

Congressional Record

SEVENTY-SECOND CONGRESS, FIRST SESSION

SENATE

MONDAY, JANUARY 4, 1932

The Chaplain, Rev. ZēBarney T. Phillips, D. D., offered the following prayer:

Eternal God, who art from everlasting to everlasting and whose mercies are new every morning; we thank Thee for the renewed springs of love, joy, peace, aspiration, and hope with which Thou hast but recently refreshed us. As we stand at the threshold of another year, give us the power to be more patient, more just in judgment, more useful and helpful in action, more apt in learning the lessons of life. May our work be better done and may our hearts respond more quickly to the touch of all that is good and true, that by our counsels and deliberations we may speed the Nation's welfare with blessings of peace and tranquillity within our borders and rise to the passion of the larger claim of the hopes of mankind. Through Jesus Christ, our Lord. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the legislative day of Monday, December 21, 1931, when, on request of Mr. FESS, and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

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

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

Ashurst	Couzens	Hull	Robinson, Ind.
Austin	Dale	Johnson	Sheppard
Bailey	Davis	Jones	Shipstead
Barbour	Dickinson	Kean	Shortridge
Barkley	Dill	Kendrick	Smith
Bingham	Fess	Keyes	Smoot
Black	Fletcher	Kling	Stelwer
Blaine	Frazier	La Follette	Swanson
Borah	George	Logan	Thomas, Idaho
Bratton	Glass	McGill	Thomas, Okla.
Brookhart	Glenn	McKellar	Townsend
Broussard	Goldsbrough	McNary	Trammell
Bulkeley	Gore	Metcalf	Tydings
Bulow	Hale	Morrison	Vandenberg
Byrnes	Harris	Moses	Wagner
Capper	Harrison	Neely	Walcott
Caraway	Hastings	Norbeck	Walsh, Mass.
Connally	Hatfield	Norris	Waterman
Coolidge	Hayden	Nye	Watson
Copeland	Hebert	Patterson	Wheeler
Costigan	Howell	Robinson, Ark.	White

Mr. KENDRICK. I wish to announce that my colleague, the junior Senator from Wyoming [Mr. CAREY], is necessarily absent on official business. I ask that this announcement may stand for the day.

Mr. BLACK. I desire to announce that my colleague, the junior Senator from Alabama [Mr. BANKHEAD], is absent on official business.

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

RELIEF OF ECONOMIC SITUATION (S. DOC. NO. 32)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read:

To the Senate and House of Representatives:

At the convening of the Congress on December 7 I laid proposals before it designed to check the further degeneration in prices and values, to fortify us against continued shocks from world instability, and to unshackle the forces of recovery. The need is manifestly even more evident than at the date of my message a month ago. I should be derelict in my duty if I did not at this time emphasize the paramount importance to the Nation of constructive action upon these questions at the earliest possible moment. These recommendations have been largely developed in consultation with leading men of both parties, of agriculture, of labor, of banking, and of industry. They furnish the bases for full collaboration to effect these purposes. They have no partisan character. We can and must replace the unjustifiable fear in the country by confidence.

The principal subjects requiring immediate action are:

1. The strengthening of the Federal land bank system to aid the farmer and to maintain at the highest level the credit of these institutions which furnish agriculture with much-needed capital. This measure has passed the House of Representatives and is now before the Senate.

2. The creation of a reconstruction finance corporation to furnish during the period of the depression credits otherwise unobtainable under existing circumstances in order to give confidence to agriculture, industry, and labor against further paralyzing influences. By such prompt assurance we can reopen many credit channels and reestablish the normal working of our commercial organization and thus contribute greatly to reestablish the resumption of employment and stability in prices and values.

3. The creation of a system of home loan discount banks in order to revive employment by new construction and to mitigate the difficulties of many of our citizens in securing renewals of mortgages on their homes and farms. It has the further purpose of permanent encouragement of home ownership. To accomplish these purposes we must so liberate the resources of the country banks, the savings banks, and the building and loan associations as to restore these institutions to normal functioning. Under the proposal before the Congress the most of the capital of these discount banks would be subscribed by the institutions participating in their use, and such residue as might be necessary for the Federal Government to supply temporarily would be repaid in time by such institutions as in the case of the farm-loan banks when they were first organized.

4. The discount facilities of our Federal reserve banks are restricted by law more than that of the central banks in other countries. This restriction in times such as these limits the liquidity of the banks and tends to increase the forces of deflation, cripples the smaller businesses, stifles new enterprise, and thus limits employment. I recommend an enlargement of these discount privileges to take care of emergencies. To meet the needs of our situation it will not be necessary to go even as far as the current practice of foreign institutions of similar character. Such a measure has

406. By Mr. CULLEN: Petition of the Central Trades and Labor Council of Greater New York and vicinity, indorsing the action of labor's committee in pressing for a vote on modification of the Volstead law in this session of Congress to permit the manufacture and sale of a mild beverage, non-intoxicating in fact, containing 2.75 per cent alcohol by weight; to the Committee on the Judiciary.

407. By Mr. FITZPATRICK: Petition of the Federation of Labor of Westchester County and the Westchester County Building Trades Council, opposing all legislation providing for a reduction in the salaries of Federal employess; to the Committee on Expenditures in the Executive Departments.

408. By Mr. GARBER: Petition of citizens of the eighth Oklahoma district, protesting against the 10 per cent tax on theater admissions; to the Committee on Ways and Means.

409. By Mr. GOLDSBOROUGH: Petition of Woman's Christian Temperance Union of Salisbury, Md., supporting the maintenance of the prohibition law and its enforcement, and against any measure looking toward its modification, resubmission to the States, or repeal; to the Committee on the Judiciary.

410. By Mr. McKEOWN: Petition of Dr. C. A. Wolfinger, University Station, Enid, Okla., and other citizens of that city, in support of House Joint Resolutions 82, 83, and 258; to the Committee on the Judiciary.

411. By Mr. PERSON: Petition of 54 citizens of Detroit, Mich., favoring the enactment of legislation to curb the activities of the chain-store system; to the Committee on the Judiciary.

412. By Mr. RUDD: Petition of Chicago Workers Committee on Unemployment, Chicago, Ill., for an increase in money supply sufficient to restore in the United States the average wholesale commodity price level of the year 1926; to the Committee on Ways and Means.

413. By Mr. THURSTON: Petition signed by 30 citizens of Shannon City, Iowa, urging the Members of Congress from Iowa to strenuously oppose an excise tax on automobiles and accessories, or a tax on motor fuels; to the Committee on Ways and Means.

414. By Mr. WATSON: Petition of Makefield Woman's Christian Temperance Union of Dolington, Pa., urging maintenance of the prohibition law and its enforcement, and against its modification, resubmission to the States, or repeal; to the Committee on the Judiciary.

415. By Mr. KURTZ: Petition from members of the D. B. Douthett woman's Bible class of the First United Presbyterian Church of Wilkinsburg, Pa., opposing the resubmission of or referendum on the eighteenth amendment, or any change whatsoever in the prohibition law; to the Committee on the Judiciary.

416. Also, petition of men's Bible class, Homewood United Presbyterian Church, Homewood, Pa., opposing resubmission of temperance question; to the Committee on the Judiciary.

417. Also, petition of Woman's Christian Temperance Union of Swissvale, Pa., opposing resubmission of temperance question; to the Committee on the Judiciary.

418. Also, petition of Mary Turner Bible class of First United Presbyterian Church of Wilkinsburg, Pa., opposing resubmission of temperance question; to the Committee on the Judiciary.

419. Also, petition of Blair County branch, Woman's International League for Peace and Freedom, Altoona, Pa., petitioning Congress to forbid the shipment of arms to the warring nations and to announce that loans to other nations are against public policy, and petitioning the President of the United States to publish the communications with China and Japan concerning the Manchurian situation; to the Committee on the Judiciary.

420. Also, petition of Woman's Christian Temperance Union, Washington County, Pa., opposing the reporting out of a bill for the resubmission of the temperance question; to the Committee on the Judiciary.

421. Also, petition of Woman's Missionary Society of the First United Presbyterian Church, Wilkinsburg, Pa., opposing

the resubmission of the temperance question; to the Committee on the Judiciary.

422. Also, petition of members of East End Woman's Christian Temperance Union, Pittsburgh, Pa., opposing resubmission of temperance question; to the Committee on the Judiciary.

423. By Mr. CROWTHER: Petition of residents of Schenectady, N. Y., for congressional support of the eighteenth amendment; to the Committee on the Judiciary.

SENATE

FRIDAY, JANUARY 15, 1932

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

Lord of all being, who holdest all things in the hollow of Thine hand, whose majesty and glory transcend all human thought, we yield Thee hearty thanks for the knowledge that Thou art ever our refuge, and that underneath are the everlasting arms of Thy divine care. Make us strong in that faith which alone can set us free to do our work unhampered by disheveling anxiety, enabling us to bear disappointment with noble ease, preserving us from despondency arising from defects that cling from weaknesses that recur.

Vouchsafe to the sons of daughters of this Nation a new and clearer vision of responsibility in the face of disillusionment, that we may be ever mindful of our duty to our country by showing forth in word and deed our loyalty and devotion to the sacred principles of government. Bless the President of these United States and all others in authority, that they may have a right judgment in all things, courage born of righteousness, in the face of every hindrance, and, above all, a calm unfaltering trust in Thee, without whose guidance the machinations of men and nations are brought to nought. We ask in the name of Jesus Christ our Lord. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the legislative day of Thursday, January 7, 1932, when, on request of Mr. FESS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

Ashurst	Dale	Kean	Schall
Austin	Davis	Kendrick	Sheppard
Bailey	Dickinson	Keyes	Smith
Barkley	Dill	King	Smoot
Bingham	Fess	La Follette	Stelwer
Black	Fletcher	Logan	Swanson
Blaine	Frazier	McGill	Thomas, Idaho
Borah	George	McKellar	Thomas, Okla.
Bratton	Goldsborough	McNary	Townsend
Brookhart	Gore	Metcalf	Trammell
Bulkley	Hale	Morrison	Tydings
Bulow	Harris	Moses	Vandenberg
Byrnes	Harrison	Neely	Wagner
Capper	Hastings	Norbeck	Walcott
Caraway	Hatfield	Norris	Walsh, Mass.
Carey	Hawes	Nye	Walsh, Mont.
Connally	Hayden	Oddie	Waterman
Coolidge	Hebert	Patterson	Watson
Copeland	Howell	Pittman	Wheeler
Costigan	Hull	Reed	White
Couzens	Jones	Robinson, Ind.	

Mr. BLACK. I desire to announce that my colleague the junior Senator from Alabama [Mr. BANKHEAD] is necessarily detained from the Senate on official business. I ask that this announcement may stand for the day.

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

NASHVILLE (TENN.) PRESIDENTS' PLAZA COMMISSION

The VICE PRESIDENT. The Chair appoints the Senator from Tennessee [Mr. HULL] as a member, on the part

of the Senate, of the Nashville (Tenn.) Presidents' Plaza Commission, established by section 2 of an act approved December 12, 1928, to fill the vacancy created by the expiration of the term of Hon. William E. Brock, former Senator from Tennessee.

CHAIN STORE LEADERS AND LOSS LEADERS (S. DOC. NO. 51)

The VICE PRESIDENT laid before the Senate a letter from the chairman of the Federal Trade Commission, transmitting in further response to Senate Resolution 224, Seventieth Congress, a report of the commission entitled "Chain Store Leaders and Loss Leaders," which, with the accompanying report, was referred to the Committee on the Judiciary and ordered to be printed.

CONSTRUCTION PROJECTS UNDER EXECUTIVE DEPARTMENTS

The VICE PRESIDENT laid before the Senate letters from the Secretary of the Treasury and the Secretary of Commerce, respectively, stating that the information requested by Senate Resolution 128 (agreed to January 7, 1932), with reference to construction projects which might profitably be entered into within the next six years, had been furnished by them to the Federal Employment Stabilization Board for transmission to the Senate, which were ordered to lie on the table.

GRAIN USED IN THE MANUFACTURE OF LIQUORS (S. DOC. NO. 50)

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Agriculture, reporting in response to Senate Resolution 124 (agreed to on the 4th instant) concerning the number of bushels of grain used in the manufacture of malt and spirituous liquors in the United States during the years 1909 to 1917, inclusive, which was referred to the Committee on the Judiciary and ordered to be printed.

USELESS PAPERS IN THE WAR DEPARTMENT

The VICE PRESIDENT laid before the Senate a letter from the Secretary of War, transmitting, pursuant to law, a report of papers and documents on the files of the War Department which are not needed or useful in the transaction of current business of the department and have no permanent value or historical interest, and asking for action looking toward their disposition, which, with the accompanying report, was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. REED and Mr. FLETCHER members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Banking and Currency:

STATE OF WISCONSIN.

Joint resolution memorializing the Congress of the United States to enact the farmers farm relief act

Whereas American agriculture has been all but destroyed through the period of price fixing and deflation; and

Whereas thousands of farmers have lost their farms during the past 10 years and thousands more are at this time being ousted from their farms through the process of mortgage foreclosures: Now, therefore, be it

Resolved by the senate (the assembly concurring). That the members of the Legislature of the State of Wisconsin hereby respectfully memorialize the Congress of the United States to speedily enact into law the bill known as the farmers farm relief act, which provides for the establishment of an efficient credit system whereby the unjust and unequal burdens placed upon agriculture during the period of price fixing and deflation may be lightened, and for the liquidation and refinancing of agricultural indebtedness at a reduced rate of interest through the Federal farm-loan system, the Federal reserve banking system, and the postal savings depository system, and creating a board of agriculture to supervise the same. Be it further

Resolved. That properly attested copies of this resolution be transmitted upon adoption to both Houses of the Congress of the United States and to each Wisconsin Member thereof.

HENRY A. HUBER,
President of the Senate.
R. A. COBBAN,
Chief Clerk of the Senate.
CHAS. B. PERRY,
Speaker of the Assembly.
C. E. SHAFFER,
Chief Clerk of the Assembly.

The VICE PRESIDENT also laid before the Senate the following joint resolutions of the Legislature of the State of Wisconsin, which were referred to the Committee on Finance:

STATE OF WISCONSIN.

Joint resolution memorializing the Congress of the United States to place an excise tax on American investments abroad and to make United States bonds taxable in lieu of imposing a sales tax

Whereas the large deficit renders necessary the imposition of new or increased taxes in large amounts to balance the Federal budget; and

Whereas the sales tax on automobiles, radios, bank checks, notes, theater tickets, and numerous other commodities and transactions is a burdensome and inequitable tax which will create hardship upon many individuals who are at or near the subsistence level and will retard recovery from depression; and

Whereas the very large amounts of American capital invested abroad represent a source of taxpaying ability that is untouched and which should be made to bear its fair share of the cost of maintaining the American Government, under whose laws this wealth was acquired and by whose protection it is now secured; and

Whereas the practice pursued by the National Government of issuing tax-exempt bonds creates another privileged class of wealthy citizens who through this device escape their fair share of the costs of the American Government, for which special privilege there is no need or justification: Therefore be it

Resolved by the senate (the assembly concurring). That the Legislature of Wisconsin respectfully memorializes the Congress of the United States, in lieu of sales taxes, to impose an excise tax of not less than 3 per cent on American capital invested abroad, and also to provide that hereafter no United States bonds shall be issued which are tax exempt; be it further

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

HENRY A. HUBER,
President of the Senate.
R. A. COBBAN,
Chief Clerk of the Senate.
CHAS. B. PERRY,
Speaker of the Assembly.
C. E. SHAFFER,
Chief Clerk of the Assembly.

STATE OF WISCONSIN.

Joint resolution memorializing Congress for the immediate payment in cash of the World War adjusted compensation certificates

Whereas this Nation owes a debt of gratitude it can never repay to the nearly 5,000,000 men and women who served the United States in the Army and Navy and as nurses in the World War; and

Whereas Congress in acknowledgment of the claim to consideration of these ex-service men passed the World War adjusted compensation act, under which certificates payable in 1947 were issued to all World War veterans as a partial adjustment for their loss of earnings while in the service of the United States; and

Whereas such adjusted compensation has often been referred to as a bonus when in fact it is a debt; and

Whereas many of these ex-service men are now out of work and their families in great need; and

Whereas there is a universal demand for such payment as shown by the millions of signatures to petitions now on file with Congress; and

Whereas the immediate payment in cash of the World War adjusted compensation certificates, which would give an average of \$700 to each veteran, would not only relieve the distress of these men who so unselfishly served this country but would have a most beneficial effect upon general industrial conditions: Therefore be it

Resolved by the senate (the assembly concurring). That the Legislature of Wisconsin hereby respectfully memorializes the Congress of the United States to promptly pass one of the bills which have been introduced in both Houses of Congress for the immediate payment in cash of the World War adjusted compensation certificate; be it further

Resolved. That properly attested copies of this resolution be transmitted to both Houses of Congress of the United States, to each Wisconsin Member thereof, and to the Secretary of the Treasury, Andrew W. Mellon.

HENRY A. HUBER,
President of the Senate.
R. A. COBBAN,
Chief Clerk of the Senate.
CHAS. B. PERRY,
Speaker of the Assembly.
C. E. SHAFFER,
Chief Clerk of the Assembly.

The VICE PRESIDENT also laid before the Senate a telegram from M. Kashian, of Corning, N. Y., relative to foreign debts, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the New York State Bankers Association, New York City, favoring a reduction in Government expenditures, which was referred to the Committee on Appropriations.

He also laid before the Senate the petition of Charles Forney, of Norfolk, Va., praying that certain witnesses appearing before the Committee on Finance in the hearings held on the sales of foreign securities and giving allegedly false testimony be cited for prosecution, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by Victory Post, No. 4, the American Legion, of Washington, D. C., praying for the suspension of Territorial laws of Hawaii and the transfer of the trial of certain American citizens now in the Territory to the Federal district courts of the United States, which was referred to the Committee on the Judiciary.

Mr. CAPPER presented petitions of sundry citizens of Fall River and Severy, in the State of Kansas, praying for the maintenance of the national prohibition law and its enforcement, which were referred to the Committee on the Judiciary.

THE PROHIBITION QUESTION

Mr. KENDRICK. Mr. President, I have on my desk a petition asking Congress to repeal the eighteenth amendment and to substitute therefor a plan of Federal regulation of the liquor traffic. The petition is signed by 4,854 citizens of my State, and an examination of the names of the signers reflects the fact that many of them are among the most prominent people in Wyoming. Hundreds of them are my personal acquaintances, and it is my privilege to claim many of them as my personal friends. I have every reason to believe that many of the signers are total abstainers and do not use intoxicating liquor in any form. In presenting this petition to Congress they are undoubtedly prompted by the highest motives of citizenship and are actuated only by a desire to substitute Federal control and orderly distribution of liquor for the present lack of control and lawless distribution, and thus actually promote the cause of temperance.

I ask that the letter transmitting the petition be read by the clerk and that the letter and petition with its numerous signers be referred to the Committee on the Judiciary, which, as I understand, is now beginning hearings or is preparing to hold hearings on this important question.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will read, as requested.

The Chief Clerk read as follows:

SHERIDAN, WYO., January 8, 1932.

HON. JOHN B. KENDRICK,

Senate Office Building, Washington, D. C.

DEAR SENATOR KENDRICK: We are sending you to-day under separate cover list of signers to a petition, directed to you, Senator CAREY, and Mr. CARTER, urging action in Congress to repeal the eighteenth amendment and to substitute for prohibition a Federal plan of regulation of liquor traffic to the end that we may hope for a greater degree of temperance than we now have or can hope to have under present arrangements, and also with the hope that we may be able to get all the affairs of government into the hands of our elected officials and remove the bootlegger menace which is attaining greater proportions every day.

There are, I believe, 3,553 signers from Sheridan and adjacent territory, and 1,306 from Sweetwater County. We understand that Casper and Cheyenne have sent, or will send, signature lists from those two communities. I think that perhaps a few signers from Casper and Cheyenne may have sent their petitions in to us here and may be included in our list.

So many signatures obtained through response to publication of the petition in the papers indicates to us a very strong sentiment here for repeal and substitution of a plan of regulation.

With warm personal regard and all good wishes, I am,

Sincerely yours,

JOHN G. HUTTON,

Secretary-Treasurer Sheridan Press (Inc.)

The VICE PRESIDENT. The letter and petition will be referred to the Committee on the Judiciary.

THE EIGHTEENTH AMENDMENT AND THE PROHIBITION LAW

Mr. GORE presented a letter in the nature of a memorial from the Federation Woman's Christian Temperance Union, of Oklahoma City, Okla., which was referred to the Com-

mittee on the Judiciary and ordered to be printed in the RECORD, as follows:

FEDERATION WOMAN'S CHRISTIAN TEMPERANCE UNION,

Oklahoma City, Okla., January 8, 1932.

Senator T. P. GORE,

Senate Chamber, Washington, D. C.

DEAR SENATOR GORE: At a meeting of the city federation of the Woman's Christian Temperance Union on Thursday, representing 1,000 members, it was voted unanimously to write our Senators and Representative in Washington, asking them to vote "no" on all bills for resubmission of the eighteenth amendment, or any other bill of the opponents of prohibition that would weaken it, and will you kindly make this a part of the printed record.

Thanking you cordially, I am,

ALICE M. DAVID, President.

IDA B. FLEENOR, Secretary.

SUPPLIES FOR RELIEF OF DESTITUTE

Mr. THOMAS of Oklahoma. Mr. President, I have a matter in the nature of an emergency petition. I ask unanimous consent to use a few moments to explain it.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Oklahoma is recognized.

Mr. THOMAS of Oklahoma. Mr. President, an effort is being made to take care of our citizens who are in distress. In Oklahoma City the municipal government, in connection with several welfare organizations and the regular relief organizations, have found that some 350 families are in destitute circumstances. These families have no place to live. Some are living in improvised tents and some in shacks made of sheet iron, boards, and boxes. These organizations first rented a tract of a hundred acres of ground adjacent to the city, proposing to put that tract under the jurisdiction of the city in order to afford police protection and also to provide for sanitation, water, and light service. A few days ago the representatives of the combined movement sent a telegram to the Secretary of War asking for certain equipment. I ask unanimous consent to have a copy of such telegram read.

The VICE PRESIDENT. Without objection, the Secretary will read.

The Chief Clerk read as follows:

JANUARY 9, 1932.

HON. PATRICK J. HURLEY,

The Secretary of War, Washington, D. C.:

Oklahoma City faced with serious problem housing dependent families. Have leased 100 acres and establishing temporary camp in which hope to house approximately 350 families now living in every type of shack, all undesirable and unsatisfactory because of insanitary health conditions.

Camp to be under the jurisdiction of the city government. Local community-fund authorities and unemployment-relief committee have taken the matter up with Governor Murray and General Barrett, who indorsed plan and have asked War Department, through Colonel Haskell, to supply the following equipment:

Four hundred pyramidal tents, 1,000 regulation Army cots, 1,000 regulation Army blankets, 2 regulation Army field kitchens, 6 regulation Army field ranges, 6 regulation "G-I" cans, 400 Sibley tent stoves and necessary pipes, 1 regulation delouser.

Colonel Haskell advises regulations make it impossible to issue Army blankets and cots. Absolutely imperative that we have entire equipment. We would need equipment for approximately five months. Also imperative we receive this equipment either from Fort Sam Houston or Fort Sill not later than this week. Your assistance and influence in making possible to issue this Federal equipment to this city will be greatly appreciated. Please advise by wire.

CARL C. MCGEE,

Editor Oklahoma News.

Mr. THOMAS of Oklahoma. Mr. President, in reply to that petition the Secretary of War sent a telegram, which I ask unanimous consent to have read.

The VICE PRESIDENT. Without objection, the Secretary will read.

The Chief Clerk read as follows:

JANUARY 12, 1932.

CARL C. MCGEE,

Editor Oklahoma News, Oklahoma City:

Reference your telegram January 9, requesting various articles of Army equipment for alleviating housing and unemployment problems of city. War Department has instructed all corps area commanders to cooperate with local authorities in extending relief to fullest extent along following lines:

Loaning of cots and blankets when available to charitable organizations upon request of governor of any State. Sale of salvaged clothing when available at nominal prices to charitable organizations, as well as sale of certain surplus clothing at fixed

reduced prices. Speeding up of construction and maintenance work whenever possible within limits of appropriations made by Congress.

Department's program is necessarily limited to that outlined above in absence of congressional authorization.

Regretted that all items desired by you can not be supplied. Stocks of such equipment have been greatly depleted during past few years account of relief work connected with floods and droughts.

PATRICK J. HURLEY,
Secretary of War.

Mr. THOMAS of Oklahoma. Mr. President, the Secretary of War, representing the Government, is doing all possible to help out in situations like this, but he advises that certain legal objections exist to the granting of the request. He can loan blankets and cots, but as to certain other equipment the law provides an inhibition. I have another telegram from the representative of the combined welfare organizations in Oklahoma City, which I will ask to place in the RECORD. This message requests the enactment of legislation authorizing the Secretary of War to do the things against which there is now an inhibition. I ask that this telegram be made a part of the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered. The telegram referred to is as follows:

OKLAHOMA CITY, OKLA., January 14, 1932.

Senator ELMER THOMAS,
Senate Building.

The governor has requisitioned 400 pyramidal tents complete for emergency use among the destitute of Oklahoma City. The Federal law forbids compliance by the Secretary of War. We need a resolution by Congress to get these tents at once. The small towns of the State have done little to help their destitute. They have been encouraged to move in on us. They are largely citizens of Oklahoma and all citizens of the United States. We are moving heaven and earth to meet our situation, and ask only this help. These people are living under most insanitary conditions, threatening the city with epidemic. We have ground laid out and arrangements for water and sanitation. These people are practically without shelter and crowded until moral conditions are bad. National Guard needs its tents in Oklahoma. Unless prompt action by Congress we will have intense suffering if not serious epidemic. We appeal to you to try to get unanimous and instant consent from Congress.

