Filipinos to see whether these judgments should be revised, but for the present the Wood-Forbes and the Thompson reports must form the chief guides to American policy in the islands. To leave the Philippines without having discharged our national obligation to the native people would be damaging to the statesmanship and good faith of the American Government. The sole test must be, not the convenience or profits of the American people, but the readiness of the Filipinos for complete self-government, their political and economic ability to stand alone, their power of maintaining independent nationhood once it has been attained.

There is no gainsaying the competition which American animal and vegetable oils encounter from Philippine coconut products, but agriculture has more to lose than to profit by making sectional economic advantage the catchall for any and every question of policy. Agriculture must bring to bear on national issues that same broad point of view it has demanded of others. To set the Philippines free for no other reason than to exclude copra and coconut oil from these markets would be a betrayal of national duty.

It is unfortunate and regrettable that the dairy farmers find the Philippine venture troublesome, but having set itself the obligation, this country may not now turn back on its bargain with the task incomplete because there is no profit in it. The dairy industry has good reason to complain that no single economic group should be singled out to support the heavier part of the burden of the Filipino guardianship. America's mission in the islands is of national character. So long as its continuance works a special hardship to American producers of animal and vegetable fats, the discrimination entitles those producers to particular consideration in other respects where Government action is possible.

Mr. KNUTSON. Mr. Chairman, Mr. Williamson, the managing editor of the Pioneer Press, wrote and very kindly invited me to use the columns of that paper in setting forth my reasons for introducing this legislation, and I did so in quite a lengthy letter, which I shall not read at this time, but which I ask unanimous consent to make a part of my remarks.

The CHAIRMAN. Without objection, the letter will be included in the statement of the gentleman.

There was no objection.

EDITOR PIONEER PRESS: I have before me your editorial of November 26 entitled "Philippine Independence," wherein reference is made to my bill to give to the islands their freedom. I commend its high conception of America's duty toward the Philippines and our solemn pledge to the Filipino people. I, too, want to do the right thing by the Filipinos, but in addition I would place the best interests of America first. Timothy says, "But 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."

Mr. Editor, we have been playing wet nurse to the less fortunate of other lands since the Republic was founded. American blood has been shed in the Philippines, Cuba, Haiti, Santo Domingo, Nicaragua, not to mention France and Belgium; and for what? To establish peace and security for peoples in no way related to us. We have relieved distress where there was hunger and established orderly government where there was none. Surely if we were to retire from the Philippines

at this time we could not be justly accused of selfishness with that fine record of unselfish disinterestedness behind us.

Personally I believe the Filipinos to be ready for the independence promised them by the martyred McKinley and reiterated in nearly every political platform adopted by the two major parties since 1900. They have a stable government, elected by the suffrages of the Filipino people and supported by them; they have demonstrated their ability to maintain that government, and we have no reason to doubt their capacity for fulfilling any international obligations which they may assume. Now, Mr. Editor, what more can we reasonably expect of any people who may aspire to political freedom and complete self-rule?

Let us approach this matter from another angle. The Filipinos export to us each year enormous quantities of vegetable oils free of all import taxes, which enter into direct competition with American dairy products. Last year such imports amounted to nearly 1,000,000,000 pounds. A large portion of this oil is used in the manufacture of butter substitutes and soaps, so the swine raiser and cotton grower are also affected adversely, for it has materially reduced the demand for animal fats and cottonseed oil.

The outlook for our dairy industry is not rosy. We have at the present time 140,000,000 pounds of butter in storage—33,000,000 more pounds than a year ago. The production of butter grows apace, and to-day we are within 2 per cent of the saturation point. When that is reached the present tariff rate of 12 cents per pound will cease to give that full measure of protection contemplated by Congress and butter will follow the path already taken by wheat and cotton. In other words, the American market price will be replaced by the world market price. That must be prevented at all costs.

Mr. Editor, was it not our dairy herds and cooperative creameries that stood between the agricultural Northwest and bankruptcy from 1921 to 1927? If that be true—and no one can successfully controvert it—is it not essential that these strongholds of American agriculture be further strengthened? It is generally agreed that the Philippine Islands to-day constitute the greatest single menace to our dairy industry because of their huge exports to our country.

I feel that the time has come to give them their independence. I, for one, believe them ready for it, but, in any event, charity begins at home, and with me the United States of America comes first. That is the reason I introduced a bill in Congress to give them their independence. May I say that this measure provides for the retention of commercial and naval bases as well as coaling stations, so our interests in the Orient will be fully safeguarded.

I fear that I have already used too much of your valuable space, but I could not very well make my position clear with less.

HAROLD KNUTSON.

Mr. KNUTSON. I have some figures here which are very illuminating. In the first place, we are now within 2 per cent of the saturation point in the consumption of dairy products in the United States. We have at the present time 140,000,000 pounds of butter in cold storage, which is 33,000,000 more pounds than we had at this time a year ago. In addition, there is in storage 300,000,000 pounds of condensed and evaporated milk and 22,800,000 pounds of dried milk and 78,000,000 pounds of cheese, making a grand total of 540,800,000 pounds of dairy products in storage at the present time. That brings us up to a very serious condition. For the years 1921 to 1928 it was the dairy cow and the cooperative creamery that stood between agriculture and bankruptcy in the Northwest. Owing to favorable tariff rates we were able to secure fairly satisfactory prices for our dairy products. Let me call the attention of the House to the fact that when we reach the saturation point in dairy products, the 12-cent tariff on butter will cease to give us that full measure of protection that Congress contemplated when the legislation was enacted. When we reach the saturation point the American market price will be set aside in favor of the world market price. That is what has happened to wheat and what has happened to cotton, and it happens to every product of which we produce a surplus.

Mr. STRONG of Kansas. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Yes.

Mr. STRONG of Kansas. The price per pound for cream or butterfat is now 8 to 10 cents lower this year than it was this time last year.

Mr. KNUTSON. Precisely; because the price of dairy products is governed by the law of supply and demand, as is the price of everything else. We are importing from the Philippine Islands almost 1,000,000,000 pounds of vegetable oil annually. These huge importations go into the manufacture of butter substitutes, and they enter into direct competition with the various interests of the country, with the swine raisers, because they also enter into competition with animal fats, also with cottonseed oil, so that the South is deeply interested with us of the North in seeing that this unfair competition from the Orient is stopped. In addition to this enormous importation of

vegetable oil we import each year something like 600,000 tons of sugar from the Philippine Islands. I know that most of the opposition to the Philippine independence comes from the East, but let me suggest that if the Philippine Islands were shipping enormous quantities of shoes and textiles and machinery into this country we would have just as great a demand for the independence of the Philippines from the East as we now have in the Northwest, where we are engaged largely in agriculture.

Mr. PATTERSON. Will the gentleman yield?

Mr. KNUTSON. Yes.

Mr. PATTERSON. Would the distinguished gentleman claim that the basis for his bill which he introduced and the fact that we want to give the Philippines independence is the economic condition of our own people?

Mr. KNUTSON. Let me say in reply to my good friend that the martyred McKinley promised the Filipinos their independence.

Mr. PATTERSON. I am well aware of that.

Mr. KNUTSON. And practically every platform adopted by the two major parties since 1900 has declared for ultimate independence. It all revolves itself around the question of when they will be ready for independence. One has but to meet and associate with the distinguished Commissioners from the Philippine Islands to answer that question. I take it that they are representative citizens of the islands, just as the membership of this House is representative of the great American people. Both are able and creditable representatives of their people.

Mr. STRONG of Kansas. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Yes; I yield to my good friend from Kansas.

Mr. STRONG of Kansas. If the question revolves around the fact of when the Philippines are ready for independence, they are ready now. Gentleman who oppose it are turning the proposition into one of when we are ready to let them have their independence. They have over a hundred universities and colleges in the islands, 6,000 schools, they conduct their own legislature and pass their own laws, and they want to run their own country; and if it is of no value to us from a defense standpoint, if it is an expense to us, if it is of no value to us from a commercial standpoint, if it is a damage to us and they want their independence and they can run their own country, why not let them run it?

Mr. KNUTSON. Have they not demonstrated their ability to maintain a stable government?

Mr. STRONG of Kansas. They have.

Mr. KNUTSON. Is there anything in the history of the Philippine people to give us reason to believe that they would not maintain and observe any covenants and obligations that they may enter into with foreign countries? After all, what is the yardstick by which we must measure the capacity of a people for independence? If we are to measure it by acts of lawlessness, some may point to several large American centers of population and say that the American people are also unfit for independence. They have a stable government, elected by the Filipino people, and they have demonstrated their ability to maintain that government.

This is a significant fact, Mr. Chairman, that concerning the last election held in the Philippine Islands we have the commendation of the late General Wood, then Governor of the Philippine Islands, who said that the election had been held in an orderly manner and that everyone who was entitled to vote had the opportunity to do so. [Applause.]

Now, in this country in various places after nearly every election the papers are filled with stories of ballot-box stuffing and slugging matches and intimidation, and even murders, and yet who would say that the American people are not capable of self-government?

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

Mr. KNUTSON. Yes.

Mr. MAAS. Does the gentleman think the people of the Philippine Islands are economically ready for self-government? Does the gentleman think that if we were to make a change in our tariff provisions they would be able to maintain their industries, with the privilege of free entry into America cut off?

Mr. KNUTSON. I believe that the Filipinos are able to govern themselves. I think they would be as capable of self-government as the people of Japan. The Japanese emerged from the position of a hermit nation some 70 years ago to that of a nation perfectly able to maintain itself, and I see no reason why the Philippines are not as capable of taking care of themselves as are the people of Japan.

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

Mr. KNUTSON. Mr. Chairman, may I have three minutes more?

Mr. SIMMONS. Mr. Chairman, I yield to the gentleman five additional minutes.

Mr. MAAS. It is not a question of capability. But they have been operating for a number of years under a free-tariff system. If you gave them their independence and removed from them that benefit it would impair their whole economic structure. I do not think we have yet carried out our obligations fully. Does the gentleman?

Mr. KNUTSON. I think we have. I do not see why our debt to the Philippine people has not been paid up to this time. The more money you invest in the Philippine Islands the greater will be the demand that we remain there indefinitely.

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

Mr. KNUTSON. Yes.

Mr. PATTERSON. I am thoroughly in accord with the gentleman along the line of giving the Filipinos their independence. Not only that, but it seems to me that the last reasons the gentleman has given make that demand even more imperative.

Mr. KNUTSON. They are both strong and unanswerable.

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

Mr. KNUTSON. Yes.

Mr. SELVIG. The present economic situation in the Philippine Islands has been built up at an annual cost of \$150,000,000 against our farmers through the free entry of the commodities the gentleman has mentioned, particularly sugar and the vegetable oils, which compete against our dairy products. That is one reason why our dairy and livestock farmers and sugar producers find themselves in their present difficult position.

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

Mr. KNUTSON. Yes.

Mr. BRIGHAM. I sympathize with the gentleman in the statement he has made. Has he given any consideration to that provision of our laws relating to the manufacture and sale of butter substitutes?

Mr. KNUTSON. Yes. Congress enacted a law some years ago prohibiting the coloring of oleomargarine so as to make it appear the same as butter, but the packers got around that by including a little coloring matter in a vial in each pound of oleomargarine. Again, we passed the McFadden bill a year ago, thinking it would put a stop to branch banking, and it did, but we have now got group banking instead, which is the same thing, only worse.

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

Mr. KNUTSON. Yes.

Mr. OSIAS. I would like to inject the information that Mr. Unson, of the department of finance in the Philippine government, has made a statement to the effect that the Filipinos are able and competent to maintain an independent government; and there is no one more qualified to make that statement than he.

Mr. KNUTSON. You would be just as prosperous as you are now if we levied tariff duties against your country. Did not Spain levy heavy tribute on the Philippines for over 300 years?

Mr. OSIAS. Yes; and that would give us the power to impose import duties if the change were made.

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

Mr. KNUTSON. Gladly.

Mr. HOOPER. Assuming that the Philippine Islands are entitled to independence—and I assume that every one is in favor of their independence at some time in the future, and I think we can safely assume both propositions—does not the gentleman think that the time should be set far in the future, when all the necessary governmental machinery in the Philippine Islands can be set up, and they can start off under favorable circumstances and auspicious conditions?

Mr. KNUTSON. It may be that the gentleman's definition of what would be "abrupt" and my definition would not tally. Under the legislation proposed by me it would be a year before we withdrew from the islands. My proposal provides for a naval base, a commercial port, and coaling stations, and also authorizes the President of the United States to enter into such negotiations with the Philippine people as to fully protect our interests in the Orient. It is not my thought that we should retire entirely from the Orient.

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

Mr. KNUTSON. Mr. Chairman, I ask unanimous consent to extend my remarks by inserting two letters.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota to extend his remarks in the manner indicated?

There was no objection.

MINNEAPOLIS, MINN., December 10, 1929.

Mr. HAROLD KNUTSON,
Committee on Pensions, Washington, D. C.

DEAR MR. KNUTSON: I will be pleased to have you use the editorial that appeared in the November issue of the Land O'Lakes News in your publication.

I am very much interested in the bill you recently introduced asking for the independence of the Philippine Islands. One of the greatest causes of overproduction in the United States is the import of foreign oils that are taking the place of products we might well raise on our own farms.

You will have the united support from the dairy industry and the cooperative organizations for the bill you have introduced. If independence of the Philippines can not be accomplished, we are in hopes that all of our Representatives will support a higher duty on vegetable oils as the exclusion of these products will be of greatest assistance to the agricultural industry.

Yours very truly,

LAND O'LAKES CREAMERIES (INC.),
JOHN BRANDT, President.

FEDERAL FARM BOARD,
Washington, November 22, 1929.

Hon. HAROLD KNUTSON,
House of Representatives.

MY DEAR MR. KNUTSON: Surely you are on the right track with H. R. 5182.

I have before me at the present time a very recent report on butter production and consumption, that is becoming quite alarming, as there are 32,500,000 pounds of butter more in storage at the present time than there was a year ago. It looks like things were commencing to back up on the dairy program.

There is also quite a lot more cheese and condensed milk in storage than a year ago.

I hope that you may have good luck in putting your bill over.

Very sincerely yours,

W. F. SCHILLING,
Member Federal Farm Board.

Mr. SIMMONS. Mr. Chairman, I yield five minutes to the gentleman from Tennessee [Mr. TAYLOR].

The CHAIRMAN. The gentleman from Tennessee is recognized for five minutes.

Mr. TAYLOR of Tennessee. Mr. Chairman, and gentlemen of the House, I desire to take advantage of the opportunity afforded by general debate to call to the attention of the agricultural subcommittee of the Appropriations Committee and to the membership of the House generally the critical and deplorable condition of the peach industry in the southeastern section of this country, and more particularly the peach-growing area of east Tennessee.

As evidence of this terrible situation, I will read you a telegram which I received this morning from Dr. G. P. Zirkle, president of the East Tennessee Peach Growers Association.

KINGSTON, TENN., December 13, 1929.

Hon. J. WILL TAYLOR,
Washington, D. C.:

There are 500 peach orchards in East Tennessee, and upwards of 1,500,000 trees. In 1928 we marketed 1,100,000 bushels of peaches. In 1929 we marketed only 520,000 bushels, among which there was a very small per cent of first-class fruit. Due to insect damage, 90 per cent of the crop was of inferior quality. Very few growers were able to balance accounts on the 1929 crop. We must have insect control if the industry in Tennessee is to be preserved. The future of this industry in Tennessee is in the balance.

G. P. ZIRKLE.

Commercial peach growing is comparatively a new industry in my State, and so far as I know it is now confined in the main to a dozen or so counties. Up until four or five years ago only two or three counties engaged in this industry to any appreciable degree. However, during the past four or five years, the industry has spread and grown until to-day there are numerous large commercial orchards in east Tennessee, and peach growing has become the leading industry in many east Tennessee counties. The soil and climatic conditions of these counties are particularly adapted to the production of a very fine quality of this fruit. Doctor Zirkle states in this telegram that there are a million and a half trees in east Tennessee, but I have it from other sources that there are approximately 2,000,000 producing peach trees in a dozen counties in east Tennessee.

Up to 1929 the business had been successful and profitable, and as a result of this fact the interest in the industry was stimulated, hundreds of acres being devoted to orchards and

hundreds of thousands of dollars being invested in this industry. But greatly to the consternation of the peach growers of this section, this year's crop, which had been most promising, was suddenly attacked by a new and strange deadly insect, which practically destroyed the entire crop and all but wrecked financially those engaged in the business. This insect is defined as the oriental peach moth, which is said to be the most deadly enemy of the peach industry.

As shown in Doctor Zirkle's telegram, the shipment of peaches from this area this year was less than half of what it was in 1928, to say nothing of the inferior quality of the harvest.

According to the testimony of Doctor Quaintance, of the Bureau of Entomology, the damage to the peach industry in the southeastern section of this country in 1929 will aggregate twelve to fifteen million dollars. The damage to the crop next year will probably be greater unless something is done to arrest this terrible pest. Only \$42,000 is provided in this bill for the investigation and eradication of these enemies of the peach industry in the southeastern section of the country, and only \$4,210 of this amount has been allotted for expenditure in that area of east Tennessee to which I have invited your attention. This amount is absurdly out of proportion to the magnitude and enormity of the problem. If, however, an adequate sum is devoted to this work and the situation is met and mastered, the peach industry there will thrive and expand and become a great asset of the Nation. On the contrary, if the patient is neglected and permitted to languish, it will soon perish to the irreparable loss of a large number of individuals and the Nation as well.

We have expended many millions in the Middle West to eradicate the corn borer, many millions in the South and Southwest to rid the cotton farmers of the boll weevil, and many millions in Florida to combat the Mediterranean fruit fly. Why not give the suffering peach growers of the Southeast a reasonable sum to help them solve their problem? Theirs is a parallel case and simple justice dictates that they receive similar treatment and assistance from the Federal Government.

At the proper time I shall offer an amendment to increase this appropriation, and I confidently hope for sympathetic consideration and favorable action at your hands. [Applause.]