CARL C. MAGEE.

Mr. THOMAS of Oklahoma. In response to this petition I introduce a joint resolution and ask that same be read. I should like to have the attention of the chairman of the Committee on Military Affairs and likewise the members of that committee.

The VICE PRESIDENT. Without objection, the Secretary will read.

The joint resolution (S. J. Res. 80) authorizing the Secretary of War to furnish equipment, goods, and supplies to governors and acting governors for use in aid of distressed citizens was read the first time by its title and the second time at length, as follows:

Resolved, etc., That upon the request from any governor or acting governor of any State, Territory, or possession of the United States for equipment, goods, and supplies, the Secretary of War is hereby authorized to make available to any such governor or acting governor such equipment, goods, and supplies for the use and benefit of any such State, Territory, or possession in connection with relief work for citizens in distress. *Provided,* That the Secretary of War shall make and promulgate rules and regulations for carrying into effect the provisions of this resolution.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. REED. I suppose the joint resolution will be referred to the Committee on Military Affairs; and if it shall be, I want to assure the Senator that the committee will give it prompt attention.

Mr. THOMAS of Oklahoma. Just one further word, Mr. President. The joint resolution is not intended to aid Oklahoma City alone. The resolution is general in its terms, and under it action may be taken in response to a request coming from any governor or any acting governor of any State or Territory in American possession. I am glad to have the assurance that the joint resolution will have early consideration, and I will appreciate the attention of the chairman of the committee and the committee to it.

The VICE PRESIDENT. The joint resolution will be referred to the Committee on Military Affairs.

PROPOSED INVESTIGATION OF NEW YORK STOCK EXCHANGE

Mr. FLETCHER. Mr. President, I have a communication in the nature of a petition from the Manhattan Board of Commerce (Inc.), of New York, which I ask to have printed in the RECORD and referred to the Committee on Banking and Currency.

There being no objection, the petition, in the form of a communication, was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

NEW YORK, January 12, 1932.

MY DEAR SENATOR FLETCHER: We respectfully urge that you give serious consideration to the impending investigation of the New York Stock Exchange and other stock exchanges and better-business bureaus.

These so-called better-business bureaus throughout the country are secret and are practically subsidiary corporations of the stock exchange. They pretend to be nonprofit, welfare, or civic organizations, but they are secretly used by the stock exchange as a medium through which to reach the Department of Justice, the Federal Trade Commission, and the Post Office Department. They should be exposed and their hook-up with the stock exchange made public.

If the New York Stock Exchange is a useful and well-intentioned organization, such as it represents itself to be, an investigation by you should be welcomed by them and can do them no harm.

But, on the other hand, if they are running a wide-open gambling house, and if their activities have disturbed and demoralized the entire financial and industrial structure of our country, causing thousands of bank failures and driving 7,000,000 people out of employment, your investigation of them will prove to be of great public service and will aid in a great measure in relieving the present depression and eliminating any cause for a future financial crisis.

Everybody in the country seems to be dazed by the manipulations of the stock exchange, and our citizens will be grateful if you will bring about an investigation so that everyone may be enlightened as to just what the stock exchange is actually doing openly and secretly.

May we hear from you at an early date?

Yours very truly,

MANHATTAN BOARD OF COMMERCE,
I. CHARLES SCHWALB, General Counsel.

ENLARGEMENT OF POST-OFFICE BUILDING AT HUDSON, N. Y.

Mr. WAGNER. I ask to have printed in the RECORD and appropriately referred a petition from the Board of Supervisors of Columbia County, N. Y., favoring an immediate appropriation for enlarging the post-office building at Hudson, N. Y.

There being no objection, the petition in the form of a resolution was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

BOARD OF SUPERVISORS,
Columbia County, N. Y.

At an annual session of the board of supervisors of the County of Columbia, held at their rooms in the city of Hudson on the 15th day of December, 1931.

Present: Burke Diefendorf, chairman; Emory C. Van Loan, clerk; and a quorum.

On motion of Mr. Wheeler, fifth ward, the following resolution was adopted, 21 supervisors voting in favor of such resolution and no supervisors voting against the same, 2 absent:

"Whereas the Federal Government having made provisions for a large amount of money to be expended on Government building projects to aid the unemployed throughout the country; and

"Whereas provision has been made for an appropriation of \$70,000 by the Congress of the United States at Washington, D. C., for the purpose of enlarging the post office at Hudson, N. Y.; and

"Whereas there is considerable unemployment in the city of Hudson at this time: Therefore be it

Resolved, That the actual appropriation be made by Congress as soon as possible in order to alleviate the suffering from unemployment; that the Columbia County Board of Supervisors in annual session recommend this appropriation and that the clerk of the board send a certified copy of this resolution to Congressman HARCOURT J. PRATT, Senator ROYAL S. COPELAND, and Senator ROBERT F. WAGNER."

STATE OF NEW YORK,
County of Columbia, ss:

I, Emory C. Van Loan, clerk of the board of supervisors of the county of Columbia, do hereby certify that I have compared the foregoing copy of resolution with the original and original minutes thereof, now remaining on file of record in my office, and that the same is a true and correct transcript therefrom and of the whole of such original.

In testimony whereof I have hereunto set my hand and affixed the seal of said board of supervisors this 16th day of December, 1931.

[SEAL.]

E. C. VAN LOAN, Clerk.

CERTAIN WAR DEPARTMENT APPROPRIATIONS

Mr. WAGNER. I also present a petition in the form of resolutions from the Onondaga Chapter, Reserve Officers' Association of the United States, recommending the making of certain War Department appropriations, which I ask may be printed in the RECORD and referred to the Committee on Appropriations.

There being no objection, the petition in the form of resolutions was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

RESERVE OFFICERS' ASSOCIATION OF THE UNITED STATES,
DEPARTMENT OF NEW YORK,
Syracuse, N. Y., January 7, 1932.

Senator ROBERT WAGNER,
United States Senate, Washington, D. C.

DEAR SENATOR: The Onondaga Chapter of the Reserve Officers' Association, representing 300 reserve officers in this congressional district, have passed the following resolutions and directed that they be forwarded to you for your consideration and we trust vigorous support:

"Resolved, That our representatives in Congress be urged and requested to support the amounts recommended by the War Department in the Budget, as follows:

"Organized Reserves, \$6,354,348 (decrease of \$183,437).
"Reserve Officers' Training Corps, \$4,088,384 (increase of \$109,484).
"Citizens' military training camp, \$2,603,624 (decrease of \$175,505).

"National Guard, \$31,263,565 (decrease of \$1,645,577).
"National Board for the Promotion of Rifle Practice, \$739,150 (increase of \$6,380).

"Resolved, That our representatives in Congress be asked to personally contact all members of the following committees in Congress:

"Senate: Military Affairs Committee, Appropriations Committee.
"House of Representatives: Military Affairs Committee, Subcommittee Army Appropriations, deficiency bills committee, and tell the members of these committees that they intend to and will support the amounts presented in the Budget.

"Resolved, That our representatives in Congress also be requested to support appropriations sufficient for field training and armory drill pay for the National Guard.

"Resolved, That our representatives in Congress be requested to support the deficiency bill for the Air Reserve and also the reserve division bill when introduced.

"Resolved, That our representatives in Congress be requested to vigorously support all recommendations for appropriations for the Regular Army."

Very truly yours,

H. D. DYKE,
Lieutenant Colonel, Infantry Reserve,
President Onondaga Chapter.

CURTAILMENT OF GOVERNMENT EXPENDITURES

Mr. COPELAND presented a letter from the executive manager of the New York State Bankers Association, together with a resolution adopted at the fourth annual midwinter meeting of the association, held in New York City, which, with the accompanying resolution, was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

NEW YORK STATE BANKERS ASSOCIATION,
New York City, January 13, 1932.

Hon. ROYAL S. COPELAND,
United States Senate, Washington, D. C.

SIR: I am requested to send you the inclosed copy of a resolution passed at the fourth annual midwinter meeting of this association held in New York City on January 8, 1932.

Respectfully yours,

W. GORDON BROWN,
Executive Manager.

NEW YORK STATE BANKERS ASSOCIATION,
New York City, January 13, 1932.

TO THE PRESIDENT OF THE INSTITUTION ADDRESSED.

DEAR SIR: The following resolution was passed at the fourth annual midwinter meeting of the association held in New York on January 8, 1932:

"Resolved, That the New York State Bankers Association strongly indorse the memorial of the American Bankers Association calling upon Congress to bring about a drastic curtailment of governmental expenditures in every possible way to the end that public confidence in the high credit of government may remain unimpaired. We invite the attention of Congress to the fact that since the Government now asks the public to return to the tax rates of 1924 it is only fair to urge that the Government should make such reduction in expenditures as would create a corresponding relation of expense to income and thus bring about a balanced Budget."

While we realize that there are certain fixed charges upon the Government which can not be reduced, there is a vast field of expenditure which has been increasing year after year over which Congress and the administration have control and should now materially reduce.

We further call upon those who control the legislative and administrative branches of New York State, its counties and municipalities, to halt the mounting cost of government to the end that the people may be relieved from excessive taxation and the feeling of uncertainty resulting from unbalanced budgets may be removed.

Yours faithfully,

W. GORDON BROWN,
Executive Manager.

USE OF THE HIGHWAYS BY HEAVY TRUCKS AND BUSES

Mr. COPELAND presented a communication from the Arcadia Produce Co. (Inc.), of Newark, N. Y., embodying a resolution adopted by the National Union Association at its recent meeting held in Toledo, Ohio, which was referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

NEWARK, N. Y., January 11, 1932.

Hon. ROYAL S. COPELAND,
United States Senate, Washington, D. C.

DEAR SIR: The National Union Association at their meeting held at Toledo, Ohio, on January 2 passed the following resolution in regard to providing some way of taxing trucks and busses that are filling up our highways at the present time:

"Resolved, That the constantly increasing use of our highways by heavy trucks and busses is a nuisance and menace to public safety; that the practically free use of our highways by these trucks and busses is unjust to the taxpayers and unfair competition for the railroads; that, in our opinion, the only way to stabilize railroad securities is to charge truck owners such rates for the use of highways that long hauls by trucks and busses will be unprofitable."

They have requested each member of the association to write their State and Federal legislative representatives, asking them to do all in their power to work out some legislation at the earliest possible moment to remedy this situation.

We feel that this condition is unjust to the taxpayer and unfair competition for the railroads, and we think there should be some remedy provided.

Yours very truly,

ARCADIA PRODUCE CO. (INC.),
By JOHN N. CHAMBERLIN.

PROPOSED MODIFICATION OF THE VOLSTEAD ACT

Mr. COPELAND presented a letter from the secretary of the Central Trades and Labor Council of Greater New York and Vicinity, transmitting resolutions adopted by that organization, which, with the accompanying resolutions, was referred to the Committee on Manufactures and ordered to be printed in the RECORD, as follows:

NEW YORK CITY, January 12, 1932.

Hon. ROYAL S. COPELAND,
United States Senator, Washington, D. C.

MY DEAR SENATOR: I have been directed by the Central Trades and Labor Council of Greater New York and Vicinity, representing approximately 700,000 organized workers affiliated with the American Federation of Labor, to forward you a copy of the inclosed resolution relative to the modification of the Volstead Act in this session of Congress, which was unanimously adopted by our regular meeting held January 7, 1932. Thanking you for your favorable support on this important question, I am,

Very truly yours,

JAMES C. QUINN, Secretary.

Whereas the enactment of the eighteenth amendment and the Volstead law have failed to meet the approval of the people of our country, efforts to enforce them at vast public expense having utterly failed to obtain and secure for them respect and obedience by the citizens of our country; and

Whereas the hypocrisy of the whole prohibition question is best illustrated by the action of the Federal Government itself when it loaned \$20,000,000, through the Federal Farm Board, to the Fruit Industries (Ltd.), a private corporation marketing the juice of wine grapes with the guarantee that within 60 days this juice will have developed an alcoholic content of at least 15 per cent; and

Whereas the Federal Government has not only given its tacit consent to the manufacturing of wine of a strong alcoholic content through a private corporation known as Fruit Industries (Ltd.) but has extended the use of hard liquors, under a ruling of the Attorney General issued March 31, 1931, permitting in addition to regular physicians, dentists, veterinarians, optometrists, osteopaths, chiropractors, chiropodists, spinologists to prescribe whisky; and

Whereas the Federal Government has failed to heed the popular demand of the people of the United States for a mild beverage of wholesome beer of low alcoholic content; and

Whereas labor's national committee for modification of the Volstead Act was organized for the purpose of waging an aggressive campaign for modification of the Volstead law in the Seventy-second Congress to permit the manufacture and sale of 2.75 beer in conformity with previous declarations of the conventions of the American Federation of Labor; Therefore be it

Resolved, That the Central Trades and Labor Council of Greater New York and Vicinity indorse the action of labor's committee in

pressing for a vote on modification of the Volstead law in this session of Congress to permit the manufacture and sale of a mild beverage, nonintoxicating in fact, containing 2.75 per cent alcohol by weight; be it further

Resolved, That copies of this resolution be forwarded to each Congressman from Greater New York and both Senators from the State of New York, with the urgent request that they support Senate bill No. 2415 and House Resolution No. 5597 in preference to all other proposals to modify or amend the existing prohibition laws in this session of Congress; be it further

Resolved, That copies of this resolution be forwarded to each affiliated organization and to United States Senator BULKLEY, of Ohio, and Congressman BECK, of Pennsylvania, who proposed labor's modification bill in each branch of Congress.

FIRST DEFICIENCY APPROPRIATIONS

Mr. JONES. Mr. President, while I secured unanimous consent day before yesterday that the rule might be considered as complied with by filing the report on the urgent deficiency bill yesterday, the clerk thinks it well, in order to keep the record straight, that the report be filed in open session.

So, from the Committee on Appropriations, I report back favorably with amendments the bill (H. R. 6660) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1932, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1932, and for other purposes, and I submit a report (No. 88) thereon.

REPORTS OF COMMITTEES

Mr. REED, from the Committee on Military Affairs, to which was referred the bill (S. 1951) for the relief of Howard P. Cornick, reported adversely thereon.

He also, from the same committee, to which was referred the bill (S. 2378) to regulate the conduct and administration of military arsenals, air corps depots, and other War Department activities and property, and for other purposes, reported it with amendments and submitted a report (No. 90) thereon.

He also, from the same committee, to which were referred the following bill and joint resolution, reported them each without amendment and submitted reports thereon:

S. 1694. An act to authorize the Secretary of War to exchange obsolete, surplus, deteriorated, or unserviceable supplies or equipment for new supplies or equipment of the same general character (Rept. No. 91); and

S. J. Res. 48. Joint resolution to authorize the acceptance on behalf of the United States of the bequest of the late William F. Edgar, of Los Angeles County, State of California, for the benefit of the museum and library connected with the office of the Surgeon General of the United States Army (Rept. No. 92).

Mr. McNARY, from the Committee on Commerce, to which was referred the bill (S. 718) authorizing a survey of Coquille River, Oreg., reported it with amendments and submitted a report (No. 94) thereon.

He also (for Mr. JOHNSON), from the same committee, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 355. An act providing for the participation of the United States in a Century of Progress (the Chicago world's fair centennial celebration) to be held at Chicago, Ill., in 1933, authorizing an appropriation therefor, and for other purposes (Rept. No. 93);

S. 719. An act authorizing a survey of Columbia River from Tongue Point to the sea (Rept. No. 95);

S. 721. An act authorizing a preliminary examination and survey of Alsea Bay, in the State of Oregon (Rept. No. 96);

S. 726. An act granting the consent of Congress to the Sunset Investment Co. to construct, maintain, and operate a dam to retain tidal waters in Inner Depoe Bay, Lincoln County, Oreg. (Rept. No. 97);

S. 727. An act granting the consent of Congress to the State of Oregon and the Haynes Slough drainage district to construct, maintain, and operate a dam and dike to prevent the flow of tidal waters into Haynes Slough, Coos Bay, Coos County, Oreg. (Rept. No. 98);

S. 728. An act granting the consent of Congress to the State of Oregon and the Beaver Slough drainage district to

construct, maintain, and operate a dam and dike to prevent the flow of tidal waters into Beaver Slough, Coquille River, Coos County, Oreg. (Rept. No. 99);

S. 729. An act granting the consent of Congress to the State of Oregon and the Larson Slough drainage district to construct, maintain, and operate a dam and dike to prevent the flow of tidal waters into Larson Slough, Coos Bay, Coos County, Oreg. (Rept. No. 100); and

S. 730. An act to provide for preliminary examination and survey to be made of the Willamette River and its tributaries, Oreg., with a view to providing a navigable channel from Eugene to Springfield (Rept. No. 101).

Mr. McNARY (for Mr. JOHNSON) also, from the Committee on Commerce, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 723. An act authorizing a preliminary examination and survey of the Yamhill River, Oreg. (Rept. No. 102); and

S. 2278. An act authorizing the Secretary of War to reduce the penalty of the bond of the Brazos River and Harbor Navigation District, of Brazoria County, Tex., furnished as surety for its doing certain work on the improvement of Freeport Harbor, Tex. (Rept. No. 103).

Mr. MOSES, from the Committee on Post Offices and Post Roads, to which was referred the bill (S. 88) to authorize the Postmaster General to investigate the conditions of the lease of the post-office garage in Boston, Mass., and to readjust the terms thereof, reported it without amendment and submitted a report (No. 105) thereon.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. BORAH, from the Committee on Foreign Relations, reported favorably Executive AA, Seventieth Congress, second session, a general treaty of inter-American arbitration, signed at Washington, January 5, 1929, with reservations, which was placed on the Executive Calendar.

Mr. METCALF, from the Committee on Education and Labor, reported favorably the nomination of Claude M. Henry, of South Dakota, to be a member of the Federal Board for Vocational Education for a term of three years from July 17, 1931, to which office he was appointed during the last recess of the Senate (reappointment), which was placed on the Executive Calendar.

Mr. REED, from the Committee on Military Affairs, reported favorably the nomination of Brig. Gen. Thomas Stevens Hammond, Illinois National Guard, to be brigadier general, reserve, from January 8, 1932, and also the nominations of sundry officers in the Regular Army, which were placed on the Executive Calendar.

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry post-office nominations, which were placed on the Executive Calendar.

INVESTIGATION OF AGRICULTURAL CREDIT SITUATION

Mr. TOWNSEND. From the Committee to Audit and Control the Contingent Expenses of the Senate I report various resolutions and ask unanimous consent for their present consideration.

The VICE PRESIDENT. The Secretary will state the first resolution reported by the Senator from Delaware.

The Chief Clerk read the resolution (S. Res. 38) submitted by Mr. CAREY on December 9, 1931, as follows:

Resolved, That the Committee on Banking and Currency of the Senate, or any duly authorized subcommittee thereof, is hereby authorized and directed to make a general study and investigation of the agricultural-credit situation and of the Federal instrumentalities which are concerned with supervising and making loans and advances to farmers for agricultural purposes, and to submit a report thereon to the Senate as soon as practicable, together with its recommendations for remedial legislation.

For the purpose of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold hearings, to sit and act at such times and places during the sessions and recesses of the Seventy-second Congress until the final report is submitted, to employ such clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, and to take such testimony, and make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents

per hundred words. The expenses of the committee, which shall not exceed \$15,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

Mr. COUZENS. Mr. President, reserving the right to object, I should like to ask the amount proposed to be appropriated for the purpose.

The VICE PRESIDENT. The Chair understands that the recommendation of the Committee to Audit and Control the Contingent Expenses of the Senate is that the resolution be referred to the Committee on Banking and Currency.

Mr. TOWNSEND. That is correct.

The VICE PRESIDENT. Without objection, the resolution will be referred to the Committee on Banking and Currency.

INVESTIGATION OF CONDITIONS IN HONOLULU

The Chief Clerk read the resolution (S. Res. 137) submitted by Mr. McKELLAR on the 13th instant, as follows:

Whereas recently the New York Times and the New York Herald Tribune, two of the most reputable newspapers in the United States, printed stories of a condition of lawlessness in Hawaii, and especially in Honolulu, that is shocking to a degree; and

Whereas Rear Admiral Yates Stirling, commanding the naval base at Pearl Harbor, has made a report published in these papers condemning officials entrusted with the enforcement of laws in Honolulu and Hawaii; and

Whereas it is apparent from said report that many revolting crimes have recently been committed in Honolulu and no real efforts have been made by the authorities to punish such crimes; and

Whereas it has been deemed necessary by the Navy Department to issue orders that American sailors and marines and American naval officers are prohibited from disembarking at Honolulu, which is American territory, because of the lawlessness and criminality rampant in said city: Now, therefore, be it

Resolved, That a select committee of three Senators be appointed by the Vice President, who shall make a thorough investigation of conditions in the said city of Honolulu and the Territory of Hawaii, and report its findings to the Senate at the earliest possible moment, particularly with reference to the following:

- (1) The character and efficiency of all executive officials, from the governor on down;
- (2) The recent acts of crime committed in said city and in said Territory and the attitude of the executive officials of the law in reference to said crimes; and
- (3) The attitude of the people of Hawaii toward the Navy and its personnel.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold hearings; to sit and act at such times and places; to employ such experts and clerical, stenographic, and other assistants as may be deemed necessary; to require, by subpoena or otherwise, the attendance of witnesses and the production of books, papers, and documents; to administer oaths; to take testimony; and to make such expenditures as it deems advisable. The cost of stenographic services in reporting such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$2,500, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman. The said committee shall have power to designate not exceeding two of its number to go to Honolulu for the purpose of making a first-hand investigation of the facts, if same is deemed necessary.

The VICE PRESIDENT. The resolution is reported with the recommendation that it be referred to the Committee on Territories and Insular Affairs.

Mr. McKELLAR. Mr. President, I hope this resolution will not be referred. There is something quite remarkable about the resolution.

I offered the resolution first to have this matter investigated by a select committee appointed by the Vice President. I am quite confident that the Vice President would have appointed a good committee. I stated to the Committee to Audit and Control the Contingent Expenses of the Senate that under no circumstances could I serve on the committee. I am not seeking service on the committee, and I want to let the Senate know it. Not only am I not seeking service on the committee but I can not serve on the committee because of other duties. There are, however, a number of excellent Senators who are perfectly willing to serve on that committee.

At that time, however, the chairman of the committee, the Senator from Connecticut [Mr. BINGHAM], came to me and said that the investigation ought to be made by the Committee on Territories and Insular Affairs. I felt in-

clined to agree with him. I had heard—I want to be perfectly frank about it—that that committee did not desire to make the investigation. I so stated to the Senator from Connecticut, and he said that that was not correct, that the committee would be glad to do it. Therefore I changed the resolution at the suggestion of the Senator from Connecticut, the chairman of the Committee on Territories and Insular Affairs, and rewrote it; and it was directed that that committee should make the investigation of conditions out there. Later on I found that there were objections even to that committee making an examination, so I reintroduced the original resolution, and both of them went before the committee.

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

Mr. McKELLAR. I yield.

Mr. BINGHAM. May I say to the Senator that in accordance with my original statement I have called the committee together for to-morrow morning to have a hearing to determine whether a Senate investigation is necessary, and have invited to appear before the committee Admiral Pratt, the Secretary of the Navy, the Secretary of War, the Attorney General, the Hawaiian Delegate, and one or two other citizens in town who are familiar with the situation, and that the hearing by the committee will begin to-morrow morning at half past 10.

Mr. McKELLAR. What is the Senator's objection to having the Senate refer the resolution to his committee to have it carry on the investigation?

Mr. BORAH. Mr. President, I am opposed to an investigation of this matter. I want to be heard as to whether or not any investigation at all shall be made.

The people in Hawaii have a very serious situation on their hands. I am not in favor of placing them on trial before the Senate of the United States before they have an opportunity to demonstrate whether or not they can execute their laws.

I do not desire to discuss the matter at this time, but before the investigation is had I want to be heard.

The VICE PRESIDENT. The Chair may state that if there is objection to the resolution being considered, it would have to go to the calendar, and could not come up until to-morrow or until the next meeting of the Senate.

Mr. McKELLAR. Has any Senator objected?

The VICE PRESIDENT. The Chair understood that the Senator from Idaho wanted to be heard to oppose the resolution.

Mr. BORAH. I have no objection to disposing of it, but I do not want to have it disposed of at a time when we are under the 5-minute rule.

Mr. McKELLAR. As I understand, we are not under the 5-minute rule now.

Mr. BORAH. I ask the Senator to let it go over for another day.

Mr. NORRIS. Mr. President, may I interrupt the Senator?

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

Mr. McKELLAR. I am glad to yield.

Mr. NORRIS. It seems to me the request is that the resolution go to a committee. There could not be any objection to that from either side.

Mr. BORAH. No; the request was not that it go to a committee.

Mr. McKELLAR. I do not understand the report. If this resolution is passed, and the Committee on Territories and Insular Affairs is directed to make the investigation, that is all I ask. I have nothing else in view.

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

Mr. McKELLAR. Yes; I yield.

Mr. FESS. The Senate, including the Senator from Tennessee, know that we have been trying to inaugurate the policy here that when a resolution comes to the Committee to Audit and Control the Contingent Expenses of the Senate which carries with it a matter that might be of tremendous importance, and ought to be reported on by a standing com-

mittee, we ask to have it go to the standing committee first; and then, if the standing committee recommends that there be an investigation, it comes to our committee, and we vote the money.

Mr. COUZENS. Mr. President, a parliamentary inquiry. The VICE PRESIDENT. The Senator will state it.