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

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

Mr. FISH. Mr. Chairman, I hold in my hand an editorial from the Washington Evening Star of to-day, headed "Ambassadorial Status for Poland," to the effect that the President had created an embassy in the Republic of Poland. I personally am very much in favor of establishing an embassy in the Republic of Poland and with the purpose of the editorial and the President. I expect to talk on this question again next week, but in these few minutes this afternoon I want to try to clarify the misunderstanding and the absolute confusion which exists among Members of the House, the press of the United States, and particularly the State Department as to the power of the President to elevate any minister to the office of ambassador without action on the part of Congress. The President has absolutely no power whatever, either through the Constitution or by act of Congress, to create an embassy. The act of March 2, 1909, bears this title, "Restriction against creation of new ambassadorships," and which act reads as follows:

No new ambassadorships shall be created unless the same shall be provided for by act of Congress.

That is the law to-day, and the State Department is apparently attempting to usurp the powers of the Congress of the United States if it has advised the President to make any such recommendation as is stated in the editorial carried in the Evening Star this afternoon.

Mr. GARNER. Will the gentleman yield?

Mr. FISH. For a brief question.

Mr. GARNER. The gentleman is a member of the Foreign Affairs Committee of the House of Representatives?

Mr. FISH. Yes.

Mr. GARNER. Does the gentleman propose to offer a resolution or does the Committee on Foreign Affairs propose to investigate the action of the President in creating this ambassadorship without the authority of law?

Mr. FISH. On December 2, 1929, the first day of this session, I introduced House Joint Resolution 132 creating an embassy in Poland. It is in the usual form and provides:

That the President be, and he is hereby, authorized to appoint, as the representative of the United States, an ambassador to the Republic of Poland, who shall receive as compensation the sum of \$17,500 per annum.

This joint resolution is identical with the resolution which passed this House and the Senate in 1919 authorizing the appointment of an ambassador to Belgium, which was signed by

President Wilson. However, Belgium is not the only precedent; there is a long list of others. My resolution is identical to the joint resolutions which were adopted by Congress on May 16, 1914, authorizing the appointment of an ambassador to Argentina, and a similar one, H. R. 15503, on the same date for Chile. Again on September 4, 1913, an act of Congress authorizing the appointment of an ambassador to Spain was adopted. Why the attempt now to depart from precedent, custom, and practice? Who is responsible for this novel and strange procedure? Certainly not President Hoover, who has probably given little thought to it and would not willingly be responsible for such a usurpation of the constitutional powers of Congress if he had known the facts. He has been badly advised by some subordinate in the State Department. It is to be hoped he will not send a name to the Senate for confirmation as ambassador to Poland until the Congress has adopted a resolution creating such an office.

Mr. GARNER. Will the gentleman yield further?

Mr. FISH. I will yield if I can get more time.

Mr. GARNER. I will ask the gentleman from Texas [Mr. BUCHANAN] to yield the gentleman an additional minute in order that he may answer my question, because the gentleman has not answered it. The gentleman does not consider that the mere introduction of a resolution constitutes sufficient authority for the President to act.

Mr. FISH. No, no. I am pressing consideration of the resolution.

Mr. GARNER. Will the gentleman press the question of having an investigation made as to the authority of the President?

Mr. FISH. I am not blaming the President in this case. I am anxious to accomplish the same result, but in a legal and constitutional manner. I am blaming the State Department, which has advised the President that he has the power to create ambassadorships, which he most certainly and clearly does not have. The confusion comes about in this way: The President has the widest power to negotiate treaties, and because he has this power certain Assistant Secretaries in the State Department and others believe that gives him the power to do everything he wants as far as our foreign relations are concerned, while, in fact, he is prohibited in this case not only by an act of Congress but also by the provisions of the Federal Constitution. Section 2, Article II, of the Constitution, referring to the executive power, provides that—

He shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur; and he shall nominate, and, by and with the advice and consent of the Senate, shall appoint ambassadors, other public ministers and consuls, judges of the Supreme Court, and all other officers of the United States, whose appointments are not herein otherwise provided for, and which shall be established by law; but the Congress may by law vest the appointment of such inferior officers as they think proper in the President alone, in the courts of law, or in the heads of departments.

The Constitution of the United States provides, therefore, that the President shall appoint ambassadors, but specifies that the office shall be established by law. In the case of the Republic of Poland it has not yet been established by law.

Back in 1893 a law was on the statute books which gave the President the power to create ambassadors when other countries wanted to make mutual exchanges of ambassadors. According to that, President Cleveland in 1893 appointed ambassadors to Great Britain, France, Italy, and Germany.

However, that law was abrogated by the House and Senate by act of Congress on February 23, 1909, and an amendment was substituted which was enacted into law that no new ambassadorship shall be created unless the same shall be provided for by act of Congress. That is the law to-day, and the Federal Constitution contains practically the same restriction. So it must be self-evident to anyone who has given any thought whatever to the question that the President has no such power and that the precedents in the case of Spain, Argentina, Chile, and Belgium apply here, although in the case of Cuba an ambassadorship was created by some roundabout method on an appropriation bill, which was clearly illegal and against which a point of order could have been raised at the time. It was in the nature of an emergency appointment and was probably put through in that curious, illegal way in order to expedite it, but it is questionable whether the American ambassador to Cuba has any legal status if the issue were raised. Certainly I prefer not to raise it, but I hope that no other ambassadorship in the future will be created by means of an appropriation bill in the House of Representatives.

The purpose of the resolution—House Joint Resolution 132—which I introduced on December 2, 1929, is to authorize the President to appoint an ambassador to the Republic of Poland,

and I shall ask that it be considered by the Committee on Foreign Affairs immediately after the Christmas recess. The United States played a large part in bringing about the creation and recognition of the present Republic of Poland, which has a population of approximately 30,000,000 and is far larger in territory and population than is Spain, Belgium, Turkey, Argentina, Chile, Peru, Mexico, and Cuba, which already are represented by American ambassadors.

The Republic of Poland stands fifth among the European nations in population, and there is no nation in Europe which has a more friendly and cordial feeling toward the United States than Poland for the aid given by the American delegates at the Peace Conference toward the establishment of the present Republic of Poland. In addition, there are in this country several millions of American citizens of Polish origin who have done much to promote the development and progress of our own country.

The names of two American Presidents, Woodrow Wilson, who stood firmly at the Paris Peace Conference for the establishment of a strong, free, and independent Poland, and of Herbert Hoover, who rushed vast quantities of food supplies to the starving Polish people after the armistice, are held in the highest honor by the Government and people of Poland.

The memory of the valiant and distinguished services of two Polish patriots, Gen. Casimir Pulaski, who was killed at the Battle of Savannah, and Gen. Thaddeus Kosciuszko, who was the engineer who built the defenses at West Point during the Revolutionary War, has been a strong bond between the Polish and American people for the last 150 years.

It is only fair and right that we should recognize the freedom and independence of the Polish people by exchanging ambassadors with the present well-established and powerful Republic of Poland.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BUCHANAN. Mr. Chairman, I yield to my colleague, the gentleman from Louisiana [Mr. O'CONNOR].

Mr. O'CONNOR of Louisiana. Mr. Chairman, I am in favor of this bill, but instead of detaining the committee by expressions of my views thereon I will ask leave to extend and revise my remarks.

The CHAIRMAN. The gentleman from Louisiana asks unanimous consent to extend and revise his remarks. Is there objection?

There was no objection.

Mr. O'CONNOR of Louisiana. Mr. Chairman, it is almost trite to say that agriculture has a far greater influence in shaping the destinies of individuals and nations, and therefore of the world, than any other factor in the life of even this generation, which may boast of discoveries and inventions that make the alluring and enchanting stories of the Arabian Nights one with yesterday.

The farmer and the farm on which he was born and reared have been extolled more frequently by poets and sages than any other class and theme, and the subject has not, of course, been neglected by men and women ambitiously inclined and anxious to serve the public weal and promote the national welfare by suspending the law of economics, if necessary, to relieve the agriculturists from woes and miseries that invariably flow from producing more than there is or will be any demand for by the domestic and foreign market.

To and for English-speaking people Oliver Goldsmith has expressed the vital importance the agriculturist has to life and civilization more impressively, solemnly, and warningly in his deathless Deserted Village than any other writer of the prose or poetry or the songs of our language. "Where wealth accumulates and men decay" is almost as unforgettable as "And God said let there be light and there was light." Neither expression requires any elaboration, which would only rob them of their strength.

The importance of the farm in American life is evidenced in a strikingly succinct manner by an inscription in a panel over the main archway of the Washington Union Station, which is a sort of a grand triumphal archway, inspired by the triumphal arches of Rome, thus appropriately serving its purpose as the gateway of the National Capital. It and two of its accompanying inscriptions are inspiring enough to arouse the meditations of the least contemplative of Americans "who love their country because it is their own and scorn to give aught other reason why."

The farm, best home of the family, main source of national wealth, foundation of civilized society, the natural Providence.

The old mechanic arts, controlling new forces, build new highways for goods and men, override the ocean and make the very ether carry thought.

The desert shall rejoice and blossom as the rose.