Mr. COUZENS. Is not the question before the Senate as to whether or not we shall give unanimous consent for the present consideration of the resolution? As I understood the Senator from Delaware, his request was for unanimous consent to consider it.

The VICE PRESIDENT. The Senator from Delaware asked unanimous consent for the immediate consideration of the various resolutions he reported, and the recommendation in this case is to refer the matter to the committee.

Mr. COUZENS. I object to the consideration of the resolution at this time.

The VICE PRESIDENT. The resolution will be placed on the calendar.

Mr. McKELLAR. If it goes to the calendar, that is all right. We shall bring it up to-morrow.

Mr. FESS. Mr. President—

Mr. McKELLAR. I now yield to the Senator from Ohio.

Mr. FESS. I should like to finish the statement.

Mr. McKELLAR. I shall be glad to yield, because I want to make a reply to it.

Mr. FESS. I desire to finish the statement I started to make.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Ohio will proceed.

Mr. FESS. This matter came up before our committee, and it was stated that the Department of Justice was already inaugurating an investigation. We had no control over that; but the committee felt that the proper course would be to ask that this resolution be referred to the Committee on Territories and Insular Affairs for them to determine whether there should be an investigation. In case they report that there should be, we shall have no further objection.

Mr. McKELLAR. I will ask the Senator, judging from his experience as a legislator in this body, whether that was not a very deft and delightful way of putting the resolution to death?

Mr. FESS. No. We did the same thing with the resolution of the Senator from Wyoming [Mr. CAREY]. We referred it to the Banking and Currency Committee for action.

Mr. McKELLAR. No; the committee did a different thing with the resolution of the Senator from Wyoming. In that report the committee asked that the Banking and Currency Committee report back to the Senate.

Mr. FESS. Oh, no! It was referred to the committee for consideration whether or not they should report it back.

Mr. McKELLAR. Do I understand that exactly the same report was made by this committee?

Mr. FESS. Precisely.

Mr. McKELLAR. Is it expected that exactly the same course shall be taken with regard to the two matters?

Mr. FESS. Exactly.

Mr. McKELLAR. That the resolution is to be voted on and reported back to the Senate?

Mr. FESS. The Committee on Banking and Currency is to consider whether this investigation should be conducted. If so, then it comes to us.

Mr. McKELLAR. And the same thing in reference to this committee?

Mr. FESS. Precisely.

Mr. McKELLAR. It is to report back to the Senate?

Mr. FESS. Precisely.

Mr. BINGHAM. Mr. President—

Mr. LA FOLLETTE. I ask for the regular order.

The VICE PRESIDENT. The regular order is the presentation of reports of committees. There is pending before the Senate a report from the Senator from Delaware [Mr. TOWNSEND], and unanimous consent is asked for its present consideration.

Mr. BINGHAM. Mr. President, I desire to call attention, in connection with the resolution of the Senator from Tennessee [Mr. McKELLAR], to the following communication from the Attorney General of the United States:

DEPARTMENT OF JUSTICE,
January 14, 1932.

The honorable the SECRETARY OF THE INTERIOR,
Washington, D. C.

MY DEAR MR. SECRETARY: Assistant Attorney General Richardson has been designated to proceed at once to the Hawaiian Islands to make the inquiry requested by Senate Resolution 134. By way of suggestion, I have made a general outline of subjects for investigation. Copy is transmitted herewith. As the Territorial legislature is about to be convened and some of the matters mentioned in this outline may be considered by the legislature, I suggest you transmit a copy of this document to Governor Judd, so that he and the legislature may know what this department is directing its attention to, with the possibility that some progress may be made in the consideration of these matters before Mr. Richardson reaches Honolulu.

If you have any suggestions as to further subjects of inquiry, I shall be glad to have them.

With personal regards, very truly yours,

WILLIAM D. MITCHELL,
Attorney General.

JANUARY 14, 1932.

HON. SETH W. RICHARDSON,
Assistant Attorney General,
Department of Justice, Washington, D. C.

MY DEAR MR. RICHARDSON: I am obliged to ask you to proceed at once to Honolulu to examine into the conditions affecting law enforcement in the Hawaiian Islands. Your attention is called to Senate Resolution 134, requesting me to report to the Senate upon the administration and enforcement of criminal laws in the Territory of Hawaii by the police authorities, the prosecuting officers, and the courts of the Territory, and to suggest any changes in the organic law desirable in the interest of prompt and efficient administration of justice in the Territory. Because of the conflicting statements about conditions there, it is necessary that representatives of this department ascertain the facts by inquiry on the ground.

A preliminary review of the organization of the machinery of justice in the Hawaiian Islands has been made. In order to assist you, here is an outline of the subjects of inquiry:

1. Courts: The principal courts for the enforcement of criminal law in the Islands are the United States district court and the circuit courts. The United States court has jurisdiction only of violations of acts of Congress. The circuit courts have jurisdiction of the enforcement of Territorial criminal laws as well as of some Federal statutes. The judges of both the district court of the United States and the circuit courts of the Territory are appointed by the President with the advice and consent of the Senate.

Appeals from the Territorial circuit courts go to the Territorial supreme court, and appeals from the United States district court go to the United States Circuit Court of Appeals for the Ninth Circuit. Cases in the United States district court are conducted by a United States attorney appointed by the President. Criminal cases in the circuit courts in Honolulu are conducted by the city and county prosecutor who is an elective officer. The city and county of Honolulu appear to be coterminous.

Cases of the type which have recently attracted public attention are not within the jurisdiction of the United States district court nor of the United States attorney. They are triable in Territorial courts and the prosecutions are conducted by the city and county prosecutor.

I suggest you inquire into the operations of the office of the city and county prosecutor to ascertain whether it is efficient, and whether any change in the method of selection of the local prosecutor, such as an appointment by the governor of the Territory, would tend to make the work of that office more effective.

2. Police: In the island of Oahu, on which Honolulu is situated, the principal agents for the detection of crime are the police. The head of the police force is a sheriff, elected by the people. There seems to be some sort of civil-service system applicable to the police force. The organization and efficiency of the police force should be examined, and consideration should be given to whether the discipline and efficiency of the police are open to improvement and, if so, whether that could be accomplished by legislation for appointment of a chief of police by the governor, and to change the system respecting the appointment and removal of officers. A bill for reorganization of the police force appears to have been introduced in the last session of the Territorial legislature but was not passed.

3. Jury system: The provisions of the Constitution of the United States relating to trials of criminal offenses by jury appear to be applicable to the Hawaiian Islands. The organic act, under which the Territory is organized, provides:

"All juries shall be constituted without reference to the race or place of nativity of the jurors; but no person who is not a male citizen of the United States and 21 years of age and who can not understandingly speak, read, and write the English language, shall be a qualified juror or grand juror in the Territory of Hawaii. No person shall be convicted in any criminal case

except by unanimous verdict of the jury. No plaintiff or defendant in any suit or proceeding in a court of the Territory of Hawaii shall be entitled to a trial by a jury impaneled exclusively from persons of any race."

The Territorial laws enacted by the Territorial legislature also provide that a juror must possess the qualifications for registration as a voter, be a resident of the circuit from which selected, of ordinary intelligence, and must not have been convicted of any felony or misdemeanor involving moral turpitude.

I suggest you inquire into the methods of making up the lists of eligible persons for jury service so as to determine whether jurors of the best type available are obtained. The Territorial laws provide a jury commission for each circuit, composed of the circuit judge and two citizens, members of opposite political parties, who annually make up lists of qualified persons for jury service. It should be ascertained whether this system works satisfactorily and whether any improvements may be brought about by legislation or judicial action.

4. Parole board: The Territorial law provides for granting of paroles upon the recommendation of the Board of Prison Inspectors. The parole system having a bearing on the problem of law enforcement, the operations of the existing system should be considered to determine whether it proceeds on principles followed by up-to-date penal systems, and if not, whether any legislation is desirable on that subject.

5. Weight of evidence required in certain criminal cases: The Territorial laws now provide that no person shall be convicted of the crime of rape on uncorroborated evidence of the prosecutrix. I can understand the reason for requiring corroboration as to the fact that force was used, but where that fact is properly established it is not so clear to me that corroboration of the testimony of the prosecutrix should be required as to the identity of the offender.

A memorandum reviewing the statutes of the States of the Union on this subject is being prepared and will be furnished you.

6. Operation of the Federal courts in narcotic drugs and prohibition matters: While offenses of the kind which have recently attracted attention are not within the jurisdiction of the United States court and are not dealt with by the United States attorney or officials of this department, it would be well to consider how efficiently violations of Federal statutes are prosecuted within the district, as this has a bearing on the general crime situation.

The bureau of the Treasury having charge of investigation of offenses against Federal laws relating to narcotics has a force of men in Honolulu. The Prohibition Unit of this department has a force at that place. I am informed that the local police also have authority to detect and arrest offenders under these laws; that the prosecution of prohibition cases may be conducted in either the United States court or the circuit courts of the Territory; and that the practice varies in the different districts in the islands.

The foregoing suggestions do not mean that any conclusion has been reached here as to whether any of the agencies referred to are deficient or as to the extent to which they may require reorganization. These are matters for you to inquire into. While many of the problems mentioned are local in their nature, it must be remembered that there are important naval and military establishments on the Hawaiian Islands, and for that reason it is of especial importance that law and order should be efficiently maintained.

This outline does not limit your inquiry. You are free to go into any phase of the matter that you deem advisable. My impression is that under the organic act under which the Territory is organized, the Territorial legislature has ample authority to enact any legislation that may appear to be desirable for the improvement of enforcement of criminal justice. A special session of that legislature is about to be convened.

I am transmitting a copy of this letter to the Secretary of the Interior for transmission to the governor of the Territory, so that the Territorial legislature may consider the subjects here mentioned. It is desirable, if any legislation is required and it is within the powers of the Territorial legislature, that it be dealt with by that body. The important thing for you is to get at the real facts, which I have no doubt you will do with your accustomed vigor.

You might also consider whether it is desirable that the powers of the governor of the Territory be enlarged by Congress. Under existing law his power to deal with the agencies for enforcement of criminal laws is quite limited.

Mr. J. Edgar Hoover, Director of the Bureau of Investigation, has arranged to place at your disposal a sufficient force of his men, headed by one of his agents in charge.

Very truly yours,

WILLIAM D. MITCHELL,
Attorney General.

HEARINGS BEFORE THE COMMITTEE ON PATENTS

Mr. TOWNSEND, from the Committee to Audit and Control the Contingent Expenses of the Senate, reported back favorably, without amendment, Senate Resolution 130, submitted by Mr. HEBERT on the 8th instant, which was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Patents, or any subcommittee thereof, be, and hereby is, authorized, during the Seventy-second Congress, to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25

cents per hundred words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate, and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

HEARINGS BEFORE THE POST OFFICES AND POST ROADS COMMITTEE

Mr. TOWNSEND, from the Committee to Audit and Control the Contingent Expenses of the Senate, reported back favorably without amendment Senate Resolution 135, submitted by Mr. ODDIE on the 12th instant, which was read, considered by unanimous consent, and agreed to, as follows:

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

INVESTIGATION OF AIR AND OCEAN MAIL CONTRACTS, ETC.

Mr. TOWNSEND, from the Committee to Audit and Control the Contingent Expenses of the Senate, reported back favorably with an amendment Senate Resolution 48, submitted by Mr. MCKELLAR on December 9, 1931.

The amendment was, on page 3, line 4, to strike out "\$25,000" and insert "\$1,500," so as to make the resolution read:

Whereas charges have been openly made in the Senate of improper sea mail contracts in Senate Document 210, Seventy-first Congress, entitled "The Truth About the Postal Contracts"; and

Whereas a reply has been made by the Shipping Board and still further charges have been made and published in the Record; and

Whereas charges have also been made in reference to postal air mail contracts; and

Whereas the use of mail tubes, especially from airports, has been a matter of consideration by the Senate; and

Whereas by action of the Postmaster General the Interstate Commerce Commission has before it a proposal to increase by \$7,000,000 the parcel-post rates; and

Whereas under the post-office building program few buildings in the smaller towns are being erected: Now, therefore, be it

Resolved, That the Committee on Post Offices and Post Roads, or any duly elected subcommittee thereof elected by the full committee, is hereby authorized to investigate during the present session of Congress or any recess thereof, to hold hearings at such times and places as such committee may deem proper and investigate fully the questions:

1. Of all air mail contracts.
2. Of all ocean mail contracts.
3. Of the use of mail tubes in cities, including the transmission of mail from airports to post offices.
4. Of the necessity or expediency of increasing rates on parcel post or other kind of mail matter.
5. Also the question of erecting buildings in small towns.

And the said committee will report its findings to the present session of Congress. For the purpose of this resolution the committee, or any duly elected subcommittee thereof elected as aforesaid, is authorized to hold hearings, to sit and act at such times and places, to employ such experts and clerical, stenographic, and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services in reporting such hearings shall not exceed 25 cents per hundred words. The expenses of the committee, which shall not exceed \$1,500, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

Mr. TOWNSEND. I ask unanimous consent for the immediate consideration of the resolution.

The VICE PRESIDENT. Is there objection?

Mr. JONES. What committee does the resolution come from?

The VICE PRESIDENT. The Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. JONES. Has it been considered by the Post Office Committee?

Mr. MCKELLAR. It has. The Post Office Committee reported out a resolution of that kind last year, and this morning I understand the same action was taken in reference to it by the Post Office Committee.

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

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

The amendment was agreed to.

The resolution, as amended, was agreed to.

ADDITIONAL CLERK TO BANKING AND CURRENCY COMMITTEE

Mr. TOWNSEND, from the Committee to Audit and Control the Contingent Expenses of the Senate, reported back favorably, with amendments, Senate Resolution 107, submitted by Mr. NORBECK on December 18, 1931.

The amendments were, in line 2, after the word "employ," to strike out "Gibbs W. Sherrill as," and in line 4, after the word "Congress," to strike out "he," so as to make the resolution read:

Resolved, That the Committee on Banking and Currency is hereby authorized to employ an additional assistant clerk during the first session of the Seventy-second Congress, to be paid at the rate of \$1,800 per annum, out of the contingent fund of the Senate.

Mr. TOWNSEND. I ask unanimous consent for the immediate consideration of the resolution.

The VICE PRESIDENT. Is there objection?

Mr. COUZENS. Mr. President, reserving the right to object, I ask what amount is provided for this purpose?

The VICE PRESIDENT. One thousand eight hundred dollars per annum.

Mr. JONES. Mr. President, I desire to ask if this is to be a regular clerkship, or merely for the session? Is it a regular, permanent clerkship?

The VICE PRESIDENT. The language is, "during the first session of the Seventy-second Congress."

Mr. KING. Is it clear that it is not an annual appropriation?

The VICE PRESIDENT. The clerk will read the resolution as proposed to be amended.

The Chief Clerk read the resolution as proposed to be amended.

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

There being no objection, the Senate proceeded to consider the resolution.

The amendment was agreed to.

The resolution, as amended, was agreed to.

SPECIAL ASSISTANT CLERK, COMMITTEE ON TERRITORIES AND INSULAR AFFAIRS

Mr. TOWNSEND, from the Committee to Audit and Control the Contingent Expenses of the Senate, reported back favorably, with an amendment, Senate Resolution 136, submitted by Mr. BINGHAM on the 12th instant.

The amendment was, on page 1, line 4, to strike out "\$2,220" and insert "\$1,800," so as to make the resolution read:

Resolved, That the Committee on Territories and Insular Affairs is hereby authorized to employ a special assistant clerk during the Seventy-second Congress, to be paid at the rate of \$1,800 per annum out of the contingent fund of the Senate.

Mr. TOWNSEND. I ask unanimous consent for the present consideration of the resolution.

Mr. KING. Mr. President, in view of what appears to me to be rather limited work of the committee at this session—the Philippine Islands probably is the only subject that will engage its attention—I inquire of the chairman of the committee whether there is any necessity for this additional clerk.

Mr. BINGHAM. Mr. President, as I told the committee yesterday, the committee has only the four clerks that every Senator has, whether he is a committee chairman or not. The work of the committee recently has become so heavy that the clerks have been obliged to work at night as well as in the day; and in fairness to them it seemed to me that during the present session of Congress, in view of all the matters that are now before us and are coming up, an extra clerk should be provided to handle the extra work placed upon the committee.

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

Mr. JONES. Mr. President, I desire to ask the Senator if it would not do to have this authority limited to the session, at any rate. Of course, the Senator knows the work of his committee, and what increased work has been brought on; but is not that work likely to be finished by the end of the session, so that this clerk would not be needed all the year through?

Mr. BINGHAM. Mr. President, the former chairman of the Appropriations Committee, the late Senator Warren, went over this matter with me two or three years ago, and agreed with me that the committee needed another clerk, and agreed that the item should be put into the bill in connection with the reorganization of the Senate. However, it was not done. The Senator will remember that at the time that bill was passed it was rushed through in the last few hours of the session, and I did not like to press the matter at that time. It is a matter of the greatest necessity. The Banking and Currency Committee has just had an additional clerk granted; the Committee on the Library has recently had an additional clerk granted; and the work of this committee has become so heavy that I hope the Senator will not object.

Mr. JONES. The Banking and Currency Committee was only granted an additional clerk, my recollection is, for the session.

Mr. KING. That is all.

Mr. JONES. Just for the session. It is not a permanent clerkship. This proposal changes the recommendation of the joint committee of the two Houses. We have been trying to prevent, and so far have been preventing, any change in the recommendation of the joint committee. If we now open it up and make a change we are going to have a lot of requests for changes, and we shall really have no basis on which to refuse them.

Mr. BINGHAM. Very well, Mr. President, I will accept the amendment to make it for the session.

Mr. JONES. I think that would be better.

Mr. NORRIS. Mr. President, it seems to me there ought to be a showing for the necessity of this extra clerk. Can the Senator from Connecticut tell us how many bills the Committee on Territories and Insular Affairs reported out in the last Congress, for instance?

Mr. BINGHAM. No, Mr. President. As I recollect, however, the committee were exceedingly busy holding hearings, and their correspondence from the Territories and insular possessions is unusually heavy. The people of the Philippine Islands number 17,000,000, and there is very heavy correspondence from the Philippines. There is a very considerable correspondence from Porto Rico, with its million and a half of people. They have no representative at this end of the Capitol at all, and it is their custom to write to the chairman of this committee on all sorts of matters, including requests for public documents and other things that normally go to a Senator from the people of his State.

Mr. NORRIS. There may be something in that. If the correspondence coming from the possessions of the United States is of such magnitude that the chairman of the committee is not able to answer it, I would not have any objection to supplying him with another clerk. The Committee on Territories, so far as I know, has never done any great amount of work. It will be remembered that when the tariff bill was under consideration, we were having quite a contest about whether we should have a tariff on sugar, I think it was, and there was a proposition before the Senate to have an amendment offered to the tariff bill to give the Philippines their independence. We had a definite agreement made on the floor of the Senate that before the session was over a bill pending in the Committee on Territories looking to that end would be reported one way or the other. I do not think it was even reported.

Mr. BINGHAM. Mr. President, the Senator is most unfair. Extended hearings were held, and the bill was reported. The delay was first caused at the request of the Filipinos themselves; but the bill was reported.

Mr. NORRIS. Very well; it was not reported until a time when we were not able to take it up in the Senate, and it never was taken up in the Senate. At least there is one report the committee has made.

All these other committees report dozens and dozens of bills; they have hearings; they are divided up into subcommittees, with four or five hearings going on at the same time at the beginning of a session, with correspondence coming from all over the United States, including the Philippine Islands.

As far as I am concerned, if the work of the Committee on Territories is such that its present force can not do the work, I am willing that they should be given all the force necessary to do their work. Already what we have done has been cited as a precedent. I do not blame the Senator for citing it. We established the precedent just a few minutes ago, granting an additional clerk for the Committee on Banking and Currency. That is a pretty busy committee right now. They have had four or five bills on the floor of the Senate at this session. We have disposed of most of them, and probably beginning two weeks from now they will not have anything to do to amount to anything for the balance of the session. But they have an extra clerk. That is cited as a precedent now why we should give an extra clerk to the Committee on Territories.

I do not know where this is to end. It will extend to all the committees, possibly. At the beginning of a session of Congress, as a rule, a big rush comes, when many, many bills are introduced and when hearings are held. When they are out of the way most of the committees do not have much to do. The Committee on Banking and Currency usually has important legislation before it, but not very much of it. When they had the Federal reserve legislation before them they were occupied with that during an entire session of Congress, and the committee was very hard worked; but since that, until this session, they have not had very much to do. I do not think they have had as much work to do as quite a number of the other committees of the Senate.

I think this resolution ought to be referred to the Committee on Rules. It is hardly fair, when a committee asks for an additional clerk, to refer the request to the committee making the plea. I wonder whether the Senator from Connecticut would object to having the resolution referred to the Committee on Rules for their consideration, and if it is shown before that committee that this extra help is needed, and they report to that effect, as far as I am concerned, I will have nothing further to say about it.

Mr. BINGHAM. Mr. President, it is a very curious precedent the Senator is attempting to establish. At this session of Congress at least three or four committees have secured favorable action of the Senate for one additional clerk. The chairman of the Committee on Territories did appear before the Committee to Audit and Control the Contingent Expenses of the Senate and answered all their questions, all the members of the committee being present.

Of course, I have no serious objection to the matter being referred to the Committee on Rules, but the case has already been made before the Committee to Audit and Control the Contingent Expenses of the Senate. The Senator from Nebraska did not offer the slightest objection to any of the applications made relating to three other committees.

Mr. NORRIS. I heard of only one other. I confess I think I ought to have made inquiry as to that. I have heard a good many other Senators say they ought to have made inquiry, and I think that is true.

We are now in the midst of a great program of economy, led by the greatest engineer in history, to economize everywhere, and I believe it is a good doctrine. We ought to commence at home.

I may be entirely wrong, but in my judgment the Committee on Territories has less work to do than almost any other standing committee of the Senate. As I have said, I may be wrong about that. I form my judgment to a large extent on the bills which come in from different committees, and in a general way bills of importance are pending from the various committees where hearings have been

held. If I am wrong about that, if this committee is overburdened with work and is doing more work than any other committee, I shall not have any objection to giving them an additional clerk, two more, a half a dozen more if necessary to do the work. They ought to have all the clerical assistance necessary. But this is a poor time to start one committee after another asking for more clerical help, until, when we get through, instead of economizing, we will have become the most extravagant of all the governmental bodies in providing for our own work.

Mr. NEELY. Mr. President, does the Senator know how many bills or resolutions were reported from the Committee on Territories during the last session of Congress?

Mr. NORRIS. I asked the chairman of the committee, but he did not know; at least, he did not tell us.

Mr. NEELY. Does the Senator know whether anything was ever reported by the committee?

Mr. NORRIS. Yes; one measure was reported, which the chairman has mentioned.

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

Mr. NORRIS. I object, unless the Senator will agree to let it go to the Committee on Rules or to some other committee.

Mr. BINGHAM. I stated that I would not object.

Mr. NORRIS. Then let it go to the Committee on Rules.

The VICE PRESIDENT. Without objection, the resolution will be referred to the Committee on Rules.

INDIAN LANDS IN OKLAHOMA

Mr. THOMAS of Oklahoma. Now, Mr. President, I report favorably from the Committee on Indian Affairs Senate bill 2407, to authorize the sale of parts of a cemetery reserve made for the Kiowa, Comanche, and Apache Indians in Oklahoma, with an amendment, and submit a report thereon (No. 89).

The VICE PRESIDENT. Is there objection to the consideration of the bill? The Chair hears none, and the amendment will be reported.

The amendment was, on page 1, line 8, before the word "County," to strike out the word "Wichita" and to insert in lieu thereof the word "Caddo," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to cause to be issued a patent in fee for not to exceed 2½ acres of land lying in the northwest corner of the south half of southwest quarter of section 23, township 5 north, range 12 west, Indian meridian, in Caddo County, Okla., said area being within the tract set apart and reserved as a tribal burial ground for the Kiowa, Comanche, and Apache Indians, but long used with their knowledge and assent as a burial place for white residents of the vicinity: *Provided,* That no patent shall issue until a cemetery association has been legally organized to hold title and until payment for the area involved has been made to the superintendent of the reservation in an amount not less than the appraised value of the land.

Sec. 2. The Secretary of the Interior is further authorized, in his discretion, to offer for sale on competitive bids, at not less than their appraised value, and to convey to the purchasers such other parts of the said 80 acres heretofore set apart and known as the Cache Creek Indian Cemetery as may be found not longer needed for Indian burial or administrative purposes, with the understanding that the net proceeds received from such sale or sales and from the cultivation or leasing of any part prior to sale shall be set apart and constitute a fund for the beautifying, improvement, and management of the portion retained as a tribal cemetery.

Sec. 3. It is further provided that each of the three tribes interested may select one of its full-blood members, the three to function as trustees and custodians of the tribal cemetery, signing leases and otherwise assisting in the management of the property, subject to advice and approval of the superintendent.

The amendment was agreed to.

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

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. JONES:

A bill (S. 2982) for the relief of J. G. Seupelt; to the Committee on Indian Affairs.

A bill (S. 2983) for the relief of homesteaders on the Diminished Colville Indian Reservation, Washington; to the Committee on Public Lands and Surveys.

By Mr. BINGHAM:

A bill (S. 2984) for the relief of John Joseph Shay; to the Committee on Naval Affairs.

A bill (S. 2985) granting the consent of Congress to the Connecticut River State Bridge Commission, a statutory commission of the State of Connecticut created and existing under the provisions of special Act No. 496 of the General Assembly of the State of Connecticut, 1931 session, to construct, maintain, and operate a bridge across the Connecticut River; to the Committee on Commerce.

By Mr. WHEELER:

A bill (S. 2986) to supplement the act entitled "An act for the relief of certain nations or tribes of Indians in Montana, Idaho, and Washington," approved March 13, 1924 (43 Stat. 21); and

A bill (S. 2987) providing for the construction and equipment of a hospital upon the Blackfeet Indian Reservation, in the State of Montana; to the Committee on Indian Affairs.

By Mr. ROBINSON of Indiana:

A bill (S. 2988) granting an increase of pension to Celia J. McKinley (with accompanying papers); and

A bill (S. 2989) granting increase of pensions under the general law to soldiers and sailors of the Regular Army and Navy, and their dependents, for disability incurred in service in line of duty; to the Committee on Pensions.

By Mr. BYRNES:

A bill (S. 2990) for the relief of C. O. Meyer; and

A bill (S. 2991) for the relief of B. J. Sample; to the Committee on Post Offices and Post Roads.

A bill (S. 2992) to redistrict South Carolina and to divide said districts into divisions; and to amend paragraph 4n, section 1, Judicial Code (U. S. C., title 28, Supp. III, 1929), and section 105, Judicial Code (U. S. C., title 28, par. 186, 1925), as amended, and section 105, Judicial Code, as amended (U. S. C., title 28, par. 186a, Supp. III, 1929), and for other purposes; to the Committee on the Judiciary.

By Mr. STEIWER:

A bill (S. 2993) for the relief of Walter Malone; to the Committee on Military Affairs.

A bill (S. 2994) granting a pension to J. B. Stanfield (with accompanying papers);

A bill (S. 2995) granting a pension to Susan F. Cates (with accompanying papers);

A bill (S. 2996) granting an increase of pension to James Harvey Fisher (with accompanying papers);

A bill (S. 2997) granting a pension to Eli Sims (with accompanying papers);

A bill (S. 2998) granting a pension to Arminta Sullivan (with accompanying papers);

A bill (S. 2999) granting a pension to Newell A. Wiley (with accompanying papers);

A bill (S. 3000) granting a pension to Sue I. Alexander (with accompanying papers);

A bill (S. 3001) granting a pension to I. W. Bloom (with accompanying papers); and

A bill (S. 3002) granting a pension to Mary Nightingale; to the Committee on Pensions.

A bill (S. 3003) to authorize the addition of certain lands to the Fremont National Forest; to the Committee on Public Lands and Surveys.

By Mr. BAILEY:

A bill (S. 3004) for the relief of Rufus J. Davis; to the Committee on Claims.

By Mr. COPELAND:

A bill (S. 3005) for the relief of John Joseph Ames; to the Committee on Claims.

A bill (S. 3006) for the relief of Charles Wellesley Ber-
rington;

A bill (S. 3007) for the relief of Burton Bowen; and

A bill (S. 3008) granting an honorable discharge to Timothy J. Long; to the Committee on Naval Affairs.

By Mr. McNARY:

A bill (S. 3009) to extend the boundaries of the Fremont National Forest; to the Committee on Agriculture and Forestry.

By Mr. THOMAS of Oklahoma:

A bill (S. 3010) to authorize the Secretary of the Interior to make loans from the tribal trust fund of the Kiowa, Comanche, and Apache Tribes to members of such tribes; to the Committee on Indian Affairs.

By Mr. GEORGE:

A bill (S. 3011) to authorize the Attorney General to permit prisoners to attend the funeral of a deceased and bedside of a dying relative, and for other purposes; to the Committee on the Judiciary.

By Mr. WAGNER:

A bill (S. 3012) for the relief of Morris J. Lang; to the Committee on Military Affairs.

By Mr. FLETCHER:

A bill (S. 3013) granting an increase of pension to Lou Sutton; to the Committee on Pensions.

A bill (S. 3014) to provide for the commemoration of the landing of Ponce de Leon in the State of Florida; to the Committee on Military Affairs.

By Mr. CONNALLY:

A bill (S. 3015) granting a pension to L. Avant;

A bill (S. 3016) granting a pension to William S. Wall;

A bill (S. 3017) granting increase of pension to members of Troop G, First Regiment Texas Volunteer Cavalry (commonly known as Montell Guards);

A bill (S. 3018) granting an increase of pension to Sidney J. Baylor;

A bill (S. 3019) granting an increase of pension to George W. Baylor;

A bill (S. 3020) granting an increase of pension to Wyatt E. Heard;

A bill (S. 3021) granting an increase of pension to James Whitecotton; and

A bill (S. 3022) granting an increase of pension to Henry W. Baylor; to the Committee on Pensions.

A bill (S. 3023) authorizing the Secretary of War to convey to the city of Eagle Pass, Tex., certain land in Maverick County, Tex., comprising the abandoned military reservation of Camp Eagle Pass; and

A bill (S. 3024) for the relief of Llewellyn B. Griffith; to the Committee on Military Affairs.

A bill (S. 3025) for the relief of the First State Bank & Trust Co., of Mission, Tex.; to the Committee on Claims.

By Mr. BORAH:

A bill (S. 3026) authorizing the General Accounting Office to make certain credits in the accounts of Horace Lee Washington and Arthur B. Cooke, United States Consular Service; to the Committee on Foreign Relations.

A bill (S. 3027) for the relief of James J. Jordan (with accompanying papers); to the Committee on Military Affairs.

A bill (S. 3028) to add certain lands to the Boise National Forest, Idaho; to the Committee on Public Lands and Surveys.

By Mr. SHEPPARD:

A bill (S. 3029) making available unexpended balance of appropriation for General and Special Claims Commissions, United States and Mexico; to the Committee on Foreign Relations.

By Mr. DILL:

A bill (S. 3030) for the relief of Amos T. Selby, deceased; to the Committee on Military Affairs.

A bill (S. 3031) for the relief of Molly Stark Williams; and

A bill (S. 3032) for the relief of the Spokane & Eastern Trust Co., of Spokane, Wash.; to the Committee on Claims.

A bill (S. 3033) granting a pension to Allan F. Bartz;

A bill (S. 3034) granting a pension to Oliver L. Wolford;

A bill (S. 3035) granting a pension to Rose Burkett;

A bill (S. 3036) granting a pension to Alta A. W. Cartledge (with accompanying papers); and

A bill (S. 3037) to protect labor in its old age; to the Committee on Pensions.

By Mr. SCHALL:

A bill (S. 3038) to create a bureau of welfare of the blind in the Department of Labor, to provide for the issuing of licenses to blind persons to operate stands in Federal buildings, and for other purposes; to the Committee on Education and Labor.

A bill (S. 3039) to amend the air commerce act of 1926, so as to provide further encouragement for civilian flying; to the Committee on Commerce.

By Mr. BRATTON:

A bill (S. 3040) granting an increase of pension to Rebecca B. Tooley; to the Committee on Pensions.

By Mr. METCALF:

A bill (S. 3041) granting a pension to Viola May Snow (with accompanying papers); to the Committee on Pensions.

By Mr. NEELY:

A bill (S. 3042) granting an increase of pension to Bart H. Hickman; to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 3043) granting an increase of pension to Mildred L. Wright (with accompanying papers); to the Committee on Pensions.

By Mr. DAVIS:

A bill (S. 3044) granting a pension to J. P. Wilkes; to the Committee on Pensions.

By Mr. COSTIGAN and Mr. LA FOLLETTE:

A bill (S. 3045) to provide for cooperation by the Federal Government with the several States in relieving the hardship and suffering caused by unemployment, and for other purposes; to the Committee on Manufactures.

By Mr. DILL:

A bill (S. 3046) to amend the radio act of 1927, as amended; to the Committee on Interstate Commerce.

By Mr. HATFIELD:

A bill (S. 3047) authorizing the Federal Radio Commission to assign to labor a cleared broadcasting channel; to the Committee on Interstate Commerce.

By Mr. ODDIE:

A bill (S. 3048) for the relief of Sergt. William S. Risley, Corpl. James R. Allen, and Pvts. William H. Edwards, Lorenzo Edmunds, Ole Michelsen, Andrew J. Burke, Frederick N. Sorenson, Walter A. Fullerton, Harry Pierce, Hughy Wright, James H. Jensen, Ren Bryson, and John J. Kelly, who served in Company B, First Battalion Nevada Volunteer Infantry, war with Spain; to the Committee on Military Affairs.

By Mr. McKELLAR:

A joint resolution (S. J. Res. 81) providing for an investigation of the government of the Territory of Hawaii, and for other purposes; to the Committee on Territories and Insular Affairs.

FEDERAL HOME LOAN BANKS—AMENDMENT

Mr. TRAMMELL submitted an amendment intended to be proposed by him to the bill (S. 2959) to create Federal home loan banks, to provide for the supervision thereof, and for other purposes, which was referred to the Committee on Banking and Currency and ordered to be printed.

CHANGES OF REFERENCE

On motion of Mr. HASTINGS, the Committee on Banking and Currency was discharged from the further consideration of the bill (S. 2199) exempting building and loan associations from being adjudged bankrupts, and it was referred to the Committee on the Judiciary.

On motion of Mr. REED, the Committee on Military Affairs was discharged from the further consideration of the bill (S. 2943) granting honorable discharges to men who served honorably during the period of actual hostilities in the World War and later deserted the service, and it was referred to the Committee on Naval Affairs.

ALABAMA CONTESTED ELECTION—EXPENSES

Mr. HASTINGS submitted the following resolution (S. Res. 139), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Privileges and Elections, authorized by resolution of February 28, 1931, to hear and determine

the pending contest between John H. Bankhead and J. Thomas Heflin involving the right to membership in the United States Senate as a Senator from the State of Alabama, hereby is authorized to expend from the contingent fund of the Senate \$5,000 in addition to the amount heretofore authorized for such purpose.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had agreed to the concurrent resolution (S. Con. Res. 4) to provide for the printing of 5,000 copies of the hearings on agricultural conference and Farm Board inquiry.

MESSAGES FROM THE PRESIDENT

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

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore subsequently laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

LABOR CONDITIONS AT HOOVER DAM

Mr. ASHURST. Mr. President, I rise to secure a change of reference of a certain resolution, and I ask the attention of the senior Senator from Ohio [Mr. Fess].

I have been converted to the idea of the Senator from Ohio [Mr. Fess], and I believe he is correct in that a resolution calling for an investigation should in the first instance go to the committee which apparently would have jurisdiction of the subject matter. I wish to act upon the conversion, so I ask that my resolution, Senate Resolution 22, which proposes an investigation of labor conditions at the Hoover Dam, be withdrawn from the Committee to Audit and Control the Contingent Expenses of the Senate and sent instead to the Committee on Irrigation and Reclamation.

The VICE PRESIDENT. Is there objection? The Chair hears none, and that order will be made.

PROPOSED DECREASES IN APPROPRIATIONS

Mr. HARRISON. Mr. President, I ask unanimous consent that I may call up Senate Resolution 120 for the consideration of the Senate.

I do not want to delay the regular order, but it seems that reports are being made and requests for unanimous consent granted for the consideration of various matters, and I am anxious to get action by the Senate on this resolution before we take up the appropriation bill.

The VICE PRESIDENT. Is there objection?

Mr. McNARY. Mr. President, may I ask the Senator from Mississippi whether that is a resolution which has been on the desk for some time?

Mr. HARRISON. Yes; it was offered two days before we adjourned for the Christmas holidays.

Mr. McNARY. I think that is a matter of very great importance, and should not be taken up for consideration until we finish the routine morning business.

Mr. HARRISON. I will wait. I just want to have it considered before the appropriation bill is considered.

INVESTMENTS ABROAD BY MANUFACTURING INTERESTS

Mr. WALSH of Montana. Mr. President, I introduce the resolution, which I send to the desk, and ask that it be read.

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

The Chief Clerk read the resolution (S. Res. 138), as follows:

Resolved, That the Secretary of Commerce be, and he hereby is requested to transmit to the Senate a list of individuals, firms, and corporations engaged in manufacturing or other form of production in continental United States that have established plants or engaged in production in any foreign country having investments therein of more than \$50,000, and in that connection to advise the Senate:

(a) Of the foreign city and country in which such individual firms or corporations are respectively so engaged.

(b) Of the character of the product or material issuing from each of such plants or establishments.

(c) Of the approximate amount of the investment in such enterprises, respectively.

(d) Of the number of employees engaged in each of such plants and establishments.

(e) Of the date when they were established or the work in which they are engaged was initiated, and if any additions to their operations have since taken place, the date thereof.

Mr. WALSH of Montana. Mr. President, I ask unanimous consent for the immediate consideration of the resolution.

Mr. WALSH of Massachusetts. Mr. President, I assume the resolution is a follow up to the report made by the Department of Commerce as to the general extent of investments abroad by manufacturing interests of the United States?

Mr. WALSH of Montana. It is; and asking for further details of information.

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

There being no objection, the resolution was considered and agreed to.

THE SILVER PROBLEM—ADDRESS BY ARTHUR G. PRICHARD

Mr. WHEELER. Mr. President, I ask unanimous consent to have printed in the RECORD a speech delivered before the Conference of Western Governors, held in Portland, Oreg., in October, 1931, and delivered in part before the meeting of the western division of the United States Chamber of Commerce at Spokane, on December 5, 1931, by Arthur G. Prichard, chairman of the foreign trade and international relations committee of the Tacoma Chamber of Commerce; vice president of the Fidelity Trust Co., Tacoma, Wash.; director of the Pacific Foreign Trade Council; member of the advisory committee on silver, International Chamber of Commerce. In addition to printing the address by Mr. Prichard in the RECORD, I also ask that there may be printed in the RECORD a letter addressed by Mr. Prichard to me under date of January 8. I should like to say that it pertains to the question of silver, and particularly to a bill which I have recently introduced.

There being no objection, the letter and address were ordered printed in the RECORD, as follows:

TACOMA, WASH., January 8, 1932.

Hon. BURTON K. WHEELER,

United States Senate, Washington, D. C.

MY DEAR SENATOR: I notice with a great deal of interest your introduction of a bill for the remonetization of silver. The Pacific coast has been very much interested in this question, and do not hesitate to state emphatically that it is one of the principal factors in the present depression, and until silver is restored we can see no possible chance of a revival of our foreign trade. It affects the lumber interests and the farmers most vitally as well as it affects the manufacturer and industrialist, even though they have not found it out yet.

I am taking the liberty of inclosing a copy of an address I made before the conference of western governors, in Portland, and also before the western divisional meeting of the United States Chamber of Commerce, in Spokane.

Assuring you that the entire Pacific coast chambers of commerce are back of any movement to restore silver and have urgently appealed to our delegation in Washington to speed immediate action, I am,

Respectfully yours,

A. G. PRICHARD.

ADDRESS ON THE SILVER PROBLEM DELIVERED BEFORE THE CONFERENCE OF WESTERN GOVERNORS, HELD IN PORTLAND, OREG., IN OCTOBER, 1931, AND DELIVERED IN PART BEFORE THE MEETING OF THE WESTERN DIVISION OF THE UNITED STATES CHAMBER OF COMMERCE IN SPOKANE, DECEMBER 5, 1931, BY ARTHUR G. PRICHARD

As a preface to my address, let me emphasize the fact that the discussion for restoring silver and stabilizing its value is, not a revival of Bryanism, but is a demand for the international recognition of silver, and a desire to revive world trade by giving to over half the people of the world a fixed value to what is to them their evidence of wealth, a value that they have been robbed of through legislation; and also to save the gold standard, for only by restoring silver into the monetary systems of the world can the gold standard be maintained.

It is needless for me to mention that we are in the midst of one of the worst and far-reaching depressions that the world has ever experienced; a depression that is international or world-wide in extent. That neither the United States nor any one or two nations can return to prosperity alone is recognized by the best informed. The world as a whole must be revived, for with the present-day rapid means of transportation and communication the world as a whole is a unit. The motto used during the Civil War in this country, "United we stand, divided we fall," applies with equal force to-day. The world is now divided.

While many causes can be assigned as reasons for the present depression, I do not hesitate to emphasize that one of the main factors that continues this depression is the low price of silver.

The world is divided in its conception of basic money. There is in the world to-day approximately \$10,000,000,000 of monetary gold, of which the United States holds about 50 per cent and France about 30 per cent, a total of 80 per cent, yet with only about one-twelfth the population of the world. On the other hand, over half the people of the world—yes; now nearly three-fifths—use silver as their conception of wealth and possess about 80 per cent of the monetary silver. This division of opinion divides the world and makes for the paralyzing of world trade.

Let us remember that the human mind has always based its conception of basic wealth or value on both gold and silver ever since the dawn of civilization, and it will always be so. Over half of the people of the world have always pinned their faith in and have used silver. Now, with silver at or near its lowest value in the history of the world, what has happened? Over half the world finds its savings and its wealth shattered. And why? Because of legislative action by the leading nations of the world.

Let us review what this means. I have just said that the United States and France, with about one-twelfth of the world's population, now possess, about 80 per cent of the world's gold, and a few other nations have the remaining 20 per cent, or we can safely estimate that two-fifths of the world's population have the gold and three-fifths have the silver. The two-fifths, or we will call them the "gold countries," are to some extent like the United States, the people of which are accustomed to using currency, accepting and exchanging the same, knowing that their Government has in its possession either gold or silver, or both, to back or redeem its currency obligation. But the vast majority of the three-fifths, or the "silver nations," have in their individual possession the actual silver, either in the form of silver bullion, American dollars, Chinese taels, Indian rupees, or, as in India, in the form of bracelets, rings, necklaces, and other trinkets worn by their women, so that when silver is legislated to the lowest price in history it has wrecked the wealth of over half the world. This in turn has caused a disastrous falling off of world trade.

In October, last, I had the honor of being chairman of the day at a meeting of the Pacific Foreign Trade Council when the silver problem was discussed and was privileged to introduce United States Senator KEY PITTMAN, of Nevada, who had just returned from a three months' visit to China, having been sent there by the United States Senate to investigate the silver situation. In discussing this question with him, the Senator told me that the price of silver did not worry the masses of the Chinese to any extent, for the wage earner was getting his pay in silver and was able to buy his amusement and living necessities the same as ever, unless he wanted something that came from the United States or other gold countries, when he finds that it takes four and one-half of his silver dollars to buy what one of his dollars would have bought a few years ago. What happens? He doesn't buy; he gets along without it. Who is suffering? I say, most emphatically, the United States, also England, France, and Germany. We are losing the opportunity to dispose of our surplus products. This is why our lumber industry is suffering, why our farmer has to leave his wheat in the warehouse or sell at a price less than the cost to produce, why our fish industry and our fruit industry suffer, and our great manufacturing and industrial concerns have to curtail output, and why men by the tens of thousands are thrown out of employment. All because the silver countries find that it takes four and one-half dollars to buy what one dollar bought for centuries before! This is forcing the silver countries to become self-contained or to confine their foreign trade to other silver nations.

We have been accustomed in the United States to have raw territory or frontiers to populate and develop, but now we have nearly brought our entire country into a highly developed state, and with our machine age and mass production it behooves us to assist in raising the living standard of other undeveloped countries to teach them to want even as luxuries many modern contrivances that are looked upon by us as necessities. To do this we must put them in a position to buy with their money.

We have no overproduction in this country except as to our own ability to consume. We should assist the silver countries to a higher standard of living, thereby creating new outlets for our manufactured and other products, which in turn would require us to buy more raw materials from them.

Some writers contend that the low price of silver does not apply in the foregoing case, as the silver countries would not pay in silver but in goods. Such a statement is nothing more than willfully misleading, for while they may pay in goods it must be remembered that they sell in terms of silver and buy from us in terms of gold. What has been said of trade with China applies with equal effect to Mexico, India, and South America.

From the dawn of civilization until 1816 gold and silver operated harmoniously as a basis of value; but when powerful international banking interests foresaw that by creating a condition that would make for a fixed value for gold and a fluctuating value for silver, a condition could be developed whereby millions could be made by fluctuations in silver values, and when in 1872 England and Germany, with 90 per cent of the world's gold in their possession, demonetized silver, a condition began which has benefited the international bankers to the detriment of world trade.

We know that for over 2,000 years the Roman Empire maintained a fixed ratio between gold and silver of 12 to 1. After the fall of that great power, a varying ratio of around 15 or 16 to 1 was

maintained, but since 1873 silver has gradually decreased in price until to-day it is on a basis of about 70 to 1.

Opponents of silver contend that to restore silver to the monetary systems of the world would cause an overproduction of the white metal. Such a statement is misleading and false. There has never been an overproduction; in fact, the ratio of production of both gold and silver has averaged close to the old Roman ratio of twelve times as much silver as gold. In fact, accurate statistics show that since the discovery of America, 439 years ago, the production ratio has averaged only 14 to 1, and in the last 15 years only about ten times as much silver has been produced as gold. It would almost seem as though God, having hidden these two metals in the bowels of the earth, has allowed and guided man to find them in a ratio of quantity that should be a guide to relative value one to the other.

There is to-day a total of approximately \$10,000,000,000 of monetary gold in the world, not enough to monetize the currencies of all the nations of the world, and 11,000,000,000 ounces silver. But a few years ago this silver was worth \$14,000,000,000 and the gold \$10,000,000,000, a total of \$24,000,000,000. To-day this same silver is worth \$3,000,000,000 and the gold \$10,000,000,000, a total of \$13,000,000,000; or, in other words, the world has lost a value of \$11,000,000,000 in the value of its monetary worth through legislative action of a few major countries of the world. Couple this with the fact that the debts of the world, national and individual, have increased fourfold or more, and with an ever-increasing volume of business up until a few months ago evidences the danger the world faces to-day with this lessened monetary basic value. This foretells the danger to the gold standard. In order to maintain the gold standard silver must come to the rescue and relieve the strain now put upon gold. Silver must be restored to its rightful place and the two metals used in unison one with the other.

At the meeting of the International Chamber of Commerce, held in Washington in May last, which I attended as a delegate, I was privileged to sit at a round-table discussion of the silver question. All the leading nations of the world were in attendance. I was surprised to have France present a stronger resolution to restore silver than the resolution passed and presented by the United States Chamber of Commerce. Equally emphatic resolutions were presented by Japan, China, and India. This proved to my mind that the business interests of these countries sensed the need of restoring silver in order to restore prosperity, but that the political interests were the objectors.

A graph recently published by an authoritative source shows that commodity prices rise and fall with the price of silver, the latter always in the lead. In other words, if silver goes up commodities go up in price, and if silver goes down so do commodities. "Silver has always acted like a lever to raise or lower commodity prices, and its recent sudden short rise acted temporarily like a great electric current throughout the world—reviving trade, giving employment and bringing relief and renewed courage to millions of harassed and struggling people in all countries.

"A determined attempt by several nations to actually bring about the proposed silver conference might very likely be followed by much increased industrial activity.

"It was an important Chinese financial authority who said only last winter that the Chinese could not understand why the American Farm Board should go to the expense of buying wheat if they wished to raise the price of wheat when if they had used one-tenth of the money to buy silver they would have raised the wheat prices higher.

"The dynamic rise in silver due to a period of several weeks of buying in relatively small quantities, and accompanied by rising commodities, seems to have demonstrated this view of the Chinese as to the leverage power of silver. And why should it not exercise such a power when over 80 per cent of the use of silver is monetary and it is the principal yardstick of value by over half the population of the earth?"

I recently had a talk with a prominent Mexican, telling him that I was interested in learning the results as to conditions in Mexico since his country went on the silver standard and abandoned gold. He said, "Why, Mr. Prichard, Mexico is in better shape than she has been for 20 years, our unemployment is lessening and the people are busier and happier." "How does this affect the trade with the United States?" I asked. He said, "I regret to say that we find we can not buy from the United States; it takes too much of our money to do so. Why, just before leaving Mexico City the first sewing machine made outside the United States was imported into Mexico." "Where did it come from," I inquired. "From Germany," he said, and added, "We expect to get our electrical goods from there also and shoes from Czechoslovakia," and so on.

How long are we to idly sit by holding our big bag of gold and let the trade of the silver countries that we have so long enjoyed slip through our fingers? Is it not time that the business interests of this country realize that we are the real sufferers from the low price of silver? If the industrialist wishes to keep his factory busy, if the farmer wishes to sell all his crop and at a profit, and if labor wishes employment and to keep from starving, it is necessary for them to take heed and demand that something be speedily done to bring back the buying power of the silver nations and their one thousand million people.

A concrete example of the effect of silver prices on us was told me during a recent trip to one of the north Pacific seaport cities on Grays Harbor, where I made an address before their chamber of commerce. It will be remembered that in March last silver rose 5 cents an ounce in one week, then fell back in price as

much the week following. At the conclusion of my address, the gentleman who had introduced me, said, "I should like to add one thing to what Mr. Prichard has said. We well remember that rise in silver during that week in March, for the lumber mills on Grays Harbor received orders for three full cargoes of lumber, but since the drop in silver we have not had an order from there for a stick of lumber." What more conclusive argument is needed?

I have been requested to express my views on a recent report made by three economists appointed by the International Chamber of Commerce to report on the silver problem. I find a very decided objection existing by many leaders in business to their report, and I take the same viewpoint, that the report was biased in favor of the international bankers and it was unsound in principle and practice. The international bankers have for years made their millions in commissions in the fluctuations of oriental and other exchanges, as well as in financing foreign loans in this country. What the world needs is stabilized money throughout the world. The economists on the committee were, apparently, representing the interests of the international bankers as well as the political interests of England and France. Business England and business France wish silver restored. The report recommends among other things that American silver producers and refiners enter into a sales agreement with India to restrict production. The feeling toward this is that it is unsound and impracticable and uneconomic, as well as some of the other parts of the report, as there never has been an overproduction of silver. I feel confident that the chamber directors will never approve the report.