The mighty forces of our national existence, those that gave it birth, that nurtured it and caused it to flower into its present gorgeous magnificence are imperishably embedded in the thoughts conveyed by these great and inspiring inscriptions. They show that our life, rural and urban, country and city, are unified and indissoluble fundamentally, and that the prosperity and happiness of the country are the prosperity and happiness of the city and conversely so, for each is a cause and an effect. Large opulent cities make good markets for country produce and profitable farms make for a purchasing power that keeps the factory wheels of cities revolving with sweet music in their roar to the ears of well-paid and contented employers and employees.

That national happiness and prosperity is, of course, the concern of every American, and the problem of the farmer has the attention of the city toiler whose bread and butter, to use a homely expression, are scarce or plentiful in accordance with the distress or the well-being of the plowman. Probably it is as difficult to solve the problems of the farmer as it is to make gold out of sea water, but I have no doubt that both can be done.

And one of the big things that the farmer has to do in order to solve his problems is to assist in keeping city dwellers at work so that they will have money with which to buy his products. And another thing that he has to do, particularly in the South, is to diversify. Years ago a noted cotton factor in New Orleans, writing to the London Times, said that the South was a condensed-milk country with cows running wild, and expressed the hope that they would learn the economic truth or law that is contained in the answer of Croesus to the query as to how he had acquired his vast fortune, "By buying straw hats in the wintertimes." But that interesting letter may furnish a theme for some other time and occasion. "Back to our nut-ton," to translate a French proverb or maxim.

Inasmuch as I said before that I think it is the obligation of every American in and out of Congress to contribute his share of knowledge, resulting from experience in a particular field, to the discussion of any subject in which his countrymen are interested looking to the solution of its difficulties. I want to suggest to my southern friends that they go slowly in the matter of any attempt to cripple the burlap and bagging industry of the United States. Turn on the light and let us have a full and free discussion of the matter, for it is on the anvil of discussion that the spark of truth will fly. Our cotton farmers should hesitate long before changing their present jute bagging for cotton bagging. Such a change would work them woe and grief. I saw away back in 1893, or thereabout, cotton hauled into New Orleans with only the ties holding the bale together, the cotton bagging which the poor planter had been induced to use having been torn to shreds.

I saw this cotton hauled to pickeries and there "picked" 60 and 70 pounds, it had become so dirt ridden and wet. It may be that cotton bagging is of stronger texture to-day, but it can not give the return to the farmer that jute bagging gives for the many excellent reasons given by my friend and constituent, I. D. Rhea, president of Mente & Co. (Inc.), New Orleans, who sends me a New Orleans Association of Commerce News Bulletin (reading):

BURLAP OUR SECOND LARGEST INDUSTRY

Swarthy natives toil long hours in Indian fields around Calcutta in order that a \$17,000,000 New Orleans industry be supplied with its essential raw material. Across 13,586 miles of ocean comes the burlap, made from jute, packed in bales of about 2,000 yards each, to keep seven big bag and bagging mills of New Orleans in operation and to make this industry second only to sugar refining in our industrial line-up.

And machinery that does practically everything but talk transforms this burlap into bags or prepares it for its other uses. Sacks for corn and oats and sugar and many other commodities are made of it. But that is not all. In the home it is used for wall covering and it furnishes the foundation for linoleum, carpet, and other floor coverings. Tapestries which peep proudly through the windows are often made of it after it has been bleached and dyed. It is used for upholstering chairs and automobiles and in sundry other ways, for jute is said to be the cheapest textile fiber grown in quantity. Large-scale production and wide distribution are the rule with these New Orleans plants where around 1,100 are employed. Many States in the Union draw their burlap and burlap bags from New Orleans, one of the leading burlap centers of the country.

Jute, a product somewhat like sugarcane, is grown almost entirely in India. The plant grows to a maximum height of 15 feet. After it is cut down the stalks are submerged in water and the fibers are taken from between the outer husks and the pith. It is made into burlap, principally at Indian mills situated along the Hooghley and Ganges Rivers in and around Calcutta. Some burlap is made in Scotland and

in other countries, but this production is said to be negligible, for it is hard to match this cheap labor of India.

New Orleans occupies the same position in the importation of burlap as it does in total foreign commerce—it is second to New York and a healthy stride ahead of its nearest rival. Here are the comparative figures for the importation of jute burlaps for the year 1927, the latest comparative figures available, as compiled by the Department of Commerce:

	Pounds
New York.....	209, 805, 093
New Orleans.....	120, 034, 206
Massachusetts ports.....	52, 492, 910

And his impersonal statement to me that this article mentions this business in New Orleans as \$17,000,000. Our opinion is that this is a little below the mark. They mention the number of employees as 1,100, whereas we believe 2,000 would be much nearer.

If you shut out jute and burlap you will destroy one of the principal industries of the city and State you represent. You would best serve this city, State, this industry, and the farmers of the entire country if you would cut off all the duty on burlap and put burlap and jute on the free list, as the farmers and bag consumers would get the benefit of this saving. You would help this industry and not hurt the consumers and farmers if you advanced the duty on burlap bags.

Do not confuse the burlap and jute industry with the jute-bagging industry—bagging for covering cotton—which is covered by paragraph 1019 in the tariff bill, which the small independent bagging manufacturers, of which we are one—note we manufacture jute bagging as well as burlap bags—have asked you to increase to 1½ cents per pound, this to meet the competition of the cheap Asiatic or coolie labor which the foreign manufacturers of bagging are getting the benefit of and which caused them to move their mills from the United States to India.

I believe in the protective system in its widest and fullest sense and significance. I feel that in protecting and building up American industries I am discharging my duty as I see it to my country and the world, for there is no answer to the statement that an opulent United States is helpful to the world, whose goods and wares that do not come in competition with our own products may find a ready and profitable market here.

I want protection from the national-defense standpoint, and I want protection for American products so that our people may be happy and contented and be able to help others, for it is axiomatic that the man who can not take care of himself can not take care of others. I want all of our factories to hum with the click of machinery and the rattle of belts and wheels. But inasmuch as protection, like charity, ought to begin at home, I want Mente & Co. and its great industry, with their 2,000 employees, protected. Take care of our city factory my country brethren—they are your best assets—for they are your markets.

I believe in a protective system elastic enough to secure the ends of a protective tariff, and that is to build up American commerce and industry and thereby make for home markets for our products. Why light candles when the sun shines bright? Why look for the pot of gold at the end of the rainbow when gold mines and treasure are where we stand?

Why look to the horizon when fortune is at our feet? When Thaler was pulled from a ditch by an old woman who heard his cries and ran to the rescue, he said his plight was due to the fact that he was looking at the stars, to which she replied, "If you had looked at your feet instead of the stars, you would not have fallen into the ditch." Let us serve agriculture by building up our home markets here in the good old United States of America, a far more reliable, dependable, and profitable field than can be found in foreign marts. I do not mean to neglect our foreign trade, but I would not emphasize it to the point where I would be in danger of minimizing our domestic trade. Put on the free list such raw material as does not come in competition with similar raw material produced by us in such quantities and volume as to warrant protection, but give our factories that protection which will enable them to live and prosper against foreign-factory competition.

For after all is said and done a protective tariff is not a rigid set of rules and principles as inflexible as the laws of the Medes and Persians were said to be, but a policy, the formulation of which might be the greatest good to the greatest number and the upbuilding of our country from every conceivable standpoint. When we are built securely the tariff will not be effective as against ourselves, for competition will determine domestic prices and in accordance with the economic law announced by Garfield, which substantially is, as I remember it, that the purpose of a tariff is to secure its own elimination by its very effectiveness.

And listen and learn these lines, for they carry wisdom, learning, and patriotism:

Hark to the song of the shuttle and loom;
Keep up your commerce or crawl to your tomb.
Study new methods, open new lines;
Quicken your factories, foundries, and mines.
Think of Columbus, De Gama, and Howe,
And waste not their labors by slacking it now.
Work is life's currency, you must earn what you are worth,
And send out your products to the ends of the earth.

Mr. SIMMONS. Mr. Chairman, I move that the committee do now arise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. TREADWAY, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 7491) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1931, and for other purposes, and had come to no resolution thereon.

SOLDIERS INTERRED IN EUROPEAN CEMETERIES

Mr. GLOVER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to insert in the RECORD a list of the deceased World War soldiers from the State of Arkansas interred in permanent cemeteries in Europe, and also a key to permanent American cemeteries in Europe which shows the cemetery by number in which each of the persons is buried.

The SPEAKER. The Chair will state that this has been provided for by House resolution and in case this actual printing has not occurred, the gentleman should apply to the Joint Committee on Printing.

Mr. GLOVER. The actual printing has not occurred.

The SPEAKER. Then the matter is within the jurisdiction of the Joint Committee on Printing.

ADDRESS OF HON. GRANT M. HUDSON, OF MICHIGAN

Mr. SIMMONS. Mr. Speaker, I ask unanimous consent to insert in the RECORD an address of my colleague from Michigan [Mr. HUDSON] before the Rivers and Harbors Congress on December 11, 1929, on the St. Lawrence waterway.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The address is as follows:

THE ESSENTIAL PROVISIO FOR THE GREAT LAKES-ST. LAWRENCE DEEP-SEA WATERWAY

Convenient and cheap transportation is one of the main factors in the economic life of the Nation. Its development and progress depends upon its transportation systems. President Washington, in the very beginning of the Nation, sensed this fact and was urgent that the waterways of the Nation be developed as channels of transportation for the growth of the Nation.