In closing let me say that this desire to restore silver is not just an effort on the part of the mining producers to increase the price of their product, much as they may need it, but they know the uses for which their products are needed and perhaps are better equipped to know the economic need for their metals. This is not just a problem of the Western States—it affects every State in the Union—yes, directly or indirectly, every man, woman, and child in the United States.

Personally, I am not a mining man, but living in one of the principal seaport cities on the Pacific coast, I have had the opportunity of intimate knowledge of how the low price of silver has affected our foreign trade, for my home city is one of several on the Pacific coast that is a gateway to every silver-using nation in the world.

I unhesitatingly say that the unemployment problem can be more quickly solved, the wheels of industry quickened, and peace and prosperity returned to mankind by restoring to the world the monetary use of silver, and I believe that the United States should take the lead in demanding that leading nations of the world should agree on this vital economic problem.

FIREARMS CONTROL—ADDRESS BY SENATOR CAPPER

Mr. JONES. Mr. President, on January 8, 1932, the Senator from Kansas [Mr. CAPPER], as a member of the advisory council of the National Anti-Weapon Association, delivered an address over the Columbia Broadcasting System on the subject of the control and regulation of the sale of firearms. I ask that his address may be printed in the Record.

There being no objection, the address was ordered printed in the Record, as follows:

My friends of the radio audience: I am speaking to you to-day through the courtesy of the National Anti-Weapon Association, regarding the bill I am sponsoring for the regulation of the sale of firearms.

I do not think we can build a Utopia through the mere enactment of regulatory laws, but where the laws fail to protect the people, they certainly should be repaired.

Since the World War this country has been passing through an unpleasant phase of its existence, which can be traced back to the war itself. I am referring to the general moral let-down, which was characterized by a growing spirit of lawlessness in our cities. Soon after the war America learned all about gangs and racketeers.

Some of America learned about them through unwelcome contact. Most of America learned through the newspapers, the magazines, the motion pictures, and the stage. It is unfortunate that some misguided persons saw fit to glorify the gangster in the eyes of the young and those easily misled.

With such influences at work, it is not surprising that the country was subjected to a plague of boy and girl bandits, soon to be followed by a ghastly succession of shootings and murders in which children and young people were the principal participants.

To sober minds, it became evident that the laws of this country—that is, the laws of the States in general—made it too easy to get a gun. Firearms dealers were passing weapons and cartridges over the counter to persons who could not be trusted with any deadly weapon. There was practically no regulation of sales. Generally, there was a law against carrying concealed weapons. But the presence of such a weapon is usually not discovered until some kind of crime has been committed.

Now, in Congress I am not only senior Senator from Kansas. I am also the chairman of the Senate Committee on the District of Columbia. I noticed that the laws of the District of Columbia were particularly weak in regard to the control of the sale of firearms.

My judgment was confirmed by police officials and by many members of the general public. So for some years past I have been trying to get enacted a law that would effectively put an end to the present unrestricted sale of guns in the District of Columbia. It is not an easy task to cover this problem by legislation, but I have just introduced a bill which I think will furnish an adequate basis for firearms regulation.

This bill is modeled upon the uniform firearms act drafted by the Commissioners on Uniform State Laws. This act is intended to be a model for the States, and I hope that the legislatures of the various States will give it some study.

The bill is not as strong as some folks would like to see it. On the other hand, some people may think it is too drastic. Personally I feel it is a reasonable and fair measure, which will work no undue inconvenience to the public.

If this bill becomes a law, and I hope it does, it will no longer be possible for anyone to drop into a firearms store, select a gun, and get possession of it in a single brief transaction. Instead of this a purchaser applies to the dealer to buy a gun and gets it not sooner than 48 hours after the date of application.

I think the wisdom of this provision is clear. The police statistics of Washington show that a great many shootings are based on hasty and wrongful impulse. A man with a mortal grievance against another, under existing law, can run into a gun store, get his weapon, and go about his deadly business before he has time to reflect upon the folly of his conduct. Such impulses in persons of uncertain moral fiber are inclined to get rather weak and wobbly after 48 hours of this cooling-off process.

This waiting period between application and purchase of a revolver also gives the authorities time to check up on the name and address furnished the dealer by the purchaser. If the applicant is faking the information, that is soon known. If he is a minor, a criminal, a drug addict, an habitual drunkard, or otherwise incompetent, that information is soon furnished the dealer with instructions to turn down the applicant.

I do not think that any peaceful citizen, wishing to buy a gun for lawful purposes, would object to being asked to wait two days or to answer a few questions before completing the purchase. Good citizens are seldom in a frantic hurry to get their hands on a gun.

The bill also carries heavy penalties for any violations of its provisions and imposes additional penalties for committing any crime of violence while armed.

That is what the bill proposes to do. Let us find out now whether such a law is really necessary.

In the first place, there is abundant evidence that most crimes of violence committed in the District of Columbia and throughout the country are accomplished by the use of revolvers. The revolver in itself is not a bad thing. It has many lawful uses, but it belongs only in the hands of persons capable of taking care of it properly and using it with caution.

Obviously, the danger to society does not lie in the weapon itself, but in the finger that pulls the trigger. Behind that trigger finger may be a brain unbalanced by drink or drugs, a brain that does not recognize the instinct of moral restraint, or an immature, childish brain.

It is our responsibility to see that firearms are delivered safely only into the hands of persons qualified to use them for protection—not for slaughter. Clearly we have been remiss in throwing legal safeguards about the traffic in revolvers.

Not only in the District of Columbia, but throughout the Nation, there has been of late a horrifying wave of shootings by mere children. Youngsters have been killed by their playmates. Two children were recently sentenced to life imprisonment for murder. And all over the land little boys and girls are playing with toy guns, if they can not get the real article, and are being applauded as "cute" for commanding their playmates or their elders to "stick 'em up." I do not think this is "cute." I think it is the real American tragedy.

If these little ones are encouraged in the belief that they are being very clever by playing with imitation guns, don't you think they would be very proud, indeed, later on, to get their hands on a real, workable, shiny revolver?

Are we going to make it easy for them to get guns? Or are we going to do our utmost to insure that firearms shall be sold only to people who regard a revolver in a more serious way and with a better appreciation of its potential danger?

During the past year I have had some very interesting correspondence on the subject of firearms regulation. Among the distinguished men with whom I had the pleasure of corresponding on this matter is Judge Harry O. Chamberlin, of Indianapolis.

Judge Chamberlin very kindly sent me a copy of an address delivered by him before the Indianapolis Bar Association on the Revolver and its Relation to Crime. In this speech Judge Chamberlin quotes from letters received by him from the wardens of several penitentiaries concerning revolvers. Let me give you an idea of how the heads of these penitentiaries feel on the subject of loose regulation of firearms. I quote:

"The warden of the Pennsylvania Western State Penitentiary says, among other things: 'The highwayman would never try a stick-up without a revolver. In 1,916 cases under examination, the inmates being examined admit the presence of a gun. . . . There is no question in my mind that the ability to secure a gun in the United States is very largely responsible for crimes of violence.'

"The superintendent of the Pennsylvania Industrial Penitentiary, says: 'I do feel you are undoubtedly right in assuming that a lot of criminals with a yellow streak a yard wide down their

backs become very brave characters when they have a gun to supply the natural courage in which they are lacking.'

"The agent and warden of Auburn Prison in New York says: 'There is no doubt that the ease with which the criminal can purchase firearms is an important factor in the crime wave that is sweeping the country.'

"The agent and warden of Sing Sing Prison, says, in part: 'To my mind it is almost axiomatic that if we could have some effective legislation through the Federal Government, which would control the supply, distribution, and sales of such weapons, the more serious crimes of violence, particularly robberies, would be reduced to an almost negligible proportion.'

That is the testimony of men who certainly should be intimately acquainted with the criminal element in this country. It is only a very small part of the statements quoted by Judge Chamberlin, but the rest is along the same general lines.

And now let us take up some of the objections that I have heard on this bill. A great many of these objections can be dismissed with a word, because they were based on the mistaken assumption that the bill would legislate firearms out of existence, so that the good citizen could not get one, but the criminal could. Another objection is that the procedure for getting a gun, as outlined in the bill, is surrounded by too much red tape. I do not think the authors of these objections have seen some of the firearm control bills I have seen, which provided that all persons buying pistols would be finger-printed or that a permit would be required simply to own a revolver.

Red tape? I hate red tape. I think we have too much of it in business and government. But I object to classifying as "red tape" any procedure that is necessary to accomplish a good end. Sometimes a process must be a little slow, a little deliberate, to give time for thought and for investigation.

I scarcely think that any good citizen would feel as though he were being persecuted or subjected to inconvenience simply because we want to keep guns out of the hands of those unfit to own them. This so-called "red tape" protects the selfsame citizen who might conceivably grumble at the delay in buying his revolver.

Still other people think we are trying to enact a Baumes law or a Sullivan law in the District of Columbia. They point out, to bolster their opinions, that these laws have broken down. I do not think that anyone studying this bill and the laws referred to will find any substantial similarity. Some laws against guns have fallen down because they were too drastic. A really drastic law would possibly fail of its purpose in the District of Columbia. The existing law is so mild as to be innocuous and ineffectual.

Let me read what has been written by Mr. Charles V. Imlay, a member of the commissioners on uniform State laws and a member of the committee that drafted the uniform firearms act.

"It is the belief of the committee," says Mr. Imlay, "that the proposed uniform act embodies sound forms of regulations which have stood the test of experience in this country, and that it embodies such new ideas as have been presented from time to time, including those advanced by Commissioner McLaughlin, the national crime commission, and other organizations working along this line. Thus, at the same time that it preserves the traditional methods of firearms regulation, it takes advantage of enlightened experience of recent years.

"It comes as near, in the opinion of the committee, as it is possible to come in meeting the two divergent views of a too drastic regulation on the one hand, and a too liberal lack of regulation on the other."

I think it should be plain, from what Mr. Imlay says, that a great deal of good legal thought went into the formulation of the firearms act. As he says, it stands midway between the drastic and the lukewarm systems of regulations, each of which has been proven inefficient in actual operation.

Nevertheless, this bill will probably suffer the fate of earlier firearms legislation if the public is not aroused to the pressing necessity for legislation of this kind. I do not say that my firearms bill is perfect but I think it is the best that has come to my hand. If it is enacted, I hope the States will pass similar laws.

If the people of the United States want to tolerate the gangster and the gunman, well and good. There is no use getting interested in this problem if you refuse to recognize the menace at your very doors. But I believe that America wants to get rid of gunmen, of these shameful juvenile murders, and this reckless gun play. I would certainly like to know how you feel about this, and whether you will support this firearms bill. I thank you.

GOVERNMENTAL EXPENDITURES—EDITORIAL FROM LONGVIEW (WASH.) DAILY NEWS

Mr. JONES. Mr. President, I have here an editorial from the Longview Daily News, of the State of Washington, explaining the situation confronting Congress and the people with reference to appropriations for the Government and taking a very clear, unbiased, and, in my judgment, a very common-sense view of the situation. I ask unanimous consent that the editorial may be printed in the RECORD.

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

WE SEE FOR OURSELVES

The common outdoor and indoor sport these days is to malign the Government, condemning it for interfering with business, too

much bureaucracy, and general wastefulness. On numerous tongues is the statement that "1 out of every 10" is on the Government pay roll. Few of us stop to analyze these statements, particularly the last one; but we feel that we have a grudge and we are going to give vent to it.

Hard times, of course, are at the bottom of all the complaints, and it is an indictment of our intelligence that it requires such an urge to get us thinking. When times were prosperous, we paid our taxes with the usual complaining which has always, since history was first recorded, accompanied such a transaction and gave no further thought to it. But now we are wondering where all the money is going, yet are demanding more of the Government in new construction, more services, and in the same breath demanding a reduction in government costs.

It is the old story of whose ox is gored. Do any of us in this section write our Representative urging him not to ask for additional appropriations for this or that which directly affects us? Hardly. Rather, we are demanding more money for Army posts, naval bases, channel improvement, roads, and what have you. Are any of us commending the President in his efforts to consolidate Government activities to eliminate duplications and provide more economical and efficient administration? Are we suggesting to our Congressman that this Army post is obsolete and should be abandoned or that new Government project or new piece of road is not actually necessary at this time? We haven't heard any such murmurs, rather the contrary. And the strange thing is that it is questionable if any action for consolidation as suggested by the President will be taken. Why? Because politics will interfere. Someone's ox will be gored.

Dr. Julius Klein, Assistant Secretary of Commerce, in a recent statement, took up the cudgel and gave an array of facts which it would be well for all of us to study and know. He asks for more consideration before bursting out into complaints. He cites specific instances where his department has been publicly criticized when it was only rendering a service which had been actually called for by the institution criticizing.

Quoting from David Lawrence, editor of the United States Daily, of Washington, D. C., Doctor Klein gives the fundamental background of government costs as follows:

"To-day we are spending in the Federal Budget approximately \$4,000,000,000 a year. Seventy per cent of that sum, namely, \$2,800,000,000, represents the annual cost to us of past wars and the annual cost of preparing for the 'next war.' It includes payments on interest and principal of Liberty bonds sold to the American people; it includes payments to World War veterans for bonus and payments for disabled and sick veterans; it includes money for pensions—all of this for war. Now, what is the remaining 30 per cent spent for? Much of it goes for public roads and public buildings to give work to unemployed; much of it goes to enforce laws that dishonest and criminally minded people violate; much of it goes to administer the collection of taxes that people do not let their Government have if they can avoid it; and much of it goes virtually for subsidies to American business and industry as well as the American farmers. Very little of it goes for actual administration. So even if you could cut out all the funds spent for the so-called bureaucrats and administrative services, you would hardly make a dent in the Federal tax burden."

From Walter Lippmann he recites, "The cost of running the executive, legislative, and judicial branches of the Government is one-tenth of the total expenditures." That is an essential fact to bear in mind when you hear diatribes about "the billions wasted by bureaucracy." It is such facts that all of us should weigh.

Doctor Klein proceeds to inquire if we would be willing to eliminate or reduce a number of existing Government services, citing the Lighthouse Service, Steamboat Inspection, the Patent Office, the Bureau of the Census, the administration of our pure food laws, and so on. Would we?

He points out that because of conditions the requests for Government service are vastly on the increase. Ten years ago the Bureau of Foreign and Domestic Commerce had a few hundred inquiries per day. To-day there are considerably more than 13,000 each business day. Who is making these inquiries? Business men. They are beginning to find out that valuable information is available and are even cooperating with the Government in sharing the expense of certain investigators. As a matter of fact, the Government insists on such cooperation. Are our lumbermen averse to Government assistance at this time? Do shipping men want the Government to drop mail subsidies any more than the operation of air mail routes?

What we need is sane thinking. We need to realize that it is our actions in the past—particularly in the matter of wars—that have made our governmental costs what they are to-day. It is up to us to dig into the facts, ignore political angles, and realize for ourselves what the facts are. More often it is not the Government administration or its employees who are at fault.

ECONOMISTS' PLAN FOR ACCELERATING PUBLIC WORKS

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have printed in the RECORD a report signed by 31 economists, entitled "Economists' Plan for Accelerating Public Works in 1932."

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

ECONOMISTS' PLAN FOR ACCELERATING PUBLIC WORKS IN 1932

Following is a report of 31 qualified scientific economists, members of the faculties of the principal universities in the United

States, on a program for relieving unemployment and business depression in 1932 by means of a \$5,000,000,000 Federal bond issue for emergency public works.

The memorandum was prepared after a conference in New York City of leading specialists on public works.

The conference was called together by Merryle Stanley Rukeyser, who is a financial columnist for Universal Service and editorial writer for the Hearst newspapers. In transmitting the economists' report to Mr. Hearst, at whose request the study was made, Mr. Rukeyser wrote:

Mr. WILLIAM RANDOLPH HEARST,

c/o Los Angeles Examiner, Los Angeles, Calif.

DEAR MR. HEARST: I take pleasure in transmitting to you herewith a memorandum signed by a group of qualified scientific economists on the acceleration of public works in 1932 to alleviate the business depression. This report is the result of a conference of specialists which I called at your request. The inclosed statement by disinterested economists, as you will observe, strongly supports the policy which you formulated in a nation-wide radio hook-up on June 2, and which the Hearst newspapers have subsequently consistently advocated editorially.

I know it is your desire to make the fruits of this practical economic scholarship available to the responsible officers of the Federal Government. Accordingly, we are sending printed copies of the statement to the President and to Members of Congress.

This report, it seems to me, carries a step forward the contribution which economists can make toward solving our problems. Heretofore the economists have merely advocated the broad principle of accelerating public works in time of depression while retarding them in periods of trade boom. In the accompanying statement the economists specifically apply their remedy to the existing economic situation.

With best wishes,

Sincerely yours,

M. S. RUKEYSER.

THE REPORT

For over a decade economists have been advocating the construction of public works in periods of depression in order to relieve unemployment and restore purchasing power. Despite a popular belief to the contrary, the total annual expenditure on public works in this country has not been greatly increased during the depression. Although the Federal outlay has grown, State and local expenditures showed only slight increase in 1930 and have actually decreased in 1931. As a result the total expended on public works showed only a small gain in 1930 and was actually less in 1931 than in 1929.

So, despite all that has been said concerning the construction of public works, the fact remains that no significant increase in total expenditures for public works has yet been made.

The immediate adoption of a large-scale program of public and possibly semipublic construction is now an urgently pressing need. We raised billions of dollars in loans to finance the Great War. The total American outlay at the time was, according to a recent study by Prof. J. M. Clark, over \$35,000,000,000. An emergency of magnitude comparable to that of a war is now upon us, and to meet it we need to raise billions of dollars for the purpose not of manufacturing munitions or sending soldiers to Europe, but of constructing roads, bridges, reclamation and flood-control projects, reforestation and elimination of grade crossings, and public buildings. With courageous leadership and the patriotic spirit aroused by a national emergency, the achievement of such a program is possible of accomplishment.

Though even a very ambitious program of public works probably could not relieve all current unemployment, yet directly and indirectly vast numbers of those now idle could be put to work if we are willing to recognize the national emergency and to erect necessary public works.

The direct advantages to be gained need little emphasis. The human benefits in terms of supplying adequate food and clothing, of providing medical attention, and even of keeping families together, are apparent. But no less important is the preservation of the self-respect of the working man himself. Certainly it is urgent to save him from the inroads upon his efficiency and general morale which are the almost inevitable results of prolonged unemployment.

A second direct benefit to be derived from employing men on public works is that labor power, otherwise irretrievably lost, may under such a scheme be saved to society. Those who emphasize the inefficiency which often accompanies the execution of public works commonly ignore the tremendous social waste which results from supporting literally millions of men in enforced idleness.

And it must not be overlooked that in addition to the men directly employed on public-work projects many more would benefit indirectly. Thus, according to the United States Bureau of Public Roads, merely in the field of manufacturing and transportation of road materials two workmen are given employment for every one actually engaged in road building.

A courageous program of public works, dramatically introduced and effectively carried through, may mean much more than immediate unemployment relief and the avoidance of great social waste from idleness. Such a program may well inject into our depressed economy the vitality necessary to start us on the road to a real economic recovery.

The recession of 1914 was brought to a speedy termination by extraordinary war-time activities. And that of 1921 was ended in no small part through the great pressure of private construction to meet accumulated needs. It is indicated that a great public

building campaign undertaken at the present time would give the fillip to business necessary to start us safely on the road to a definite revival. Such expenditure would be especially effective, inasmuch as the construction industry is one of the most depressed at the present time, most recent statistics indicating that the value of all construction contracts in 1931 was less than 50 per cent of the 1928 peak.

After a speculative orgy such as we experienced in the closing stages of the last boom a certain amount of liquidation became necessary and in fact desirable. But with two years of deflation now behind us, we should be ready, given the proper stimulus, to substitute for further drastic liquidation a gradual but controlled credit expansion. The belief that a great public-works program will provide this stimulus to business finds extraordinary justification, therefore, under the existing circumstances.

In order to be effective, however, a public-works program must be sufficiently large. For this reason we propose that in addition to the sums normally appropriated the Federal Government raise by means of a bond issue about \$5,000,000,000, the proceeds of this loan to be allocated during the next 18 months to public works as rapidly as is consistent with reasonably efficient management. Inasmuch as these United States Government bonds could be used as the basis for advance to member banks from the Federal reserve banks, they could easily be absorbed with the aid of our credit system.

Once resolved upon such a program there should be no great difficulty in utilizing the proceeds of such a loan in much-needed projects. To attain this end the purchasing power should be made available not only to the Federal Government but also through Federal grants in aid and loans to States and municipalities.

Many projects are susceptible of immediate development. The programs of many State highway commissions, for example, are now in a position to be pushed forward at once, were Federal help forthcoming. As a people, we can raise capital most cheaply through the Federal Government, whose credit is of the highest. Plans for other public works in which some delay is necessary could be rapidly pushed to the construction stage if under the stress of the emergency we were willing to cut red tape and expedite matters at every possible point. Time is the very essence of the situation.

Even though some waste be incurred through haste, it is most unlikely that the loss could even approximate that which must inevitably result from continued unemployment and industrial stagnation.

The spending of from four to six billion dollars on public works within the next year and a half appears entirely feasible. In a recent survey, a construction engineer of wide experience in public works during the war found that an emergency public and semipublic works program entailing an expenditure of \$5,400,000,000 during the year 1932 was entirely practicable. Prof. Leo Wolman, of Columbia University, who conducted research on the planning and control of public works for the committee on recent economic changes of the President's Conference on Unemployment, advocated last April the prompt expenditure of several billion dollars on public works. In asking for this expenditure he noted the obstacle of administrative difficulties, but declared, "It is unthinkable that after the lapse of a year and a half the essential elements of a huge program of public construction can not be found in Washington."

Only those who are directly connected with the various Federal, State, and municipal departments concerned are in a position to say exactly how much can be spent to advantage within their jurisdiction. Nevertheless, realization of the vast possibilities for public and semipublic work expenditure may be indicated to outsiders by merely listing some of the most important possibilities. The construction engineer referred to above has proposed the following emergency public and semipublic work program for 1932:

Federal:		
Roads.....	\$250,000,000	
Forest roads and trails.....	50,000,000	
Bridges.....	50,000,000	
Reclamation work.....	50,000,000	
River and harbors.....	250,000,000	
Flood control.....	150,000,000	
Water and sewers.....	15,000,000	
Ship construction.....	85,000,000	
Airships and aircraft.....	50,000,000	
Buildings.....	350,000,000	
Grade-crossing elimination.....	100,000,000	\$1,400,000,000
State, county, and municipal:		
Streets, roads, and pavements..	800,000,000	
Bridges.....	400,000,000	
Water and sewers.....	700,000,000	
Landing fields, parks, play-grounds.....	600,000,000	
Buildings.....	1,000,000,000	
Grade-crossing elimination.....	500,000,000	4,000,000,000
Total.....		5,400,000,000

The foregoing statement lists a number of projects for which estimates have been attempted. Obviously, wide fields of possible expenditures have not been included. Some realization of the possibilities of an extensive public-work program may be afforded by the following more complete, though by no means exhaustive, list

of suggestions. Although some of the projects listed could be gotten under way but slowly, others are now ready for execution as soon as funds are available.

POSSIBLE PROJECTS FOR A PUBLIC-WORK PROGRAM

1. Highways:
 - a. Repair and clean up, plant trees, general improvement of roadsides.
 - b. Construction of new through routes and widening of old ones.
 - c. Build roads to local markets.
 - d. Construct overpasses at important highway junctures.
 - e. Build by-pass roads around cities.
 - f. Construct sidewalks along highways where foot traffic is common.
2. Construct Federal buildings for Postal, Health Service, and other departments.
3. Push the geological survey to more rapid completion.
4. Additional Federal subsidies to research projects.
5. Airport construction.
6. Further development of Public Health Service.
7. Bridge construction and repair.
8. Execute flood-control projects.
9. Improve schools and hospitals for the Indians.
10. Rivers and harbors development.
11. Reclamation projects and drainage of swamps and mosquito-breeding marshes.
12. Repair lighthouses and construct buildings for the Coast Guard.
13. Improve and extend the national park system.
14. Reforestation and construction of fire breaks, fire towers, roads, and ditches.
15. Removal of slums and promotion of housing developments through tax exemption and other governmental aid.
16. Build schools, hospitals, libraries, etc.
17. Carry through city and regional plans, many of which are now ready for rapid execution, involving street paving and widening, improving of water systems, construction of plants for sewage disposal, making parks and playgrounds, etc.

The impossibility of drawing up any hard and fast procedure in advance is obvious. Adjustments would have to be made from time to time, but a huge public-work program is believed to be entirely within the range of possible achievement. Of course, should conditions improve the public-works program would be tapered off and Government expenditures rapidly curtailed.

We are now going through the third winter of depression. This is the time to take those measures calculated to save us from a fourth and even a fifth winter of unemployment.

Thomas N. Carver, Harvard University; Paul H. Douglas, University of Chicago; W. N. Loucks, University of Pennsylvania; James C. Bonbright, Columbia University; Paul F. Brissenden, Columbia University; R. M. MacIver, Columbia University; Merryle Stanley Rukeyser, Columbia University; Willard L. Thorp, Amherst College; George R. Taylor, Amherst College; Phillips Bradley, Amherst College; William T. Foster, director, Pollak Foundation; Arthur Evans Wood, University of Michigan; Frank H. Strelightoff, Indiana University; Thomas S. Luck, Indiana University; N. J. Ware, Wesleyan University; C. O. Fisher, Wesleyan University; John Ise, University of Kansas; Seba Eldridge, University of Kansas; Arthur Gayer, Barnard College; Gordon B. Hancock, Virginia Union University; H. H. McCarty, University of Iowa; Le Roy E. Bowman, The National Community Center Association; Edwin A. Elliott, Texas Christian University; David D. Vaughan, Boston University; Everett W. Goodhue, Dartmouth College; Edward Beriman, University of Illinois; C. W. Doten, Massachusetts Institute of Technology; Truman C. Bigham, University of Florida; Walter J. Matherly, University of Florida; John E. Brindley, Iowa State College of Agriculture and Mechanic Arts; and Jacob E. Le Rossignol, University of Nebraska.