The progress was slow until Fulton developed the steamboat. From that time on water transportation made great strides and many canals were built throughout the realm of the early Nation. This had developed so fast along some of the great waterways of the Nation that we find at the time of the period of the Civil War there arrived at New Orleans 3,566 steamboats in 1860. The Civil War, with its blockades, practically stopped river transportation, but during that period the railways thrust their lines out, and, in the years following the Civil War, belted the Nation with their steel rails, and for a period there was no great advance in river and canal transportation. However, the development of our inland waterways has received more or less attention by Congress, especially since the World War, until to-day we have in the Mississippi system 9,000 miles of navigable streams and 7,746 miles of intercoastal canals, the policy of the Government being to develop these two systems with modern locks and channels to a depth of 9 feet in the trunk system and a depth of 6 or 7 feet in the tributaries.

For the first time in the history of the Government a man trained as an engineer with experience in his chosen profession on several continents was a candidate of a party for the Presidency. At that time, speaking of the condition of agriculture throughout the Nation in its then stagnant and desperate condition, he said there were three things needed for its restoration. One of these three things was a further development of water transportation, whereby through cheaper rates the farmers' bulk commodities might reach the market both at home and abroad. And one of those projects of the first importance, he said, was the completion at an early date of the Great Lakes-St. Lawrence deep-sea waterway.

The Great Lakes, with their connecting channels, form an inland waterway for deep-draft vessels not equaled anywhere else on the globe. With two systems of locks, the deepening of two small river channels of less than 125 miles, the Nation has a waterway of a thousand miles, capable of carrying the freighters of the ocean. On these Lakes, through the contribution of cities and the Government, there have been built

140 harbors at a total expenditure of \$179,245,738 for construction and maintenance. Upon these Lakes and connecting channels there was carried last year a commerce totaling 269,007,513 tons, of a total value amounting to \$4,331,663,125.

Great fleets of bulk freighters, moving great quantities of bulk commodities, have been built for operation on this great waterway, saving in the handling of these great basic commodities by rail and water route over all rail in one season as large an amount as \$208,012,000. To make this economy or saving in transportation, the lake carriers, as I stated before, have built up these great fleets of bulk-freight carriers. One of the latest and largest is the *Lemoync*, which on her maiden trip left the harbor of Sandusky, Ohio, with 15,415 net tons of soft coal aboard, and on her return trip took on at Fort William the largest single cargo of wheat ever loaded on the Great Lakes, consisting of 518,000 bushels. The maximum carrying capacity, however, of these great steamers can not be known until normal lake levels can be restored.

The savings in the cost of transportation of this great system of waterways affects either directly or indirectly the whole population of the United States. It is a conservative estimate that every year this system of water transportation returns back to the people of the United States a greater saving than has been expended by the Government in the entire cost of the projects.

This great inland seaway, however, is isolated. The shallows of the St. Lawrence must be deepened. While seagoing vessels are now coming up the narrow-depth canals along the St. Lawrence and unloading their cargoes at our lake ports, there can be no economical handling of import or export trade until an ocean-carrying depth is established along these few miles of the St. Lawrence. When in 1930 Canada opens the new canal of 30-foot depth between Lake Erie and Lake Ontario, it leaves only a strip of 120 miles as an impediment to through traffic between the Great Lakes and the ocean.

There has been some difference of opinion in sections of the country as to the importance of the various inland-waterway projects. It seems to me that the President's address at Louisville wiped that all away. His speech revealed a great breadth and soundness of conception. He envisioned a program worthy of a great and prosperous Nation, that must be ever alert to the demands of progress, and must vision its future welfare in terms of vast undertakings. We can all now see the value of inland waterways, from Minneapolis to the Gulf; from Pittsburgh to the Gulf; from Sioux Falls to the Gulf; and from the Great Lakes to the Gulf.

There is, however, one proviso which we want to speak of in the development of these inland waterways, and that proviso is that one must not be developed at the expense and curtailment of the other. The Lakes to the Gulf waterway is important. The proposal is that it shall have a 9-foot channel, and the engineers reporting on such project say that such a waterway can be maintained with a diversion at Chicago of 1,000 cubic second-feet of water. Anything more than that will place upon the Great Lakes waterway a burden of expense which will result in very much higher vessel-carrying charges, and thus be a loss to every farmer, every manufacturer, every business interest of the Nation.

The records before the United States Supreme Court disclose that the construction and maintenance of a Lakes-to-the-Gulf waterway is feasible and practical with a maximum abstraction of water from the Great Lakes of 1,000 cubic second-feet, and such diversion, of course, being necessary only during the period of the year when river navigation is open and free from ice. This figure has appeared constantly in the official reports of the Corps of Engineers as adequate for the maintenance of a 9-foot waterway from Chicago to the Illinois River.

All diversion of water from the Great Lakes system is at the expense of the levels of those Lakes. Every thousand cubic second-feet of such diversion lowers the levels of all the Great Lakes except Superior and of the St. Lawrence as far east as Montreal more than 0.07 of an inch. The great fleets of cargo-carrying steamships and all the ports, all the vessels and machinery for the vast commerce of the Great Lakes are adapted to their economic use with high lake levels. In times of normal high water in the Lakes the matter of diversion is not of urgent importance, but in the longer periods of low-lake levels the economic loss with each inch of lowering is definitely calculable and imposes burdens upon lake-borne commerce far in excess of any possible advantage from a relatively minor commerce likely to develop through the Illinois waterway from Chicago. Every cubic second-foot of water diverted from the Great Lakes takes a toll from every bushel of grain raised for export by the farmers of the great Northwest in added freight rates. It is not a question solely of industries in the lake ports, but of a great section of the Nation's agricultural area.

There is, too, involved in the whole matter a precedent of fundamental national importance. If the action of the Sanitary District of Chicago, or the State of Illinois, can be legalized in the diverting of water from the Great Lakes watershed into the Mississippi watershed a precedent is thereby established for other and increasing diversions with peril to Great Lakes navigation which can only now be dimly foreseen.

A great industrial and commercial civilization has built itself up upon the Great Lakes and their connecting waters. A civilization developed there because of the natural advantage of so great a waterway. Those who have thus made a great contribution to the economic and industrial development of the United States have a right to rely upon the maintenance of this waterway and a right to object to its being diminished in its usefulness.

The diversion of water from the Great Lakes at the request of the Sanitary District of Chicago for the purpose of sanitation for the city of Chicago and the providing of power for its drainage canal has cost the commerce of the Great Lakes twenty or twenty-five millions of dollars. It has cost the ports of the Lakes and the individual owners of property along the shores of the Great Lakes added large sums of money.

We have found no statement either by any trade association or report of United States engineers as to the probable anticipated tonnage that might be expected to accrue from the 9-foot Lakes-to-the-Gulf waterway. The insistent voice of Mayor Thompson, Chicago, reciting the time when the populace of Chicago may hear the whistles of the steamboats from New Orleans has been about the only voice that has been heard. The barge lines established upon this waterway can not hope for a volume of tonnage provided by bulk cargoes. Grain shipments with the Gulf as a destination will originate on the upper Mississippi or on the Sioux City to the Mississippi waterway. The iron-ore shipments will not go to beyond the vicinity of the ports at the foot of Lake Michigan; and, of course, there will be no coal cargo of any extent. Their tonnage must be made up from fabricated merchandise and not raw materials. We believe in the Lakes-to-the-Gulf waterway, although we question if there will ever be traffic sufficient to require a channel beyond a 6-foot depth, as is planned on the Mississippi from St. Louis to Minneapolis. And the Lakes-to-the-Gulf waterway is clearly entitled to such diversion from the Great Lakes watershed as will be necessary to maintain such navigation as commerce might require.

We contend, however, that every 1,000 cubic second-feet of water diverted beyond such need only adds to the expense of every city and every State bordering on the great inland waterways and, indeed, will add to the expense of the Federal Government in the maintenance of these harbors and channels; but also an added expense for flood control on the lower Mississippi. While, on the other hand, every excess diversion will be a burden of expense to every shipping interest using the Great Lakes-St. Lawrence seaway.

No authority can be found to ask for more than 1,000 cubic second-feet.

On the reference Col. Darwin Townsend, retired Army engineer, with 45 years' experience on river and harbor work, testified that 1,000 cubic second-feet would be ample for heavy navigation. (T. 11194, Comp. Ab. 173.) The estimates of these various witnesses of the water requirements for such through waterway and likewise the estimates of these various official reports relate to a maximum use of such a waterway, which would involve a commerce of upward of 100,000,000 tons annually. The latest estimate of the potential tonnage for this waterway made by the Army engineers is 7,515,000 tons, if and when the channel between the mouth of the Illinois and St. Louis is deepened to 9 feet. It is thus apparent that within no measurable period of time could the water requirements of such a waterway approach the estimates of upward of 1,000 cubic second-feet for a maximum use of the waterway involving a tonnage of upward of 100,000,000.

Under date of January 8, 1913, the Secretary of War, Henry L. Stimson, denying the application of the Sanitary District of Chicago to withdraw from Lake Michigan 10,000 cubic feet per second: "The demand for the diversion of this water at Chicago is based solely upon the needs of that city for sanitation * * * from the standpoint of navigation alone in such a waterway, too great a diversion of water would be a distinct injury rather than a benefit. It would increase the velocity of the current and increase the danger of overflow and damage to adjacent lands."