ANNIVERSARY OF EIGHTEENTH AMENDMENT

Mr. SHEPPARD. Mr. President, I desire to give notice that on to-morrow or on Monday, if there, shall be no session to-morrow, I shall address the Senate, as is my custom at this time each year, on the anniversary of adoption of the eighteenth amendment.

PROPOSED DECREASE IN APPROPRIATIONS

The VICE PRESIDENT. Morning business is closed.

Mr. JONES. Mr. President—

The VICE PRESIDENT. The Senator from Washington.

Mr. HARRISON. Mr. President, will the Senator from Washington permit the resolution (S. Res. 120), which I introduced more than three weeks ago, to come up and let us have consideration of it before we go to the consideration of the deficiency appropriation bill, which I understand the Senator is about to call up?

Mr. JONES. If it can be done without taking up much time, I shall not object.

Mr. HARRISON. May I say to the Senator that so far as I am concerned I do not desire to discuss it unless we get into some argument about it. I am willing to have a roll-call vote on the resolution without any discussion. It is merely calling for an expression of the sense of the Senate that the Committee on Appropriations cut the recommendations of the Budget at least \$300,000,000. Senators know whether or not they want that done and how they will vote on the question.

Mr. McNARY. Mr. President—

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Oregon?

Mr. JONES. I yield.

Mr. McNARY. I suggest to the Senator from Mississippi that if he insists on presenting the matter to the Senate now we should have a quorum call and the resolution should then be read for the information of the Senate.

Mr. HARRISON. Very well; I suggest the absence of a quorum.

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

Mr. JONES. Not for a moment or two. I want to say that it is the intention of the Appropriations Committee of the Senate to hold appropriations down just as rigidly as we feel we can hold them down without impairing the efficiency of the Government. I can not see how the Senate can say on a resolution of this kind, without any investigation or study, that we ought to cut the Budget recommendations \$300,000,000. I hope we can cut them more than that amount, so far as that is concerned. However, there is nothing in the resolution which points out the items which the Senator from Mississippi may have in mind that he thinks we can reduce. The Senator probably is not prepared now to tell us what items should be cut out or what items should be reduced.

I will say frankly that I can not see what force the resolution would have if it should pass, because if the Appropriations Committee and the Senate are convinced that items are absolutely essential, of course, we shall make the appropriations even though they may reach a large sum. I would like to find that we are able to cut the Budget estimates \$500,000,000. I would like to be able to cut them \$1,000,000,000. If we possibly can do that I am willing to do it.

We shall probably get some idea as to the sentiment of the Senate on these matters in the consideration of the deficiency appropriation bill. There may be an item or two in that bill which would test the real economical sentiment of the Senate. As I said, I frankly feel, even if the Senate should adopt the resolution, that I can not see where it will have any particular effect. I feel that it is the sense of the Senate that we should cut our appropriations to the bone, to use a common expression, and that is the sentiment of the Appropriations Committee. We are going to try to do it. The main thing, in my judgment, will be for the Senate to stand by the Appropriations Committee in its cuts when they are brought to the floor of the Senate and presented.

Mr. COUZENS. Mr. President—

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

Mr. JONES. Certainly.

Mr. COUZENS. May I ask the Senator from Washington if the Appropriations Committee, in the consideration of appropriation bills, has gone or is going into the details of the number of employees who are carried on the Government pay rolls and the real needs therefor in the various departments of the Government?

Mr. JONES. We have not gone into that phase of it, because the legislative appropriation bill carries those matters. The House Committee on Appropriations, of course, goes into all the various items of the bill, I will confess, more carefully than does the Senate Committee on Appropriations. They originate those bills. They have hearings upon each item in the bill. I think their hearings are very thorough and very careful. I feel that they are going to hold appropriations down, not only for general items of ex-

penditure but for employees, just as low as they feel they possibly can without interfering with the efficiency of the Government service. I feel that the Senate Appropriations Committee wants to follow that idea.

In direct response to the question of the Senator from Michigan, I have this idea, I will say frankly, and I get it from going about the departments. I feel that we are going to be justified in the regular appropriation bills in making an arbitrary cut in the amount provided for salaries of clerks, and so on. I would feel like going into that now, except for the peculiar conditions which confront the country at this time. If we go to throwing out of employment clerks and employees of the Government, we will be adding to the unemployment situation. If conditions were normal I would say that we ought to make an arbitrary cut of that kind now. I think there are too many employees, I will say to the Senator frankly, but I do dislike to contemplate the idea of arbitrarily throwing Government employees out of employment under the conditions that confront the country at this time.

Mr. COUZENS. Is it not a fact that every large municipality is having to discharge thousands and thousands of workers and employees to live within their budgets?

Mr. JONES. I think that is probably true.

Mr. COUZENS. I do not enthuse over such a condition.

Mr. JONES. I do not either.

Mr. COUZENS. But as a matter of fact should not the Federal Government take the same cognizance of these matters that the State and other municipalities do?

Mr. JONES. Only if we feel that we ought to inaugurate a policy of that kind under present conditions; and yet, as I said, I would dislike to inaugurate such a policy now. I would be glad to inaugurate something of that kind during normal times. I believe we could make an arbitrary cut that would be fully justified under normal conditions and in normal times.

Mr. COUZENS. I want to say that so far as I am concerned, when the appropriation bills come to the Senate, I am going to ask those in charge of the bill for more definite information than is contained in the bills themselves. For example, I notice in the deficiency appropriation bill, which I presume will be called up very shortly, an appropriation providing for the Federal Trade Commission, as I recall it, \$90,000 in a lump sum. I am going to ask, and so far as I can I am going to require, an itemized account of how that money is to be spent. I am not going to vote for a lump-sum appropriation when neither the members of the Committee on Appropriations nor other Members of the Senate know what it is all about.

Mr. JONES. I think we can explain that item, when we reach it, to the satisfaction of the Senator, although we may not be able to give the itemized information that he indicates now he desires.

Mr. McKELLAR. Mr. President—

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

Mr. JONES. I yield.

Mr. McKELLAR. Not only the subcommittee but the full committee went into that item very carefully. The chairman of the committee will be able to explain it.

Mr. COUZENS. I am not trying to question the judgment or competency of the committee.

Mr. JONES. I think we can satisfy the Senator.

Mr. COUZENS. What I am trying to make clear is that under existing conditions I think it is the duty of the committee and of every member of the committee to be able to explain to the Senate what such items are for. It is not enough to have the committee satisfied. The whole Senate should be satisfied as to the need for these appropriations if we are going to pass the bill.

Mr. JONES. I want to ask the Senator whether or not he thinks our Appropriations Committee should go into the utmost detail in a study of every item that the House sends over here, in view of the fact that the House Committee on Appropriations has gone into the matter with very great

care? There may be some things, like some items in the deficiency appropriation bill, as to which our committee feels we should make the reductions or changes we have proposed, but I think it is practically impossible for the Committee on Appropriations of the Senate to take up ab initio every item in the bill.

Mr. COUZENS. The Senator has asked me a question. I do not ask the Appropriations Committee or its chairman to go into every item. All that I am asking the committee to do is to be able to tell us, when they come to the floor of the Senate with an appropriation bill, what is the purpose of the various items. If members of the Appropriations Committee, or the chairmen of the subcommittees who handle the appropriation bills, are familiar with them after studying the House hearings and feel that they are satisfied with reference to the purposes for which the appropriations are to be made, I shall be satisfied.

Mr. JONES. That is all right.

Mr. COUZENS. I am not willing to accept the mere statement that "the committee looked into it and is satisfied." That, in my judgment, is not an adequate answer to the Senate. So far as I am concerned, I am going to ask all kinds of questions about the items in the appropriation bills when they come before the Senate. The reason why I rose just now was to make that statement so the committee might anticipate such a situation.

Mr. JONES. I can not find any fault with the Senator's position.

Mr. KING. Mr. President—

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

Mr. JONES. I yield.

Mr. KING. I read for many years, to the injury of my eyes, most of the House hearings. I have found that most of the hearings before the Appropriations Committee in the House—and I do not want to criticize—as well as the hearings before the Appropriations Committee of the Senate, consist of statements by Federal employees who have, I will not say an ax to grind, but who are anxious to increase existing appropriations or at least to maintain existing appropriations. They come with their statements all cut and dried; they make the plea of an advocate; they are very earnest, very eloquent; and the importance of the appropriation, and, indeed, its imperiousness, seem to be beyond any question. As a rule, without being familiar with the situation, Senators and Representatives members of the appropriations committees ask but few questions; most of them do not reach the very heart of the thing; we accept their statements, and they get away with it. As a result, the appropriations have mounted higher and higher and higher.

Take the Department of Commerce. A few years ago five or six million dollars were appropriated for that department, but now the appropriation runs into the tens of millions. So the appropriations for the Indian Bureau and other bureaus mount higher and higher. Those favoring such appropriations can adduce arguments in support of them. We have got to cut those appropriations. When my friend from Washington says we must wait for normal times before we may cut, I desire to say to him that he knows that that can not be done. In normal times we will not do it, because the Treasury then will be substantially full and we will be getting large revenue from taxes. The time to cut in business is when one's business is falling or when his expenses are greater than his income; and the Federal Government must now cut expenses.

If I had my way with the resolution of the Senator from Mississippi, I would amend it and make the proposed cut \$500,000,000. I think we have got to cut the expenses of the Government \$500,000,000. We can take \$250,000,000 from the Army and Navy; we can compel the War and Navy Departments to reduce the number of their civilian employees by 50 per cent; and so in many other departments of the Government there are many places where savings may be effected sufficient in the aggregate to reduce expenditures by five hundred or six hundred million dollars without destroying the efficiency of the Government service.

Mr. JONES. Mr. President, I shall be interested in seeing what the Senator from Utah may be able to accomplish in connection with the items in this bill respecting the Military Establishment. I shall be very much surprised, indeed, if the Senator shall be able to accomplish very much along the line of reductions in military and naval expenditures.

Mr. KING. We can at least make the effort.

Mr. JONES. Oh, yes; and effort has been made elsewhere to do something of that kind; but, Mr. President, I did not say, as indicated by the remarks of the Senator from Utah, that I did not think this was a time to make reductions in Government expenses. I think it is the time to make reductions in Government expenses generally; but what I did say was that I have my doubts about eliminating large numbers of employees and adding them to the unemployment situation that now confronts us.

Of course, as the Senator from Michigan [Mr. COUZENS] suggested, many of the municipalities throughout the country are doing that. I do not know the peculiar conditions existing in those various localities; but surely it is a heart-rending thing to deprive people of such employment as they now have, especially under the conditions that confront the country; and the question has occurred to me as to whether or not it would be a wise thing or a justifiable thing for us to make an arbitrary cut in the Government employees and add them to the present number of unemployed. There are two sides to the question, of course.

Mr. COUZENS. Mr. President, will the Senator from Washington yield to me?

Mr. JONES. I think the Senator from Mississippi first asked me to yield.

Mr. HARRISON. I yield to a question.

Mr. COUZENS. I want to say that I agree with the Senator from Washington [Mr. JONES] with respect to this resolution. I hope the Senator from Mississippi will not push it, because, if agreed to, it would do two things: It would fix an amount which no one can anticipate; in other words, I should like, if the resolution is to be considered, to have it amended to include a cut of \$600,000,000. The resolution, if adopted, would mean nothing. I think if Senators themselves would take an interest in the appropriation bills, and in all of the items contained therein, we should not have to make a gesture or do any "shadow boxing" before the country as to what we are going to do. The real test is what we shall have done when the appropriations bills shall have been passed.

Mr. HARRISON. Now, Mr. President, I think I will take the floor for a little bit.

Mr. JONES. Mr. President—

Mr. McNARY. A parliamentary inquiry, Mr. President.

Mr. JONES. I have not yet given up the floor.

Mr. HARRISON. I have the floor, Mr. President, and I desire to say something.

Mr. JONES. I have the floor. The Chair recognized me.

The VICE PRESIDENT. Let the Chair make a statement. The Senator from Washington [Mr. JONES] had the floor and yielded to the Senator from Mississippi [Mr. HARRISON] for a question. The Senator from Oregon [Mr. McNARY] desired to call a quorum. The Chair asked the Senator from Washington if he would yield for that purpose, and the Senator from Washington replied, "Not at present." So really the Senator from Washington still has the floor.

Mr. JONES. I merely want to say a word.

Mr. HARRISON. Mr. President, will the Senator from Washington be as courteous to me as I was to him, and permit me to interpolate a remark for just a moment? I want to do it while the Senator from Michigan is still in the Chamber.

Mr. JONES. I will conclude in time to permit the Senator from Mississippi to address the Senator from Michigan before he goes out. I merely wish to say that I am really indifferent to the passage of this resolution. Our committee proposes to hold appropriations down just as low as we possibly can, and not only in the committee but before the Senate. If this resolution shall pass, we shall not limit ourselves to \$300,000,000 if we can make a greater reduction than that. If we can not reduce appropriations to that

extent, we shall bring the matter to the Senate to be passed on. We think we can do it, but it will be up to the Senate to do the best it can. Now I yield the floor.

Mr. HARRISON. Mr. President—

The VICE PRESIDENT. The Chair recognizes the Senator from Mississippi.

Mr. HARRISON. Mr. President, I thought the Senator from Washington would be the last one on this floor to oppose the adoption of this particular resolution.

Mr. JONES. I am not opposing it at all.

Mr. HARRISON. The Senator says he is not opposing the passage of the resolution.

Mr. JONES. Not at all.

Mr. HARRISON. But he is like the fellow who goes out and hollers, "Mad dog! Mad dog!" when there is only a sane dog around, yet he permits and encourages people to kill the dog, even though he is innocent. The Senator talks against the resolution, whether he is against it or not; no one would interpret the remarks of the Senator from Washington as being favorable to it. I said I thought he would be for it because it casts no reflection upon him as chairman of the Appropriations Committee; it casts no reflection upon the membership of the Appropriations Committee. I know how difficult it is for the Appropriations Committee to come upon the floor of the Senate with their amendments, whether they are decreases or increases, and withstand the war that is fought against them at times. I am trying to sustain the Senator from Washington by securing the adoption of a resolution that will express the sense of the Senate that some real retrenchment is necessary in Government expenditures.

My good friend from Michigan [Mr. COUZENS] says it is "shadow boxing"; he says it is a mere "gesture." I say to him that it is not shadow boxing and it is not any gesture. So far as I am concerned, I am going to vote to try to retrench at this particular time. I have responsibilities here as well as have other Senators in the matter of the tax bill that is soon to come before us. The Senator from Michigan is a member of the Finance Committee, of which I happen to be a member, and it looks as if we have got to increase taxes pretty high if the Budget is to be balanced. I am for increasing them if it be necessary in order to balance the Budget. I realize, however, that every cent that we can cut from the Government expenditures at this time will help just that much in the consideration of the tax bill, and I say, in the utmost good faith, to my distinguished friend, that there is no hypocrisy in this resolution; there is no deception in it; there is no "shadow boxing" in it, and it is not a "gesture" for the country.

When the policy committee of the Democratic Party met at the beginning of this Congress, the first resolution it adopted was one declaring it to be the sense of the majority party in the House and of the Democrats in the Senate that governmental expenditures should be cut to the bone. We do not want to affect the efficiency of the Government, but we propose to retrench at this time. Now I yield to my friend from Michigan, if he wants to ask me a question.

Mr. COUZENS. I was going to ask the Senator if he would not specify in what departments the reductions should be made or in what manner the Appropriations Committee should proceed. That would help us, because we might add amendments to it.

Mr. HARRISON. The trouble in that connection is that the Senator from Washington and the Senator from Michigan the other day did not honor me with their presence when I spoke quite at length on what I would do, and expressed myself fully with reference to that matter.

Mr. COUZENS. I was present, I will say to the Senator.

Mr. HARRISON. If the Senator wants a rehash of what I then said, let me refer to some of the items right now.

Mr. COUZENS. Will the Senator yield to me before he begins?

Mr. HARRISON. I will yield to the Senator after I have stated some facts.

Mr. COUZENS. Will not the Senator yield to just a question?

Mr. HARRISON. I will yield presently.

Mr. President, in 1924—and it is proposed by the Treasury Department to go back to the tax law of 1924—there was a tax on automobiles, a tax on admissions, a tax on innumerable miscellaneous articles, a 40 per cent surtax on incomes, and a higher tax on corporations. So the department says we ought to go back to the tax revenue act of 1924 in order to raise \$900,000,000 to take care of the deficit. Now, let us see about the expenditures of 1924.

If it is fair to go back to the higher taxes of 1924, to burden the people in imposing taxes upon them according to the rates of that year, why is it not fair, or, at least, why does it not point in that direction to go back to 1924 to see what the expenditures of the Government were at that time? That was just a few years ago; that is just a slight span. Now, let us for a moment scan some of the appropriations for 1924 and see how they have since increased.

Take the Department of Agriculture. For the office of the Secretary in 1924 the appropriation was \$382,000. The estimate in this year's Budget, the total of which I am seeking to have reduced by \$300,000,000, is \$821,000 for the office of the Secretary. That represents an increase of practically 300 per cent.

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

Mr. HARRISON. Let me finish this statement, and then I will yield to the Senator.

Mr. COUZENS. I should like to take it up item by item.

Mr. HARRISON. For the Office of Information in the Department of Agriculture in 1924 the appropriation was \$1,011,520, while the estimate for 1933 is \$1,362,000, quite a large increase.

For the Market News Service in 1924 the appropriation was \$401,000, but in the Budget for this year the appropriation called for is \$1,406,000.

The appropriation for the Bureau of Plant Industry in 1924 was \$2,426,000. Does the Senator know what is recommended for next year? The amount proposed by the Budget is \$5,404,000. Since 1924 it has doubled, and all these appropriations come through the Committee on Appropriations.

Now let us take the Department of Commerce. In 1924, for the Bureau of Foreign and Domestic Commerce the appropriation was \$1,900,000. The estimate for the ensuing fiscal year is \$4,986,000.

For the Bureau of Lighthouses in 1924 the appropriation was \$7,565,000. The estimate this year calls for \$10,943,000.

Mr. President, the distinguished chairman of the Appropriations Committee utilized a considerable portion of my time a while ago and asked me certain questions as to how I would cut expenditures; but when I start to talk about the proposition and give some real facts upon which he could base action, he turns his back, engages in conversation, or walks out. It is useless for me to try to give any facts if the chairman of the Appropriations Committee, who seems opposed to expressing it as the sense of the Senate that we ought to retrench to the extent of \$300,000,000 in the Budget proposals, will not listen to my remarks.

I will give some further illustrations for the edification of the chairman of the Appropriations Committee, because he asked me some questions a while ago. If there is any question as to my figures I will ask him to speak up.

For the Bureau of Fisheries in 1924 there were appropriated \$1,100,000. The estimate for the ensuing fiscal year goes up to \$1,337,000. Under the Department of Agriculture, for the support of Indian schools, there was in 1924 an appropriation of \$4,300,000. In this year's estimate an appropriation is recommended of \$10,649,000.

Mr. JONES. Mr. President, will the Senator permit me to interrupt him?

Mr. HARRISON. Yes.

Mr. JONES. I want to say to the Senator that I have looked over all those items.

Mr. HARRISON. Then they certainly ought to convince the Senator so that he would favor at least a cut of \$300,000,000.

Mr. JONES. I told the Senator that I would be in favor of a cut of a billion dollars if we can possibly bring it about.

Mr. HARRISON. Yes; the Senator encourages me with his words and hits me in the jaw with his fist.

Mr. JONES. No; the Senator might get a little flatter if I did that. I want to say to the Senator that I am ready to vote for his resolution.

Mr. HARRISON. Then I will not say another word if we can get a vote on it right now.

Mr. JONES. I hope we can.

Mr. HARRISON. I have no interest in the world except that which every other Senator ought to have, and that is to have it expressed as the sense of the Senate that we should try to retrench at this time, when the whole country is on fire; that we should try to save something from the wreck; that we should not go wild with appropriations but should endeavor to check them in the interest of the taxpayers of the country.

Mr. JONES. I do not think there is a Senator here who would want unnecessary appropriations.

Mr. HARRISON. I ask for the yeas and nays on my resolution.

Mr. McNARY. Mr. President, I interrupted the Senator a few moments ago to express the belief that we should have a quorum call, so that others might consider the proposition.

I realize that the Senator's resolution is a harmless little device, and does not mean anything, supplementing his excellent speech made a few days ago.

Mr. HARRISON. That is one good thing the Senator got out of it. He heard part of a good speech.

Mr. McNARY. I heard a very good speech from the Democratic standpoint.

Mr. HARRISON. There is no politics in this, may I say to the distinguished assistant leader on the Republican side. We are trying to help you out of the hole; and, God knows, if we had not helped you out of the hole when you got us in it, you would be in the mire very deep now.

Mr. McNARY. I spoke to the chairman of the Appropriations Committee a few moments ago, and he seemed to express no objection to the resolution. As I repeat, it means nothing. It is not intended to mean anything. It will not operate in a fashion to accomplish anything; but if the Senator wants to go forward, I shall suggest the absence of a quorum, with the understanding that the resolution will be read after the quorum is announced.

Mr. HARRISON. Very well.

The PRESIDING OFFICER (Mr. BROOKHART in the chair). The clerk will call the roll.

Mr. HARRISON. May I ask the Senator whether he proposes to vote against the resolution?

Mr. McNARY. I probably shall on a roll call.

Mr. HARRISON. I am sorry.

The PRESIDING OFFICER. The resolution is not yet before the Senate. The Chair calls the attention of the Senator from Mississippi to that fact.

Mr. HARRISON. I asked unanimous consent a moment ago to place it before the Senate, and for its immediate consideration. I now renew that request.

The PRESIDING OFFICER. The Chair will present that request as soon as the roll is called.

Mr. JONES. Mr. President, I hope we will start on the roll call without a quorum call.

Mr. McNARY. No; I think we should have a quorum. The resolution should be read. Others might want to discuss it; and I insist on a roll call.

Mr. JONES. That is what I am afraid of.

The PRESIDING OFFICER. The clerk will call the roll.

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

Ashurst	Bratton	Connally	Dill
Austin	Brookhart	Cooldge	Fess
Bailey	Bulkeley	Copeland	Fletcher
Barkley	Bulow	Costigan	Frazier
Bingham	Byrnes	Couzens	George
Black	Capper	Dale	Goldsbrough
Blaine	Caraway	Davis	Gore
Borah	Carry	Dickinson	Hale

Harris
Harrison
Hastings
Hatfield
Hawes
Hayden
Hebert
Howell
Hull
Jones
Kean
Kendrick
Keyes

King
La Follette
Logan
McGill
McKellar
McNary
Metcalf
Morrison
Moses
Neely
Norbeck
Norris
Nye

Oddie
Patterson
Pittman
Reed
Robinson, Ind.
Schall
Sheppard
Smith
Smoot
Stelwer
Swanson
Thomas, Idaho
Thomas, Okla.

Townsend
Trammell
Tydings
Vandenberg
Wagner
Walcott
Walsh, Mass.
Walsh, Mont.
Waterman
Watson
Wheeler
White

Mr. McNARY. The senior Senator from Minnesota [Mr. SHIPSTEAD] is detained at home on account of illness. I will permit that announcement to stand for the day.

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

Mr. HARRISON. Mr. President, I ask for a roll call on my resolution.

Mr. TRAMMELL. Mr. President, just a moment before the roll call is requested. I am going to vote for this resolution, but in doing so I do not wish to have any misapprehension exist as to my future attitude in dealing with individual and specific appropriations.

As an illustration, I do not propose to vote hereafter for the purpose of cutting off a part of this \$300,000,000 from the appropriation for assistance in constructing Federal highways.

I do not contemplate voting in the future, on account of voting for this resolution, to reduce the activities in public-building construction throughout the country, because I think that is of material assistance in providing employment for the unemployed at this time; nor do I expect to vote to reduce the compensation of the low-salaried and medium-salaried employees of the Government in order to cut off some of this \$300,000,000.

There are other activities which I do not contemplate trying to diminish.

I do not believe that in time of stress the Government, the very head of all of the business enterprises and institutions of our country, should become panicky, and go pell-mell slashing everything, and have the very detrimental psychological effect which it will have if the Government seems to lose its nerve under the conditions which exist at this time. That will be the result.

I do not believe in waste. I believe in economy and have never stood for extravagant expenditures or waste of public funds. We must be orderly, however, in the conduct of our business. If the Government says, "We can not do any more public building of any consequence; we can not make any more substantial increases in Federal aid for road construction, and we shall have to slow up our river and harbor enterprises," and takes that attitude, it can not do otherwise than have a very demoralizing effect upon the industrial and commercial conditions of the country and upon the morale of the American people.

I do not care to give any encouragement to any sentiments of that character. I shall vote for this resolution, but I shall select in the future the items from which I shall attempt to assist in cutting down the \$300,000,000.

Mr. HARRISON. I ask for the yeas and nays on the resolution.

The PRESIDING OFFICER. The Senator from Mississippi asks unanimous consent for the immediate consideration of Senate Resolution 120, favoring a reduction by the Senate Committee on Appropriations of not less than \$300,000,000 below the Budget estimates of appropriations for 1932. Is there objection? The Chair hears none.