Under date of August 30, 1919, Colonel Warren (par. 11, p. 19) stated: "Such small navigation as now exists would be amply served by a diversion of 500 cubic feet per second, and twice that amount would be sufficient for the needs of the greatest probable commerce of the so-called Lakes-to-the-Gulf waterway."

In the hearing of the Senate Committee on Commerce upon H. R. 11616, Sixty-ninth Congress, first session, General Taylor, Chief of Engineers, stated: "There are a number of streams that enter the river below Lockport that ordinarily give water enough so that even if we did not get any water from the lake in any form, this improvement would still be useful. * * * This waterway down the Illinois would be a perfectly good waterway and would be available for probably 99 per cent of the time, even if there was not any water taken from Lake Michigan."

Here we have already established a magnificent commerce with an acknowledged overseas tonnage, which will be increased fourfold immediately upon the completion of a sea depth of the entire waterway.

In this connection let us call attention to a report of the commerce of the Great Lakes for the year 1928. We find there the following impressive figures:

Foreign imports, 8,588,109 tons, with a valuation of \$325,886,498. Foreign exports, 15,378,661 tons, with a valuation of \$238,863,875. Then add to that a domestic tonnage for the year amounting to 245,080,743 tons, with a valuation of \$3,766,913,752. This is the commerce of a great section of the Nation which has a right to ask for and expect an ocean outlet for its increasing industrial, commercial, and agricultural development.

The Department of Commerce reports on June 19 of this year, reporting on the export trade of New York as having increased in 1928, that copper and manufactures of copper ranked first in order of value among the commodities sent from New York to foreign markets, with an increased value for 1928 as compared with 1927 of \$10,500,000. It should be recalled, in connection with the report, that none of the items ranking first in export were from the State of New York. Of the first 10 States in the order of their export, during the 12 months of last year, Michigan ranked third, with \$367,253,146; Illinois ranked eighth, with \$206,355,671; Ohio ranked ninth, with \$196,518,388. This is indicative of the value of the export trade originating in the territory adjacent to the Great Lakes-St. Lawrence seaway. The foregoing figures were based, said Mr. Hopkins, Acting Director of the Department of Commerce, primarily on through bills of lading, and therefore, in the case of some States, may reflect but a part of its total foreign trade.

The principal function of the Great Lakes route is unmistakable. It provides deep-water transportation from the head of navigation to the foot of Lake Erie, a thousand miles. It provides ocean transportation from blue water to Montreal, a thousand miles. Within a year it is to be extended the length of Lake Ontario, and as soon as may be free play is to be given vessel movement in the remaining hundred miles, the last link that separates the great ports of Duluth, Milwaukee, Chicago, Detroit, Toledo, Cleveland, Buffalo, or, in other words, the interior from access to the sea.

Here is the difference between the St. Lawrence route and other inland waterways: The St. Lawrence is an extension of an ocean voyage, as is the Amazon. The Great Lakes, joined to the lower portion of the St. Lawrence, constitutes a highway for ocean commerce, as does the Baltic. The Great Lakes-St. Lawrence deep seaway is like the Suez Canal, that joins the Mediterranean and the Red Sea, uniting the navigation of the Atlantic with the Indian Ocean.

I want to quote, in conclusion, from President Hoover, who as chairman of the United States-St. Lawrence Commission, in the report submitted to the President of the United States in 1927, said:

"There has been some feeling that the construction of the St. Lawrence waterway will injure the interests of our Eastern States by decreasing terminal business of lake and seaboard cities, will divert traffic from American railways, and endanger our commercial and financial control of American exports and imports over this route. Of first importance is the fact that the total estimated tonnage available to-day for the waterway amounts to under 4 per cent of the present tonnage carried by the American railway systems which now connects the Lakes to the seaboard. * * * The natural increase in population and traffic would quickly recover such amounts before the earliest possible completion of the waterway. * * * In the wider view the increased prosperity of the mid continent, the relief of many of their present economic difficulties, and development of these water powers for stimulation of industry and commerce in New York and New England shall add to the prosperity of the country as a whole and thereby benefit every citizen and every city."

The above authority speaking again, but this time as President of the United States in his address at Louisville, Ky., on October 23, 1929, said:

"One of the most vital improvements to transportation on the North American Continent is the removal of the obstacles in the St. Lawrence River to ocean-going vessels inward to the Great Lakes. Our Nation should undertake to do its part whenever our Canadian friends have overcome those difficulties which lie in the path of their making similar undertakings. I may say that I have seen a statement published lately that this improvement would cost such a huge sum as to make it entirely uneconomical and prohibitive. To that I may answer that after we have disposed of the electrical power we could contract the entire construction for less than \$200,000,000, divided between the two Governments and spread over a period of 10 years."

Let us quickly have the Great Lakes-St. Lawrence seaway, and thus add millions of dollars yearly to the agriculturist growing the surplus crops of the Nation, and other millions of dollars to the industrial centers producing for export the products of our great industrial plants.

MESSAGE FROM THE PRESIDENT—INTERNATIONAL CONFERENCE FOR THE CODIFICATION OF INTERNATIONAL LAW (H. DOC. NO. 155)

The SPEAKER. The Chair lays before the House the following message from the President of the United States:

To the Congress of the United States:

I commend to the favorable consideration of the Congress the inclosed report from the Secretary of State, to the end that

legislation may be enacted to authorize an appropriation of \$50,000 for the expenses of participation by the United States in the International Conference for the Codification of International Law, to be held at The Hague, beginning March 13, 1930.

HERBERT HOOVER.

THE WHITE HOUSE, December 14, 1929.

The SPEAKER. Referred to the Committee on Foreign Affairs and ordered printed.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. MAGRADY (at the request of Mr. COCHRAN of Pennsylvania), indefinitely, on account of illness.

ADJOURNMENT

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

The motion was agreed to; accordingly (at 4 o'clock and 4 minutes p. m.) the House adjourned until Monday, December 16, 1929, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Monday, December 16, 1929, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON APPROPRIATIONS

(10.30 a. m. and 2 p. m.)

State, Justice, Commerce, and Labor Departments appropriation bill.

(10 a. m. and 1.30 p. m.)

War Department appropriation bill.

COMMITTEE ON ROADS

(10 a. m.)

To amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented (H. R. 5616).

EXECUTIVE COMMUNICATIONS, ETC.

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

178. A letter from the Secretary of War, transmitting a draft of a proposed bill to provide for the policing of military roads leading out of the District of Columbia, and for other purposes; to the Committee on Military Affairs.

179. A letter from the chairman of the National Advisory Committee for Aeronautics, transmitting the fifteenth annual report of the National Advisory Committee for Aeronautics for the fiscal year 1929; to the Committee on Military Affairs, Naval Affairs, and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII.

Mr. JOHNSON of South Dakota: Committee on World War Veterans Legislation. H. R. 234. A bill to authorize an appropriation to provide additional hospital, domiciliary, and outpatient dispensary facilities for persons entitled to hospitalization under the World War veterans' act, 1924, as amended, and for other purposes; with amendment (Rept. No. 38). Referred to the Committee of the Whole House on the state of the Union.

Mr. PORTER: Committee on Foreign Affairs. H. J. Res. 150. A joint resolution providing for a commission to study and review the policies of the United States in Haiti; without amendment (Rept. No. 39). Referred to the Committee of the Whole House on the state of the Union.

Mr. COLTON: Committee on the Public Lands. H. R. 6153. A bill authorizing the President to appoint a commission to study and report on the conservation and administration of the public domain; with amendment (Rept. No. 40). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. O'CONNOR of Oklahoma: A bill (H. R. 7562) providing for the erection of a public building in the city of Pawhuska, Osage County, Okla.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7563) providing for the erection of a public building in the city of Vinita, Craig County, Okla.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7564) providing for the erection of a public building in the city of Miami, Ottawa County, Okla.; to the Committee on Public Buildings and Grounds.

By Mr. SWING: A bill (H. R. 7565) providing that funds appropriated for the care and relief of Indians of California under the direction of the Secretary of the Interior shall be expended through certain public agencies of the State of California; to the Committee on Indian Affairs.

By Mr. TAYLOR of Tennessee: A bill (H. R. 7566) granting the consent of Congress to the highway department of the State of Tennessee to construct a bridge across the Holston River on projected Tennessee highway No. 9, in Knox County, Tenn.; to the Committee on Interstate and Foreign Commerce.

By Mr. BOYLAN: A bill (H. R. 7567) to amend an act providing for the parole of United States prisoners, approved June 25, 1910, as amended; to the Committee on the Judiciary.

Also, a bill (H. R. 7568) to reorganize the administration of Federal prisons; to authorize the Attorney General to contract for the care of United States prisoners; to establish Federal jails, and for other purposes; to the Committee on the Judiciary.

Also, a bill (H. R. 7569) to provide for the diversification of employment of Federal prisoners, for their training and schooling in trades and occupations, and for other purposes; to the Committee on the Judiciary.

Also, a bill (H. R. 7570) to establish a hospital for defective delinquents; to the Committee on the Judiciary.