The Senate proceeded to consider the resolution (S. Res. 120) submitted by Mr. HARRISON December 22, 1931, which was read, as follows:

Resolved, That it is the sense of the Senate that the Committee on Appropriations of the Senate in reporting to the Senate upon the several appropriation bills for the fiscal year ending June 30, 1932, make such decreases in proposed appropriations as will bring the total amount reported to the Senate at least \$300,000,000 below the total recommended in the Budget for such fiscal year.

Mr. NORRIS. Mr. President, I agree with practically everything the Senator from Florida [Mr. TRAMMELL] has

said, and because I do I am going to vote against this resolution. To my mind, it is impractical.

I think I shall be willing to go as far as the Senator from Mississippi [Mr. HARRISON] wants to go in practicing economy in the Government; but I do not believe that any good can be accomplished along that line by the passage of this resolution, and it may result in harm.

To say arbitrarily, in advance, that we are going to reduce the appropriations by \$300,000,000 below the Budget recommendations is to arrive at a decision before we have heard the evidence. It is deciding the case before we have tried it.

I hope we can reduce the expenses more than \$300,000,000; but to say now that we are going to do it, to my mind, is to decide what is unknown in the future.

Suppose the resolution were passed, as it probably will be: How much are we going to take out of this bill? How much are we going to take out of the next bill in order to reach the \$300,000,000? We do not know now how many deficiency appropriation bills we are going to have. We know how many general appropriation bills we are going to have. Are we going to divide the amount arbitrarily among each one? Are we going to say that we will take \$50,000,000 out of this one when, perhaps if we analyzed it carefully, we could take out \$100,000,000, and that we will take out \$50,000,000 from the next one, and \$25,000,000 from the next one, without knowing just exactly what is going to be in those bills?

To my mind, it is an impossible thing; and I do not believe we can do anything practical if we follow out the instructions of this resolution. Its very presentation, and what may be said on it, may result in good, but I did not want to go on record as voting against this resolution, as it seems to me I shall have to do, and then have somebody say afterward that I was in favor of extravagance in the Government.

I am not sure what we shall have to do before we get through with this Congress in the way of raising revenue. I am not sure but that we shall have to issue bonds. I have not any doubt but that we shall have to issue some bonds to keep the Government going. That seems to be apparent now. We have provided now for the expenditure of many millions of dollars that our Government becomes obligated for that it was not obligated for at the convening of this Congress.

We have provided for a possible \$2,000,000,000 to be given to the banks and the railroads. Maybe it will not take all of that. Maybe it will take more. I voted against that bill. I do not believe that under the conditions it was right to pass that kind of legislation. But a vast majority of the Senate thought it was.

We had a moratorium measure before us which kept out of the Treasury of the United States this year \$250,000,000 which otherwise would have percolated into it. A large majority in this body thought that legislation was necessary. I did not think so. I voted against it. It seems to me it was a mistake.

It may be that the President will have some other plan coming by which he will save the situation through the appropriation of some money; instead of forgiving the debt, paying something to help Europe to feed their hungry, to give employment to their unemployed. If he does, and he couples with it the proposition that we are going clear down to destruction unless we immediately appropriate the money, he is going to get it through. He will scare us. He will scare all the business men, and he will say, "Give \$200,000,000 to the unemployed over in Great Britain and it will immediately stimulate Great Britain to buy our goods; that is the way to get business."

What are those who would favor that kind of a proposition going to do when the President tells them to do it if they have voted to pass this resolution and have tied their hands so that they could not do it? What is going to happen? I am going to have my hands free, so that when the President gives us another command I can go with him if I want to.

Mr. President, it is a mistake to pass this resolution.

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

Mr. NORRIS. I yield.

Mr. KING. The Senator will remember that the Budget does not, unfortunately, contemplate many of these propositions which have come before us since we met, and many which may come before us before we adjourn, if we follow the statesmanship and the leadership of the President of the United States. So I think the resolution must be interpreted in the light of the Budget.

Mr. NORRIS. I interpret it that way.

Mr. KING. According to the resolution, we are to cut \$300,000,000 at least below the Budget recommendations. The Budget recommendations did not have in contemplation this \$2,000,000,000 plan to which the Senator has referred and to which he was opposed, and to which I was opposed. It did not contemplate the plan, which is now receiving consideration and may incubate within a few days, to place at the disposal of men who want to build homes two or three or four billion dollars. So that it seems to me that in interpreting the resolution offered by the distinguished Senator from Mississippi, we must consider it in the light of the Budget items and cut below those items. That would not restrict us from cutting below other propositions which may be suggested; several millions or hundreds of millions more.

Mr. NORRIS. Or going above them.

Mr. KING. My objection to the resolution offered by the Senator is that it does not go far enough. I think we ought to reduce the Budget items at least \$500,000,000 and that we ought to set our faces resolutely against many of the recommendations made, and which doubtless will be made, by the President as well as by the executive departments, calling for hundreds of millions more.

If the Senator will pardon me, I am interested, as a member of the Finance Committee, in knowing where we are to get the money. I am interested in maintaining the credit of the country. I remember that some Government bonds are selling at 83 cents on the dollar. If we carry out the suggestions made by the leaders of the Republican Party—and I do not say this by way of partisanship, for they are perhaps joined in by many Democrats—there will be a deficit, not of two billions or two and a quarter billions, as we will have this year, but during the next fiscal year we will have a deficit of five or six billion dollars. Where are we going to get the money? I would rather cut the number of employees than to have our bonds go down and the credit of the country be impaired. So I shall vote for this resolution, only regretting that it does not call for a reduction of \$500,000,000, and with the interpretation that it will not preclude me from favoring other cuts which may be submitted for our consideration.

Mr. NORRIS. Mr. President, I thank the Senator for his question. I will now proceed to answer it.

The Senator says we must consider this matter in the light of the Budget. That is true; it applies only to the Budget. I am afraid the Senator did not get what I believed to be the logic of my remarks when I was speaking of the moratorium and these other expenses which are not covered in the Budget.

Mr. President, \$250,000,000 was involved in the moratorium. That is not in the Budget. But if we had that in the Treasury we could afford to cut the Budget so much more. So it does have a relation to the Budget.

It does not make any difference whether this money is taken out of Uncle Sam's coat pocket, which the Budget handles, or is taken out of his trousers' pocket, which the President handles; it comes out of Uncle Sam just the same. So, whether it is in the Budget or out of the Budget, it is Government funds on which we are acting, and if we can save something that is not in the Budget we can take so much more out of the Budget. It seems to me that is logical.

The Senator referred to the large appropriations to which I have been referring as having been made by Republicans. Bless your soul, look at the roll call on the \$2,000,000,000 appropriation of money to come out of Uncle Sam's pockets. Look at the roll call and then charge it to the Republicans if you can or if you dare! There were only eight voting against it, and half of that eight were Republicans.

O Mr. President, if there is any consolation in opposing that kind of a proposition it can not come to the Democratic Party as much as to the Republican Party, because there is some reason why the engineer in the White House should whip those on this side into line. He has more or less control over them. But in some way he had a string on the Democrats also which was just as tight and fastened just as firmly. He got them just the same. And he did it on the moratorium by wire. He wired out and got the Democratic Party as well as the Republican Party, pledged them hand and foot, and delivered them over.

One could not tell when they were tied up in a bunch which were Republicans and which were Democrats. They all look just alike to Europe and they all look just alike to the international bankers.

Mr. President, I want to say just a word further about what I believe to be the impracticability of this resolution. The Senator from Utah says he wishes it called for reduction of \$500,000,000. I would just as soon vote for it if it provided for a reduction of \$500,000,000 as in its present form. But everybody knows—at least I think so, judging other people by my own limited knowledge—that we do not know what is going to be before us before this session of Congress shall end. We do not know whether we can cut it \$300,000,000 or \$500,000,000, and it seems to me it would be just as reasonable to pass a resolution now directing the Committee on Appropriations to cut all the Budget items 99 per cent. Everybody knows we could not do that and live. Everybody knows that the Government would go on the rocks, could not get along, if that were done. We would all like to do it if it were a practical proposition. We may have to do lots of things before we are through which we do not believe now we are going to do.

I have a lot of sympathy with the Senator from Florida when he says we may want to issue bonds to build highways, and I not only have sympathy with him but I agree with him. I would rather have the Government build highways and give men jobs than to take the same amount of money and give it as charity to people who are without jobs. Rather than give them a dole, I would give them jobs. It will not cost any more one way than the other, and in either case we may have to issue bonds to do it. Would we issue bonds before we saw our people starve? Of course, we would, even though the Government is going behind. Instead of feeding the hungry as a charitable proposition, would it not be better to do something which would provide jobs for those in need, who would rather have jobs than charity, and feed their families and clothe their children from their earnings? It will take money to do that. If money is given out in the way of charity, when we are through we have nothing to show for it except that we have done a noble work, probably, in feeding those who otherwise would have starved, in clothing those who would otherwise have been naked, and in warming those who would otherwise have frozen to death. But would it not be much better if, after spending the same amount of money, we had something of permanent value to show for the expenditure? That is the way I look at it.

We will undoubtedly have to feed millions of hungry people for some time to come. I would rather give those men who are in the soup line jobs and pay them and let them buy the food with the money and feed their families and themselves, and when we got through have something of permanent value to the people of the United States.

I would not confine the efforts of the Government to furnish employment necessarily to the construction of roads, if there is something else in the way of public improvements which could do as well. To my mind, provision for building roads is the greatest opportunity for the Government to furnish employment. I may be wrong. I am not saying this particularly because I want the Government to build roads. Under ordinary circumstances I would not think of having the Government issue a bond to build roads or highways. I would rather go without them. But if we have to issue bonds anyway, I want the Government to do something with

the money which will not only result in the hungry being fed but will leave something of permanent value to the people. It might be some other kind of public work, and if anybody thinks of a better way to do it, I would not stand in the way.

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

Mr. NORRIS. I yield.

Mr. SMITH. Not only would we have something in the way of a material benefit to show for the money, but we would have something to accomplish that is of greater value than that, the maintenance of the self-respect of those who were working.

Mr. NORRIS. Absolutely. I thank the Senator for his interruption. There are just millions of men without jobs to-day who almost starve before they will ask charity. The present condition is the most humiliating thing which ever confronted them. Yet they must be fed. They are without jobs through no fault of their own. Their wives and their children must be fed and clothed. After a man starts to accept charity, and gets it again and again and again, some of his self-respect will go, and some of these men, starting in as the highest type of citizens, if you feed them on charity long enough, will become tramps in the end.

Carrying out the idea suggested by the question, I want to say that one of the great things is to keep the manhood and the womanhood of America upon a high standard, by not compelling the men and women of our country to become subjects of charity for food and clothing.

Mr. WAGNER. Mr. President, in view of what the Senator from Nebraska [Mr. NORRIS] and the Senator from Florida [Mr. TRAMMELL] have just said, I would like to take some time of the Senate to address myself to a resolution introduced by me and pending before the Senate, because I think the discussion strictly pertinent at this time in the country's crisis, and especially because of the discussion which has to-day taken place here.

Mr. President, since the beginning of the session we have given practically exclusive consideration to the several emergency proposals submitted by the President. His recommendations were given prompt and expeditious attention by the committees. They have been accorded legislative right of way in both Houses of Congress. Both parties cooperated in this respect. No one can any longer suggest the charge that partisanship served to interfere with the prompt enactment of the President's remedies.

We are in the midst of an emergency in the business life of our Nation which is unprecedented in extent and unequalled in severity in the history of the United States. This, therefore, is peculiarly the time when we should recall to ourselves the never-changing principle that it is the Nation and not the party which has first call upon our service.

In conformity with that principle I have supported and shall continue to support every portion of the President's program which has for its object the release of some force in the direction of recovery and is reasonably calculated to accomplish that purpose.

If the President's program were adequate, I would stop at this point. I have studied his message with the hope that I would find it adequate in measure to fit the tremendous difficulties from which our people are suffering. After the most careful consideration I came reluctantly to the conclusion that the President's recommendations alone are insufficient to deal with the present emergency; that they do not bring into play all the forces for recovery which the Federal Government possesses; that they do not discharge the responsibility of the Federal Government to share in the relief of distress and privation; that they will not to any appreciable extent provide what I regard as the one all-important essential, namely, work for those who are forced to go idle.

In so far as emergency action is concerned, the President's program, as I read it in his message and in his public statement of December 11, consists of three steps: First, coordination of local relief activities by means of the Gifford

Commission; second, additional investment of Federal money in the land-bank system; and, third, the organization of the Reconstruction Finance Corporation.

In addition, he expresses the wish that the banking system be improved; that the eligibility of paper discountable at the Federal reserve banks be extended. Neither the President's message nor his public statement contains any concrete suggestion as to how these purposes are to be accomplished. I quote from the message: "I recommend the prompt improvement of the banking laws." He might with equal value have declared, "I recommend the return of prosperity." Unaccompanied by at least the substance of a proposal setting forth how the improvement is to be accomplished, these recommendations are as yet meaningless words.

The best that I see in the President's proposals is a very laudable effort to prevent a serious and irreparable break in our credit structure. The investment of Government money in the Reconstruction Finance Corporation and in the land banks will ease the banking situation and relieve the railroads of their financial embarrassment. It may well be that out of the confidence which these measures will stimulate will be born a revival of trade and industry. For these reasons I have supported the Reconstruction Finance Corporation bill and the land bank bill.

But in all earnestness, I inquire, is that enough? Will that promptly restore any substantial number of the unemployed to their jobs? Will that help carry the burden which the local communities are manfully but unsuccessfully attempting to carry? Where in the entire program of the administration can we find the assurance of help for the millions entirely without work, entirely without means, who are daily eating the bread of dismay and despair? For them alone, it seems, is intended the last point in the President's published statement, namely, "The maintenance of the American system of individual initiative."

We shall help the railroads; we shall help the financial institutions; and I agree that we should, but is there any reason why we should not likewise extend a helping hand to that forlorn American, in every village and every city of the United States, who has been without wages since 1929? Must he alone carry the cross of individual responsibility, when all he asks and all he prays for is an opportunity to work, to demonstrate his initiative and responsibility, and to add to the wealth of this Nation?

I recall that in his annual message of 1930 the President said:

It is as yet too soon to constructively formulate . . . measures . . . to better organize mitigation of the effect of depression.

Now, a year later, he tells us that—

The time is ripe for forward action to expedite our recovery.

What has happened between the message of 1930 and the message of 1931 to change the whole direction of the President's outlook? What has converted the "too soon" of 1930 into "ripeness of time" in 1931? Some of the changes that have occurred are set forth in the resolution which I submitted on December 14, 1931. Unemployment has increased; pay rolls have declined; production has fallen; the volume of car loadings has shrunk; foreign commerce has practically collapsed; construction has dropped; prices have fallen; bank suspensions, foreclosures, and bankruptcies have multiplied; and the demands upon charity have climbed to mountain-high levels. That is the history of the unfolding of the Hoover plan of 1930, in which he assured the country that recovery would be expedited by private cooperative action with but limited and restricted assistance from the Federal Government.

Since that is the fact, can we, with proper regard for our duties, continue to limit Federal activity to the mere unlimbering of credit and coordination of local relief?

The President apparently recognizes that more energetic acts are necessary than he was willing to countenance during the previous Congress. Now, he is willing to strengthen the credit facilities of the country with Federal aid. But

that is not enough. I quote from a recent work by a banker, Mr. Paul M. Mazur:

Experience has shown that cheap credit rates do not of themselves create in time of panic the needed stimulus and encouragement.

Something more substantial is necessary. But the only other remedy we find in the presidential message is the coordination of local-relief agencies; the only aid the worker can expect is the prospect of the sorry solace of charity.

I am not unmindful of the salutary function of individual human kindness and generosity in the imperfect world in which we live. I know quite well that from the dawn of history these qualities have healed the sick, covered the naked, aided the needy, and differentiated mankind from the beasts who inhabit the jungle. The spontaneous response of human sympathy is still the most glorious expression of the divine in the human soul. All that, however, is quite different from the ballyhoo which has been used by the Federal Government as an excuse for failing to do its full share in bearing the burdens of the national calamity. Private charity, of course, has a large place to fill in the present emergency. But private charity as a deliberate and exclusive policy of government—that is to me incomprehensible.

The President says that he is opposed to any direct or indirect Government dole. These are hollow words of opposition. He knows that 70 per cent of the relief administered is provided through Government taxation. Verbal resistance has not checked the coming of the dole and will not prevent its spread in the United States. There is only one effective way of preventing a dole in the present emergency and that is by providing work. And no organization is better equipped to do that than the Federal Government.

I would perhaps for a time close my eyes to the disastrous effect of the administration's relief policy upon character and citizenship if in fact I could find that local effort had succeeded in mitigating suffering, in preventing malnutrition, and exposure. Even that minimum can not be accomplished. There can no longer be any doubt that the relief agencies, energetic as they are, can not perform the indispensable task.

Here is some of the evidence.

Before the committee on unemployment insurance Mr. Billikopf testified concerning Philadelphia as follows:

Twenty-one dollars and eighty-two cents is, in the judgment of the relief organization, the irreducible minimum below which a family of five can not get along but the unemployment relief committee in Philadelphia—and I happen to be in the inner group of that committee—allowed this family only \$5 for food a week. Not another cent . . . this due entirely to inadequacy of funds at our disposal. It does not require any imagination to see that there is a correlation between that type of allowance and mental breakdown and physical breakdown. There is a physical, a moral, and a spiritual deterioration.

Before a subcommittee of the Committee on Manufactures, Mr. Allen T. Burns, executive director of the Association of Community Chests and Councils, is reported to have testified on December 29 that the community chests will be unable to discharge their responsibility in the present emergency.

I dare say that the President and Mr. Gifford are the only two persons in responsible positions in the United States who believe, as Mr. Gifford reported, that "these organizations have most successfully carried the burden of the past winter." Another such success, Mr. President, and we shall first learn the depth to which misery can descend. Mr. President, when anyone tells us that these methods constitute the "true American fashion" he utters a slander against America. I do not believe that the bread line represents the spirit of American generosity. I am satisfied that the American people would gladly pay the cost of a program of activity which would permit those who are in difficulty to earn their living with pride in themselves and in their work. An extensive construction program inaugurated by the Federal Government would afford that opportunity.

I shall quote another passage from the President's message, and I shall quote it on this occasion because it con-

tains, in my judgment, a powerful argument in favor of the proposal for a Federal construction program. He says:

We have enormous volumes of idle money in the banks and in hoarding. We do not require more money or working capital—we need to put what we have to work.

I agree with every word of that statement. And I can see no more direct and useful way to put that money to work than by putting men to work.

We are overbuilt in industrial plants; naturally we can not expect private industry to engage in extensive construction. Until employment and wages become more certain, we can not expect any large increase in private home building, no matter how attractive we may make the financial terms. The Federal Government alone is in an entirely different status. It needs new construction. It requires post offices in numerous places where it is now paying rent. We need flood-control works on the Mississippi and we needed them long ago. The Army requires housing and has required it for many years.

Unlike any private enterprise, the Federal Government is as certain as one can be certain of anything that it will require these works in the future; that the demand for its services will expand rather than diminish. In view of these circumstances, is it not sound business sense for the Federal Government to take advantage of the low price of building materials, of the abundance of the finest labor, to expand its construction activities to the utmost and thereby render a great public service at a time of national danger?

Were there in existence a private corporation situated like the Federal Government, is there anyone here who would not agree that it would be both the depth of folly and inhumanity if it would not pursue such a course? Why, then, should we not apply the same standard to the Federal Government, especially since the Federal Government has an affirmative responsibility to help carry the burden of the present depression?

A clearer picture of what a Federal construction program would accomplish can be obtained by examining the facts concerning general construction in this country during the past few years.

If we compare the first nine months of 1931 with the same period of 1928 we find that all construction, both public and private, has fallen off \$2,500,000,000 or 48.8 per cent.

Even in the construction of public works and public utilities we find a substantial drop in 1931 in comparison with several previous years. The figures are as follows: From January to September, 1929, \$1,039,043,000. From January to September, 1930, \$1,383,300,000. From January to September, 1931, \$982,700,000.

In other words, there is a decline in construction, not only in private enterprise but even in that area of public and quasi public building, which was stimulated and encouraged and was supposed to take up the slack in private effort. An expansion of Federal construction would fit into the general construction situation like a gentle rain on a sun-parched field.

I want to make especially clear that I do not advocate the expenditure of a 5-cent piece upon an unnecessary, uneconomic, or unsound project. The public-works program which I urge should consist entirely of projects heretofore and now authorized by Congress with the usual investigations and safeguards.

The Federal Government is at the present time engaged in somewhat expanded construction activities. According to a White House announcement released on September 6, 1931, these activities were expected, when fully under way, to provide employment directly and indirectly to 100,000 persons. If that expectation has materialized, it means that 100,000 families who would otherwise be adding their weight to the load of the relief are, instead, helping to carry the load. It means that the Federal Government is saving money in acquiring its property and constructing its buildings more cheaply than in 1929. It means that the valuable time of 100,000 persons is not going to waste, but is, instead, adding to the real wealth of the Nation. It means that

the character and morale and standard of living of 100,000 families are being sustained. If the results of a modest program are so beneficial why should we limit its influence to but 1.4 per cent of the 7,000,000 or more who are unemployed? Why should we not extend the direct benefits to a million families and the indirect benefits to many more? Only then can the Federal Government be said to be doing a fair share of the great work which must be done. Until it has done so how can the Federal Government subscribe to the national slogan and say, "I, too, have shared"?

The proposal for an extensive Federal construction program is not novel, unknown, or unconsidered. Already the policy of which this proposal is an expression is part of our written law, placed therein by the overwhelming approval of Congress and the expressed commendation of the President.

The effect of an enlarged construction program would be electric. White-collar men and men in overalls, farmers and merchants, all would feel its beneficent influence. Only the naïve believe that its blessings would be spent upon bricklayers and masons alone. It would bring activity to architects and engineers; it would resume employment in steel, wood, brick, cement, and stone. The metal trades would be activated, the electrical trades would be stimulated, the furniture makers would be recalled to work, the circle of opportunity would widen indefinitely into every trade and calling. The butcher and baker would soon know that a million additional workers had pay envelopes in their pockets. The farmer, too, would be directly benefited. That is very graphically shown by a chart, now before me, published by the United States Department of Agriculture in August, 1931. It shows that from 1919 through 1930 there was a remarkably close correlation between the price of butter and the index of pay rolls. As the report states:

The decline in consumer incomes reflected by the decline in pay roll, was largely responsible for the decline in butter prices of 1930.

And what of the moral effect upon the reemployed worker? What of the effect upon his citizenship when he realizes that his Government has come to his rescue in his day of difficulty? To summarize:

We need a building program to put a substantial portion of those out of work back into the ranks of wage earners. We need a building program to withdraw the greatest possible number out of the ranks of those who are receiving relief. We need a building program to prevent another large increment to the already large number whose pride has been broken by the need of appealing for aid.

Last January there were 6,050,000 persons in the United States ready, willing, and able to work, looking for jobs and unable to find them. That was the report of the Secretary of Commerce. During the year that number has grown, as is indicated by the reports of the Bureau of Labor Statistics. Now it probably exceeds a total of 7,000,000 workers. The American Federation of Labor estimates that wage earners alone have lost in the course of the year \$11,000,000,000 of wages. That takes no account of the loss incurred by salaried workers. In the preamble to the resolution I submitted on December 14 I have set forth further evidence of this stark fact: We are not facing just an ordinary business recession but a hardening of every business artery, a paralysis of many business organs, a major stoppage of the life blood of business and industry. No remedy can be too drastic under these circumstances. The Gifford Commission, the Woods Commission, the Red Cross, the community chests, well meaning as they are, noble in motive as they are, are like bread-and-water pills in reference to the major malady from which industry suffers. A building program would lighten the load upon these relief agencies. It would provide an honorable opportunity for hundreds of thousands who now beg for relief or suffer in unmitigated misery.

I say to you with deep conviction that we can not afford to forego such a program. The benefits are so great, so certain, and so cheap that we are in duty bound to take advantage of the opportunity it offers.

There would be a valid objection to the public construction proposal if it were intended that the cost of the construction be paid out of current revenue or increased taxation. It would be incredibly difficult and exceedingly unwise to impose so large an addition upon an already heavy tax burden. And it is entirely unnecessary to do so. The construction program should be financed by a long-term bond issue.

I can think of at least five valid reasons why such a course is both prudent and proper:

First. The proposed public works are permanent improvements. Their economic life is beyond the limit of any long-term Federal obligation that would be issued to finance them. The borrowed money, in other words, will not be consumed in meeting current expenses of Government but in enlarging the permanent assets of the Nation. It is entirely just that future taxpayers should pay part of their cost.

Second. If we inaugurate a large public-construction program, we shall be building in 1932 what we should normally not undertake until a later date. Consequently this is not a case of burdening the future with the extravagance of the present but, on the contrary, a case of spreading the cost evenly over the present and future for the common benefit of all.

Third. A Federal construction bond issue would constitute a mild form of credit inflation, and that would be helpful.

Fourth. A Federal construction bond issue would call forth from hiding a goodly proportion of the hoarded money, and that would be helpful.

Fifth. Between 1920 and 1930 the United States collected in taxes \$3,459,512,575.04 more than was necessary for the operation of the Government, including statutory retirement of the national debt. The deficit of the fiscal year 1931 has reduced that figure to \$2,556,795,729.97. We used this surplus of taxes to pay the national debt more rapidly than the law required. We might have earmarked these surpluses as a reserve to be used for construction in just such an emergency as the present one. We can still, in effect, accomplish that purpose by enlarging the Federal debt to finance a program of construction.

If we had not made the overpayments into the sinking fund but had laid the money aside in a separate fund, would the credit of the country have been any weaker? I do not believe it, and I do not believe that anyone in the Treasury believes it. Then why should we suppose that the credit of the country would decline if we took part of that reserve and used it for the benefit of America? For my own part, the expectation that borrowing might be necessary in just such a period as this was the only reason why I supported the policy of collecting large surpluses from taxpayers during the days of prosperity.