By Mr. CARTWRIGHT: A bill (H. R. 7571) granting the consent and authority of Congress to the States of Texas and Oklahoma and the counties of Cooke and Love, respectively, in said States to construct, maintain, and operate free highway bridges between said States across Red River, ratifying the agreement of said States to construct the same; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 7572) granting the consent and authority of Congress to the States of Texas and Oklahoma, and the counties of Grayson and Bryan, respectively, in said States to construct, maintain, and operate free highway bridges between said States across Red River, ratifying the agreement of said States to construct the same; to the Committee on Interstate and Foreign Commerce.

By Mr. DALLINGER: A bill (H. R. 7573) to determine proceedings in contested elections of Members of the House of Representatives; to the Committee on Elections No. 1.

By Mr. FULMER: A bill (H. R. 7574) to authorize an appropriation to enable the Director of the United States Veterans' Bureau to provide hospital facilities at or near Columbia, S. C.; to the Committee on World War Veterans' Legislation.

By Mr. McCLINTOCK of Ohio: A bill (H. R. 7575) to provide for the purchase of a site and the erection of a post-office building at Orrville, Ohio; to the Committee on Public Buildings and Grounds.

By Mr. MEAD: A bill (H. R. 7576) to amend an act entitled "World War veterans' act, 1924," as amended, approved June 7, 1924; to the Committee on World War Veterans' Legislation.

Also, a bill (H. R. 7577) granting allowances for rent, fuel, light, and equipment to postmasters of the fourth class, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. SELVIG: A bill (H. R. 7578) to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes; to the Committee on Roads.

Also, a bill (H. R. 7579) to aid in the reduction of taxes on farm lands and to promote elementary education in rural areas of the United States, and to cooperate with the States in the promotion of these objectives; to the Committee on Education.

By Mr. ROMJUE: A bill (H. R. 7580) authorizing the county of Lee, in the State of Iowa, and Wayland special road district in the county of Clark and State of Missouri, to construct, maintain, and operate a free highway bridge across the Des Moines River at or near St. Francisville, Mo.; to the Committee on Interstate and Foreign Commerce.

By Mr. FITZGERALD: A bill (H. R. 7581) to amend section 2 of the act of February 12, 1927, Forty-fourth Statutes at Large, page 1087 (U. S. C. Sup. III, title 5, sec. 760, subdivision H); to the Committee on the Judiciary.

By Mr. CLANCY: A bill (H. R. 7582) to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes; to the Committee on Roads.

By Mr. HOGG: A bill (H. R. 7583) to provide for the construction of a barge canal from Fort Wayne, Ind., to Toledo, Ohio; to the Committee on Rivers and Harbors.

By Mr. LANKFORD of Georgia: A bill (H. R. 7584) to authorize the printing and distribution of additional United States land maps, and for other purposes; to the Committee on Printing.

By Mr. COLTON: A bill (H. R. 7585) to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes; to the Committee on Roads.

Also, a bill (H. R. 7586) to amend the act entitled "An act to amend the act entitled 'An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes,' approved July 11, 1916, as amended and supplemented, and for other purposes," approved May 26, 1928; to the Committee on Roads.

By Mr. GRAHAM: A bill (H. R. 7587) to authorize the appointment of reporters in the courts of the United States and to fix their duties and compensation; to the Committee on the Judiciary.

By Mr. HASTINGS: A bill (H. R. 7588) for the purchase of a site and the erection of a public building thereon at Henryetta, Okla.; to the Committee on Public Buildings and Grounds.

By Mr. BUCKBEE: Joint resolution (H. J. Res. 164) providing for the sale of postage stamps at places other than the post office or its branches, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. JAMES (by request of the War Department): Joint resolution (H. J. Res. 165) authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point, Señor Guillermo Gomez, a citizen of Colombia; to the Committee on Military Affairs.

By Mr. LAGUARDIA: Resolution (H. Res. 97) directing the Attorney General to furnish the House information relative to Federal prisoners under the jurisdiction of the Department of Justice; to the Committee on the Judiciary.

By Mr. TEMPLE: Resolution (H. Res. 98) providing for the consideration of House Joint Resolution 150, "providing for a commission to study and review the policies of the United States in Haiti"; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. AYRES: A bill (H. R. 7589) granting an increase of pension to Eliza J. Tanquary; to the Committee on Invalid Pensions.

By Mr. BEERS: A bill (H. R. 7590) granting a pension to Margaret E. Monsell; to the Committee on Invalid Pensions.

By Mr. CABLE: A bill (H. R. 7591) granting a pension to Ludwig Werts; to the Committee on Pensions.

Also, a bill (H. R. 7592) granting a pension to Annetta Good; to the Committee on Invalid Pensions.

By Mr. CULKIN: A bill (H. R. 7593) granting a pension to Eva Dora Siver; to the Committee on Invalid Pensions.

By Mr. DYER: A bill (H. R. 7594) for the relief of Lottie Naylor; to the Committee on Claims.

By Mr. FITZGERALD: A bill (H. R. 7595) for the relief of Grace O'Loughlin; to the Committee on Claims.

By Mr. GARBER of Oklahoma: A bill (H. R. 7596) granting an increase of pension to Rosannah Robinson; to the Committee on Invalid Pensions.

By Mr. HAWLEY: A bill (H. R. 7597) for the relief of Kate Hatton; to the Committee on Claims.

By Mr. HUGHES: A bill (H. R. 7598) granting an increase of pension to Cathera Mead; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7599) granting a pension to Maselvia Lee; to the Committee on Invalid Pensions.

By Mr. KELLY: A bill (H. R. 7600) granting an increase of pension to Annie E. Conley; to the Committee on Invalid Pensions.

By Mr. KUNZ: A bill (H. R. 7601) for the relief of Harry A. Tedswell; to the Committee on Claims.

Also, a bill (H. R. 7602) for the relief of Daniel D. Dorsey; to the Committee on Military Affairs.

Also, a bill (H. R. 7603) granting a pension to Lois Fordice; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7604) granting an increase of pension to Elizabeth Johnson; to the Committee on Invalid Pensions.

By Mr. KVALE: A bill (H. R. 7605) for the relief of Fred W. L. Wallman; to the Committee on Claims.

By Mrs. LANGLEY: A bill (H. R. 7606) to provide for examination and survey of Kentucky River, Ky.; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 7607) to provide for examination and survey of Big Sandy River and Tug and Levisa Forks, W. Va. and Ky.; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 7608) to provide for examination and survey of Licking River, Ky.; to the Committee on Flood Control.

By Mr. LANKFORD of Virginia: A bill (H. R. 7609) for the relief of Hudson Bros., Norfolk, Va.; to the Committee on Claims.

Also, a bill (H. R. 7610) for the relief of the Norfolk Southern Railroad Co.; to the Committee on Claims.

By Mr. MEAD: A bill (H. R. 7611) granting an increase of pension to Mary E. Taylor; to the Committee on Invalid Pensions.

By Mr. MONTET: A bill (H. R. 7612) providing for the examination and preliminary survey of Bayou Grand Caillon, in the State of Louisiana; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 7613) providing for the examination and preliminary survey of Bayou Petit Anse, Bayou Tigre, and Bayou Carlin, in the State of Louisiana; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 7614) to provide for a preliminary examination and survey for the enlargement of Bayou Lafourche, La.; to the Committee on Rivers and Harbors.

By Mr. MORGAN: A bill (H. R. 7615) granting a pension to Neva Search; to the Committee on Invalid Pensions.

By Mr. REECE: A bill (H. R. 7616) granting a pension to Mack Tipton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7617) granting a pension to Nancy J. Vesey; to the Committee on Invalid Pensions.

By Mr. SLOAN: A bill (H. R. 7618) granting an increase of pension to Dora L. Guthrie; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7619) granting an increase of pension to Sarah E. Miller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7620) granting an increase of pension to Hannah J. Macy; to the Committee on Invalid Pensions.

By Mr. SPROUL of Illinois: A bill (H. R. 7621) for the relief of John A. Joyce; to the Committee on Military Affairs.

By Mr. STALKER: A bill (H. R. 7622) granting a pension to Alice Perry; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 7623) granting a pension to Miranda P. Turbyville; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7624) granting an increase of pension to Mary G. Wood; to the Committee on Invalid Pensions.

By Mr. THURSTON: A bill (H. R. 7625) granting an increase of pension to Ella McMurray; to the Committee on Invalid Pensions.

By Mr. TURPIN: A bill (H. R. 7626) for the relief of William F. Sponenberg; to the Committee on Military Affairs.

PETITIONS, ETC.

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

2008. By Mr. ADKINS: Petition of citizens of Decatur, Ill., requesting favorable action on House bill 2562, granting increase of pension to the veterans who fought against Spain in 1898; to the Committee on Pensions.

2009. By Mr. BACON: Petition of sundry citizens of Brooklyn and Long Island, favoring the creation of a national department of education; to the Committee on Education.

2010. By Mr. BAIRD: Petition of residents of the Ohio State Soldiers' and Sailors' Home, Erie County, Ohio, requesting enactment of House bill 2562; to the Committee on Pensions.

2011. By Mr. BLOOM: Petition of Casual Post No. 614, Veterans of Foreign Wars, of Fort Bayard, N. Mex., urging amendment of World War veterans' act to extend presumptive date for tubercular veterans from January 1, 1925, to January 1, 1930; to the Committee on World War Veterans' Legislation.

2012. Also, petition of American Federation of Labor, urging protection of interests of the American people in the field of radio broadcasting; to the Committee on Interstate and Foreign Commerce.

2013. Also, petition of American Federation of Labor, protesting any repeal or weakening of the antitrust provisions of the radio law; to the Committee on Interstate and Foreign Commerce.

2014. By Mr. BROWNE: Petition of citizens of Marshfield, Wis., urging that legislation be enacted increasing pensions for Civil War veterans, widows, etc.; to the Committee on Invalid Pensions.

2015. By Mr. CARTER of California: Petition of the city council of the city of Hayward, Calif., urging the passage of

House bill 234, the Rogers bill, authorizing additional hospital facilities for veterans; to the Committee on World War Veterans' Legislation.

2016. By Mr. CHINDBLOM: Petition of 100 citizens of Chicago, Ill., for passage of House bill 2562, granting increase in pension to Spanish-American War and other veterans; to the Committee on Pensions.

2017. By Mr. CROSS: Petition of citizens of Hamilton County, Tex., urging Congress for the passage of legislation granting an increase of pension to Spanish-American War veterans; to the Committee on Pensions.

2018. By Mr. FITZGERALD: Petition of nine residents of Dayton, Ohio, praying for early consideration and passage of House bill 2562, providing increases in pension to veterans of the Spanish-American War; to the Committee on Pensions.

2019. By Mr. FULMER: Petition of citizens of South Carolina, urging Congress for the passage of legislation increasing the pensions of the Spanish-American War veterans; to the Committee on Pensions.

2020. Also, petition of citizens of South Carolina, urging the passage of favorable legislation increasing the pensions of the Spanish-American War veterans; to the Committee on Pensions.

2021. By Mr. HALL of Mississippi: Petition of citizens of Hattiesburg, Miss., urging early action on bills increasing pensions of Spanish War veterans; to the Committee on Pensions.

2022. Also, petition of Hattiesburg and surrounding points in Mississippi, urging early action on bills increasing pensions of Spanish War veterans; to the Committee on Pensions.

2023. By Mr. HOOPER: Petition of Violet Pearl Herrick and four other residents of Battle Creek, Mich., against proposed calendar change of weekly cycle; to the Committee on Foreign Affairs.

2024. Also, petition of Davis W. Wolfcale, Coldwater, Mich., asking for increase of pensions for Spanish War veterans; to the Committee on Pensions.

2025. By Mr. KELLY: Petition of citizens of Braddock, Pa., and vicinity, urging establishment of department of education; to the Committee on Education.

2026. By Mr. KORELL: Petition of residents of Portland, Oreg., favoring passage of legislation to increase pensions of Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

2027. By Mr. KUNZ: Petition signed by James McGowan, P. Caulfield, and 85 others, of Cook County, Ill., urging the passage of House bill 2562, increasing pensions of veterans of Spanish-American War; to the Committee on Pensions.

2028. Also, resolution adopted by the Department of Illinois of the Veterans of Foreign Wars of the United States, advocating the maintenance of the strength of our Navy; to the Committee on Naval Affairs.

2029. By Mr. KVALE: Petition of citizens of Canby, Minn., urging the passage of the Civil War pension bill, carrying rates as proposed by the National Tribune; to the Committee on Invalid Pensions.

2030. By Mr. LETTS: Petition of Mrs. Lew Marek and other citizens of Iowa City, Iowa, favoring passage of legislation to increase pensions for Spanish-American War veterans; to the Committee on Pensions.

2031. Also, petition of John Strassburger and other citizens of Davenport, Iowa, favoring passage of legislation to increase pensions for Spanish-American War veterans; to the Committee on Pensions.

2032. By Mr. MEAD: Petition of National Federation of Post Office Clerks, Pittsburgh Local, No. 81, urging the passage of Senate bill 15 and House bill 1815, providing for optional retirement after 30 years' service when the age 63 years is attained; to the Committee on the Civil Service.

2033. Also, petition of Polish National Alliance Council, No. 19, Buffalo, N. Y., favoring the establishing an embassy in Poland; to the Committee on Foreign Affairs.

2034. By Mr. NELSON of Maine: Petition of A. Augusta Tilden and 99 others of Waterville, Me., urging increase of Civil War pensions; to the Committee on Invalid Pensions.

2035. By Mr. REID of Illinois: Petition of Hattie M. James and 65 other citizens of the State of Illinois, urging the enactment of legislation increasing pensions now allowed to Civil War veterans and their dependents; to the Committee on Invalid Pensions.

2036. By Mr. SLOAN: Petition of August Simek, of Saline County, Nebr., and 144 others, favoring the passage of a Civil War pension bill increasing the pension of Civil War survivors and Civil War widows; to the Committee on Invalid Pensions.

2037. By Mr. SNOW: Petition of J. R. Sinclair, of Bradbury, Me., urging passage of Senate bill 108; to the Committee on Agriculture.

2038. By Mr. SPARKS: Petition of Raymond Harper and 15 others, of Grinnell, Kans., for the increase of pensions to Civil War veterans and the widows of Civil War veterans; to the Committee on Invalid Pensions.

2039. By Mr. STRONG of Kansas: Petition of 275 citizens of Belleville, Kans., urging enactment of legislation to increase the pensions of Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

2040. By Mr. STRONG of Pennsylvania: Petition of citizens of Clarion County, Pa., in favor of increased pensions for Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

2041. By Mr. SUMMERS of Washington: Petition signed by Frederick E. Masters, W. T. Anderson, S. N. McGee, and other citizens of the fourth congressional district of Washington, in support of legislation in behalf of Spanish War veterans and widows of veterans; to the Committee on Pensions.

2042. By Mr. TAYLOR of Colorado: Petition from citizens of Cedaredge, Colo., advocating increased rates for pensions of veterans of the Spanish-American War; to the Committee on Pensions.

2043. Also, petition from citizens of Grand Junction, Colo., advocating increased rates for pensions of veterans of the Spanish-American War; to the Committee on Pensions.

2044. Also, petition from citizens of Mesa County, Colo., advocating increased pension rates for soldiers and widows of soldiers of the Civil War; to the Committee on Invalid Pensions.

2045. By Mr. TUCKER: Petition of citizens of Augusta County, Va., urging speedy action on pending bills providing for increased rates of pension to Spanish-American War veterans; to the Committee on Pensions.

2046. By Mr. YATES: Petition of John H. Rosenbach, 6330 Elizabeth Street, and other citizens of Chicago, Ill., urging passage of House bill 2829, granting pension and increase of pension to Spanish-American War veterans; to the Committee on Pensions.

2047. Also, petition of C. A. Livingstone, 1720 South Walnut Street, and other citizens of Springfield, Ill., urging passage of House bill 2562, granting pensions and increase of pensions to Spanish-American War veterans; to the Committee on Pensions.

2048. Also, petition of John Bauder, 5736 Race Avenue, Chicago, Ill.; Thomas Trojanowski, 1623 South Highland Avenue, Berwyn, Ill.; and A. E. Gehert, secretary-manager Advance Machine Co., 4641-4647 Ravenswood Avenue, Chicago, Ill., urging passage of House bill 2562, granting pensions and increase of pensions to Spanish-American War veterans; to the Committee on Pensions.

2049. Also, petition of Charles H. Thomas, 1706 Van Buren Street, and other citizens of Chicago, Ill., urging passage of House bill 2562, granting pensions and increase of pensions to Spanish-American War veterans; to the Committee on Pensions.

2050. Also, petition of Clark Mills Carr Camp, No. 26, United Spanish War Veterans, Galesburg, Ill., and the Tri City Federation of Labor, Rock Island, Ill., urging passage of House bill 2562, granting pensions and increase of pensions to Spanish-American War veterans; to the Committee on Pensions.

SENATE

Monday, December 16, 1929

(Legislative day of Friday, December 13, 1929)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. FESS. Mr. President, I suggest the absence of a quorum. The VICE PRESIDENT. The clerk will call the roll.

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

Ashurst	Gillett	McCulloch	Smith
Baird	Glass	McKellar	Smoot
Barkley	Glenn	McMaster	Steck
Bingham	Gould	McNary	Steiwer
Black	Greene	Metcalf	Stephens
Blaine	Grundy	Moses	Sullivan
Blense	Hale	Norbeck	Swanson
Borah	Harris	Norris	Thomas, Idaho
Brock	Harrison	Nye	Townsend
Brookhart	Hastings	Oddie	Trammell
Broussard	Hatfield	Patterson	Tydings
Capper	Hawes	Phipps	Vandenberg
Caraway	Hayden	Pine	Wagner
Copeland	Hebert	Ransdell	Walcott
Cutting	Heflin	Reed	Walsh, Mass.
Dale	Howell	Robinson, Ind.	Walsh, Mont.
Dill	Jones	Sackett	Waterman
Fess	Kean	Schall	Watson
Fletcher	Kendrick	Sheppard	Wheeler
Frazier	Keyes	Shortridge	
George	La Follette	Simmons	