Certain stock objections will without doubt be leveled against this proposed bond issue. I may, therefore, as well anticipate them now. Further borrowing, we shall be told, is unsafe and is injurious to American credit.

WHAT ARE THE FACTS?

In 1919 the public debt amounted to \$25,482,034,419, in 1925 it was \$20,516,272,174, by 1929 it had declined to \$16,931,197,748, and in 1931 the total of the public debt was \$16,801,485,143.

The 1931 total was lower than that of any year since 1919 except 1930. The same facts may be stated in a slightly different form. In 1919 the Federal Government owed \$240.09 for each person residing in the United States. In 1931 the Federal Government owed only \$135.41 for each person residing in the United States. The per capita debt in 1931 was lower than that of any year since 1919 except 1930.

What reason is there to believe that the Federal Government's credit was better in 1919, in 1920 or in any of the intervening years than it is to-day? Is it not true, as Mr. Hoover tells us, that the country is to-day richer in physical property, in newly discovered resources and in productive capacity than ever before? If confidence in the Federal

Government was not destroyed with a national debt of \$25,000,000,000, why should it be even adversely affected by a national debt smaller in volume by many billions of dollars?

In my judgment the one and only fact that has weakened confidence in the Federal Government was the apathetic helplessness of the administration in the face of the greatest economic upheaval of modern times. The prevailing feeling that the administration would just sit on the rocks and let the waves overwhelm it was sapping American confidence. Faith and confidence both will revive and flourish when America realizes that the Government will bestir itself, and will not let its mighty arm lie idle in this unprecedented emergency.

Were I to propose that the Government unreasonably add to its Budget of current running expenses, there would be ground for the fear that its credit would be injured. An unbalanced budget does not contribute to stability. Income and expense must be brought into line at the first practicable moment. Any other plan is improvident management; but when the Government borrows for permanent improvements, for the provision of employment, and the acceleration of recovery, that is not improvidence but the acme of prudence; that does not weaken credit—it builds it up.

Occasionally I hear the comment that a large construction bond issue could not be sold. That suggestion was in fact made in the report of one of the President's commissions. Is there any merit in that assertion? Again we must refer to the facts. During the year that we have just left behind us the Federal Government floated three bond issues having a total face value of \$2,215,000,000. How difficult it was to sell these bonds can be inferred from the fact that subscriptions were received amounting to \$9,369,000,000. The ratio of subscription to offering was more than four to one. Perhaps some will suspect that the Federal Government offered a very generous interest rate to attract so large a body of investors. The interest rates on these issues were as follows:

March 16, 1931, \$594,000,000, at 3½ per cent.

June 15, 1931, \$821,000,000, at 3½ per cent.

September 15, 1931, \$800,000,000, at 3 per cent.

The last issue carried a rate of interest which, according to the Secretary of the Treasury, was the lowest rate borne by any bond offered for public subscription since the issue of Panama Canal bonds in 1911.

At the present time it is true these bonds are selling at a price below their face value. It is very undiscriminating, however, to deduce from that fact a loss of confidence in Federal credit. The 3 per cent bonds of 1951-1955 closed the week ending January 9, 1932, at 83.16. Even at that price it yields to the buyer only 4.10 per cent if held to maturity. Who would say that such a rate indicated a lack of confidence in the Federal Government?

Before me is a chart published by the New York Stock Exchange showing the average monthly prices of all listed bonds. On that chart one can see at a glance that in recent years the United States Government bonds have been continuously above par except for a very large portion of prosperous 1929 and during a very short time in 1931 when they fell slightly below their face value. If a slight drop in the price of Government securities denotes loss of confidence, then we should be obliged to assert that Federal credit was lower during most of prosperous 1929 than during depressed 1931. I know of no one who would seriously hold that position. In comparison, foreign government bonds have during the last quarter of 1931 dropped to the 60's; American private corporate bonds dropped to the 70's; only Federal bonds stayed close to the par line in spite of a much lower interest rate. That record discloses not lack of public confidence but unlimited faith in the credit of the Federal Government.

In his statement of January 4 the President cautioned Congress against unnecessary issues of Federal securities. No doubt he is right. Unnecessary borrowing means wasteful expenditure and depressed bond prices. Necessary borrowing, however, like that which is intended for the Reconstruction Finance Corporation or like that which I propose

for construction does not depress prices. To the contrary, it breeds confidence, stimulates business activity, and promotes recovery.

In the President's message we find the comment that Federal borrowing would "denude commerce of its resources." By that I presume he means credit resources. That assertion, I submit, can no more be applied to a construction bond issue than to the borrowing for the purposes of the Reconstruction Finance Corporation which the President himself recommends. The reasons are fairly plain.

The past year has witnessed a very violent contraction in the opportunities for private long-term investment. The figures published by the Federal Reserve Bulletin reveal the following:

Date	Stocks	Bonds	Total
1928	\$2,900,000,000	\$2,378,000,000	\$5,278,000,000
1929	5,568,000,000	2,068,000,000	7,636,000,000
1930	1,503,000,000	2,980,000,000	4,483,000,000
1931 (12 months ending October, 1931)	337,000,000	1,396,000,000	1,733,000,000

These figures represent domestic corporate issues. Disregard if you will the year 1929; even if we compare 1931 with the more normal 1928, we perceive a decline of \$3,545,000,000 in the amount of long-term obligations offered for sale to the public.

That fact is reminiscent of the words of the President's message:

We have enormous volumes of idle money in the banks and in hoarding. We do not require more money or working capital—we need to put what we have to work.

Furthermore, Federal bonds are discountable at the Federal reserve banks. The banker who had purchased Federal construction bonds and desired to make his credit available to a private borrower, whether for short term or long term, would rediscount the bonds at the Federal reserve bank. He would then be in exactly the same position to serve his private customer as he was had he not invested in Federal bonds. That the Federal reserve system could, if necessary, absorb the entire issue which I propose, is elementary. We have not reached or even approached the credit limitations of the Federal reserve system.

These additional facts should be kept in mind. The Federal Government would not borrow the entire amount intended for construction purposes by a single sale of bonds. In all likelihood the money would be borrowed in smaller quantities as required by the progress of the work. Such money as the Federal Government borrowed would not be withdrawn from the banking system. It would promptly find its way back into industry, into trade, and into the pay envelopes of the people, carrying life and cheer and encouragement throughout its course.

Why is there no recommendation in the President's message in favor of this proposal? Is this omission consistent with his general position? Apparently it is right for the United States Treasury to borrow money for the railroads and the banks as it will do through the Reconstruction Finance Corporation. Apparently it is right for the United States Treasury to borrow money to carry into effect the foreign-debt postponement. Apparently it is right for the United States Treasury to borrow money for the uses of the land banks. I agree that these are right and I have supported the legislation which makes these loans possible. But if these are right, why then is it wrong for the United States Treasury to borrow money for its own construction purposes to put Americans to work? What virtues do these other loans possess which a public-construction loan lacks?

These other measures which I have mentioned for which we have borrowed and shall borrow money will, I hope, be of assistance in this emergency. The public-construction program we know with certainty will put men to work. In these other loans the United States Treasury may or may not get its money back; in public construction we know here and now that the United States will receive 100 cents in value for every dollar it spends. Through the Reconstruction Finance Corporation and the land banks we are pouring

Government money into private business. It certainly ought to be equally right to put Government money into a Government enterprise.

When adverse circumstances compelled the railroad presidents to come to Washington we listened attentively to their story of depreciated roads and equipment, of inadequate revenue, of unregulated competition. We replied that we would lend them the aid of the Federal Government; that we would lend them money out of the United States Treasury; that we would increase their rates; that we would regulate competitive forms of transportation. We did not preach to them rugged individualism. We did not sanctimoniously roll out sentences rich with synonyms of self-reliance. We were not carried away with apprehension over what would happen to their independence if we extended to them a helping hand. We followed the same procedure in an effort to strengthen the banking situation. But when millions of Americans, footweary and heartsick, cry out in despair, "Give us work," we suddenly are overwhelmed with devotion for the preservation of self-reliance. We plug our ears to the cry of the multitude while the prophets burn incense upon the altar of rugged individualism and the fanatics would sacrifice the Nation to preserve its empty slogans.

Mr. President, Senate Resolution 72, which I have introduced, does not create any Federal bureau. It does not appropriate any money. It does not designate any specific projects for construction. It proceeds entirely in accordance with the letter of the law laid down by Congress in the Federal employment stabilization act which the President signed and lauded in February, 1931. That act declared that it is the policy of Congress to arrange the construction of public works, so far as practicable, in such manner as will assist in the stabilization of industry and employment through the proper timing of such construction.

That act created the Federal employment-stabilization board to carry that policy into effect. It set forth the basis upon which the Federal board should take action. Specifically it provided that the board shall take into consideration the volume, based upon value, of contracts awarded for construction work in the United States during any 3-month period in comparison with the corresponding 3-month period of three previous calendar years. It further provided that the board may take into consideration the index of employment prepared by the Department of Labor and any other information concerning employment which it may consider pertinent.

In the preamble to the resolution I have set forth the volume of contracts awarded for construction work in the United States. I have set forth the index of employment. I have set forth numerous other items, all of which compel the conclusion that this is the time for the Federal stabilization board to take action.

The resolution proposes the course of action prescribed in the act. That course is for the President to transmit to Congress supplemental estimates for emergency appropriations to be expended upon authorized construction.

In order to familiarize myself to some extent with the volume of authorized construction which may be brought within an expanded program to meet the emergency I have communicated with several of the governmental departments in charge of construction. The Quartermaster General advises me there are authorized projects in the Army's housing program which will cost \$108,000, and in the Air Corps technical program, \$883,000. The Superintendent of the United States Military Academy informs me that there is an authorized improvement scheduled for the Military Academy at West Point which will cost \$2,920,000. The Chief of Engineers advises me that it will cost \$431,000,000 to complete the authorized river and harbor projects and \$216,000,000 for the authorized flood-control projects. From the Supervising Architect's office I learn that 682 separate undertakings specifically authorized by Congress are yet to be begun, and in some cases finished, which will have a total limit of cost—including what has already been spent—of \$454,013,123.22. The authorized construction for the Bureau of Prisons will cost \$4,100,000. The authorized construction

for the Veterans' Bureau will cost \$15,877,000 to complete. For the Forest Service there are authorized projects which will cost \$86,000,000. In the Bureau of Yards and Docks of the Navy Department there are authorized projects which will cost \$17,000,000. There are large possibilities in road construction. These are only a few of the Government projects upon which an emergency works program may well be expended. It is by no means complete.

I have not the facilities at my disposal to say with precision how much authorized construction is immediately available and what additional authorizations can be given during the present session. In my judgment, it would be well if the Federal Government undertook to expand its construction activities by \$2,000,000,000.

Mr. WALSH of Montana. Mr. President, may I inquire of the Senator, although he has not very definite information, about what amount has actually been authorized for construction which has not yet been entered upon?

Mr. WAGNER. It is well over a billion dollars. I have not been able to get all of the figures, because the bureaus which handle the different construction projects number over a hundred. I have figured now which bring the sum well over a billion dollars.

Mr. WALSH of Montana. Let me ask whether that condition is due to the fact that appropriations have not been made, or have the appropriations been made, and does the delay arise from other causes?

Mr. WAGNER. In some instances the appropriations have been made and there is delay from other causes.

Mr. WALSH of Montana. Can the Senator tell us what amount of money has actually been appropriated for work which has not yet been stated?

Mr. WAGNER. I might say to the Senator that I tried my utmost to get that information from the department, but for some reason or other they were not able to separate the sum which had actually been appropriated and expended for the public works and the sum for which an appropriation had been made and not yet expended.

Mr. WALSH of Montana. There is a very general belief that work has not been started, for some reason or other, upon a large number of projects for which appropriations have already been made.

Mr. WAGNER. The Senator is undoubtedly right about that; and for a reason which I can not give him, there has been a delay.

Mr. WALSH of Montana. Men could be put to work now under appropriations already made, amounting, perhaps, to a half billion dollars.

Mr. WAGNER. As a matter of fact, may I say to the Senator from Montana the director of the stabilization board has been in office for over six months now, and under the act there is a direction that he do advance planning on a public-construction program six years in advance. I am surprised that up to this time the supplemental estimates for the expanded program adopted because of our depressed condition have not yet been transmitted to Congress by the President; as it is his duty to do under the very act to which I have referred.

We shall, of course, hear the perennial advice of the timid: "It can not be done." I agree, Mr. President, that ordinary men with ordinary methods can not accomplish it. But we can not resort to ordinary methods because these are not ordinary times. The levees are down; the floods have broken loose; their destructive fury is tearing from their moorings the very foundations of our people. If we are not all to be engulfed we shall need to display extraordinary efforts and extraordinary courage as we have displayed them on more than one occasion in our history. We can do it again. We shall do it again.

Mr. President, the truth is frequently trite, but it demands to be reasserted nevertheless.

The functions of government have expanded to embrace many responsibilities heretofore regarded as lying within the sphere of private action. The motive power behind this expansion has been a real necessity arising out of a change

in our manner of living. Governments must do more because necessarily the individual can do less.

Conceivably each of us might still carry his own lantern as he wanders through the streets at night. Each of us might still keep his own fire-fighting bucket; each haul his own water from the river to his apartment; each carry his own gun to protect him from the ill disposed. We might do so but we know that such methods would be entirely inadequate. We surrender these functions to the Government because individual effort and responsibility in these respects would prove inefficient and ineffective.

So under modern industrial conditions it is futile for the individual worker to rely solely on his own initiative and on his own effort. Can he alone set industry going again; can he alone solve the foreign-debt problem which is clogging our delicate credit machinery; can he alone bring about a resumption in building activity; can he alone lift the level of prices? He is not even free to forage in the forest as his prehistoric ancestor was at liberty to do before modern civilization and the industrial revolution conferred upon him both their blessings and their limitations.

Three long winters of desperation for millions of American workers; three gray winters of terrifying apprehension and stifling anxiety for more millions of Americans, but from the President we hear nothing but discouragement for those who would make the future a little more secure than the past. As soon as this storm blows over we shall resume our former methods. That is the substance of his faith.

Can there be any doubt that in these former methods—in the aimlessness of government, the planlessness of industry, the inequitable and uneconomic distribution of national income, far more than in South American revolutions, far more than in the foreign abandonment of the gold standard—shall we find the true causes of our present adversity? In England statesmen blame the war; in Germany they blame the treaty; in Europe generally they blame America, and in America Mr. Hoover has made it fashionable to locate abroad the source and origin of our woes.

Our difficulties in the past year have plainly originated in large degree from these [foreign] sources.

That is his message of December, 1931. And last year he told us that—

In the larger view the major forces of depression now lie outside the United States.

Everywhere we find the same tactics of human frailty. It nurses our conceit to find the fault in some external force beyond our control, anywhere except in our own ignorance, our own mismanagement, our own lack of vision, and in our own subordination of general welfare to political considerations.

To me it seems plain that a very abundant share of the mistakes which led to the present debacle was committed within the bounds of the United States; that it was a necessary and inevitable consequence of the so-called haphazard system and the planless planning which Mr. Hoover extolled last summer in Indianapolis; that in the future we must assume more and not less social responsibility for the economic activity of the country and the economic welfare of its citizens.

We may glorify the early virtues of self-help, but the truth remains unchanged that the "unknown worker" who has built American wealth from foundation to superstructure is alone helpless and insecure. Into the lives of millions of them has entered that most awful of scriptural maledictions, "Thy life shall hang in doubt before thee." Is it any wonder that he turns to his Government, to the composite, organized strength of his Nation for help and encouragement, so that once again he may earn his daily bread? Is there any reason in logic or humanity why that Government should not respond? After all it is his Government; he sustains it with the sweat of his brow; he defends it with his blood; for his welfare it was founded.

Mr. McKELLAR. Mr. President, will the Senator from New York yield?

Mr. WAGNER. I yield.

Mr. McKELLAR. Something was said just a few moments ago about emergency construction, and the Senator from Montana asked about how it had been carried out. The Senator from New York said he was unable to get the information.

Mr. WAGNER. Exactly.

Mr. McKELLAR. I can give information as to some of the work in Tennessee. Appropriations were made as emergency appropriations, some of them at the last session of Congress last winter, now more than a year ago, and they were made for emergency work.

Among the more important buildings to be erected, one was at Jackson, Tenn., to cost about \$350,000; one was at Nashville, Tenn., to cost about a million and a half; one was at Chattanooga, Tenn., to cost about a million and a half; one was at Knoxville, Tenn., to cost about a million and a half dollars; and a marine hospital at Memphis, Tenn., to cost about \$200,000. If that money had been spent in Tennessee last year, undoubtedly it would have done some good, but up to this date practically none of the money has been spent. The contracts have not even been let on those buildings, although it was supposed to be an emergency program; and although nearly 12 months have elapsed since we made the appropriations, the officials have not even gotten ready to let the contracts. To my mind a building program such as one authorized at the last session of Congress has really failed in its purpose because the executive officers who have charge of it have not undertaken the work. The work should have been completed by this time and could all have been completed if it had been actively entered upon; but, as a matter of fact, none of it has been entered upon yet, and we are making every effort now to see that it is.

Mr. President, for just a moment I desire to speak about the resolution now before the Senate.

I am in the heartiest sympathy with any possible undertaking which will reduce the expenditures of this Government. I think Senator HARRISON's resolution is a gesture in the right direction. I want to say in all seriousness that I am truly alarmed about the financial condition of our Government, and I want to give the figures which alarm me. I think they ought to alarm every Senator.

What is the financial condition of this Government? There is first a deficit of \$2,000,000,000. We start out with that deficit. The President has recommended for the ensuing fiscal year appropriations of \$4,600,000,000, and somewhere about that sum, however we may talk about it, will be appropriated.

In addition to that, we have authorized the formation of a reconstruction corporation which may commit the Government to the expenditure of \$2,000,000,000 more. It is true that fifteen hundred million of that is to be gotten by the sale of bonds; but it has to be paid out of the Treasury eventually. Five hundred million of it is to be paid out of the Treasury now, out of a Treasury which has no money in it. Remember there is now a deficit of \$2,000,000,000.

In addition to that, at this session we have already passed the farm loan bond bill, which will mean the expenditure of \$125,000,000.

In addition to that there is a deficit resolution already passed by the Congress which provided \$203,000,000.

In addition to that, we have before us, which will be passed this afternoon I presume, the first deficiency appropriation bill carrying \$126,000,000.

In addition to that, we have the home-loan program of the President, which unquestionably will be reported out and passed by the Congress in a short time, providing \$150,000,000 more.

In addition to that is an estimate, the amount of which no one knows exactly, to be paid to failed banks of the country. The Senator from Florida [Mr. FLETCHER], a member of the committee, says it is \$2,000,000,000. If it is that much, then the entire sum to be appropriated out of the Treasury by bills which have already been passed and including those which have been recommended by the President amounts to the enormous sum of \$11,204,000,000.

What have we with which to pay that? The highest estimate of Treasury receipts for this year is \$3,500,000,000, leaving taxes as they are. Deducting that from the \$11,204,000,000 we will have a deficit of \$7,704,000,000, not counting the ordinary appropriations that are made in every Congress.

Mr. President, I present this in recapitulation:

Statement of our financial condition

Deficit	\$2,000,000,000
General Budget recommendations	4,600,000,000
Reconstruction corporation	2,000,000,000
Farm-loan bonds	125,000,000
Deficit resolution already passed	203,000,000
First deficiency	126,000,000
Estimated, Home Building	150,000,000
Estimated by Senator Fletcher, failed banks	2,000,000,000
	11,204,000,000
Estimated income from taxes, 1932-33	3,500,000,000

Deficit

7,704,000,000

Remember, also, this is early in the session; we are now in the first 40 days of the Congress, and yet here are appropriations amounting to \$11,204,000,000, with only \$3,500,000,000 of taxes to be paid. How are we going to meet that situation? There are only two ways in which it can be done. It can be done by taxation. Everybody knows we are not going to tax the American people \$7,704,000,000 this year. We can not do it. We have never raised anything like that much even during the war, when we had everybody going around aiding us to raise funds to carry on the war.

The only other way it can be done is by borrowing. When we remember that our 3 per cent bonds are down to .83 now, I do not know whether we are going to be able to borrow that much money.

My purpose in bringing the matter to the attention of the Senate at this time is to show the condition in which we are to-day. I do not believe we pay enough attention to it. We ought to be more careful. I am delighted that the Senator from Mississippi [Mr. HARRISON] has brought up the matter. I commend him warmly for his stand; but I want to say to him, and to all other Senators, that the Appropriations Committee is not the source that is primarily to blame. When the Senate and the House authorize these appropriations, then and there is where the trouble originates. How can any Senator complain of extravagant bills reported out by the Appropriations Committee when he has voted to authorize those very extravagant appropriations?

Senators, we are recklessly extravagant in making authorizations. Many of them ought not to be made. Think of the tremendous authorizations that have been made, such as \$2,000,000,000 for the Reconstruction Finance Corporation, \$125,000,000 for the farm bond loans, a deficit resolution of \$203,000,000, the first deficiency appropriation bill, which ought to pass and which will be passed, \$126,000,000. Then we have two more bills, one the home construction bill as it is called. Why, Mr. President, we have more homes in the country now than men are able to occupy and pay rent for or taxes on, and yet we are going to authorize more—and Senators will probably vote for it, though I do not know.

We ought to stop ill-considered authorizations. I am sorry that the resolution of the Senator from Mississippi does not include authorizations. We ought to quit authorizing appropriations of money if we do not want the Appropriations Committee to report out bills making the appropriations. The law requires the Appropriations Committee to make the appropriations after they have been authorized. An authorization is a direction to the committee. I think it is unfair and unjust to talk about extravagant appropriations coming from the Appropriations Committee when these exceedingly extravagant appropriations have already been authorized by the Senate. I want to protest with all the vigor of which I am capable against these astonishingly extravagant authorizations of expenditures of the people's money.

Think of it, Senators, \$11,704,000,000 virtually already authorized for this year. Are you going to get angry with the Appropriations Committee when we carry out your directions? You authorized it, you voted for it, you voted

for these authorizations, so how can you criticize the Appropriations Committee of the Senate after you have told them to do it and given them your authorization to do it?

Mr. COUZENS. Mr. President—

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

Mr. McKELLAR. Certainly.

Mr. COUZENS. I understand the Senator himself has a number of bills asking for authorizations of some \$500,000,000. Does the Senator want those passed by the Senate?

Mr. McKELLAR. Mr. President, I do not mean to say that the Senator is making a statement that is false, because the Senator has just repeated what he saw in the newspapers, but the statement published in the newspapers the other day about these bills introduced by me was wholly untrue and without foundation.

Mr. COUZENS. May I ask the Senator if he has a bill pending for an appropriation of \$150,000,000 for the Nicaraguan Canal?

Mr. McKELLAR. Yes, I have; and I want to say that it provides for no such appropriation as that. The Nicaraguan Canal is a project which has been in the minds of statesmen for many years. I know we ought not to pass that bill this year. We ought not to have done it last year or the year before. That bill has been constantly before the Congress at my request and following my introduction of it, but has not been pressed by me because we have not had the money to spend for that purpose. However, though I have not been pressing it, I would rather vote to enable men to go to work to earn money on a great canal like the Nicaraguan Canal, giving them work down there, rather than giving them charity at home. But I do not think this is the time to press the bill, and I am not going to press it. I have not pressed it. When that statement was made, it was made knowing it was not true.

Mr. TRAMMELL. Mr. President—

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

Mr. McKELLAR. I will yield to the Senator in just a moment. Let me make another statement first.

Mr. TRAMMELL. I understand the Senator has a bill pending to appropriate \$100,000,000 more for agriculture. Is that correct?

Mr. McKELLAR. No; that is not true.

Mr. TRAMMELL. I understand he has another bill appropriating \$250,000,000 for the World War veterans. Is that correct?

Mr. McKELLAR. That is not true.

Mr. TRAMMELL. Then I have been misinformed.

Mr. McKELLAR. Yes; the Senator has been misinformed and the country has been misinformed. I do not always answer every statement that is made in the newspapers, but that statement in the paper was so exaggerated as to be untrue. I did not ask for an appropriation of \$150,000,000 for the Nicaraguan Canal. It was \$10,000,000, as I remember the amount. Including all of the bills that have been introduced, all told, they amounted to only about \$58,000,000. For instance the Senator from Tennessee, at the request of an official of this Republican administration, introduced an agricultural bill, as I recall, providing for an appropriation of \$10,000,000; and after it was introduced at the request of a member of the Republican administration, then the Senator from Tennessee was taken to task because he asked for an enormous appropriation and the figures about the appropriation were falsified.

Mr. TRAMMELL. I have a faint recollection, though I may be in error, that the Senator introduced a bill providing for a considerable increase in appropriations for Federal highway system aid. Did the Senator do that or not?

Mr. McKELLAR. No; I did not.

Mr. TRAMMELL. I thought the Senator proposed such an increase.

Mr. McKELLAR. No. I take pleasure in stating that I am one of the authors of a highway bill which was prepared some years ago. It was among the first work that I did in this body; and I am very proud of it. It is now the law.

There has been a wonderful record made in connection with that work. It has been approved by both bodies of Congress, by the President time and again, and is being approved every year. I have no apologies to make for that road work.

Mr. TRAMMELL. I was not quite sure about it. I had only a faint recollection, but I see that I was in error. I was hopeful that the Senator would join with us in getting additional aid for the highways instead of opposing some efforts which are going to be made to secure such an increase.

Mr. McKELLAR. It would depend upon the increase. Senators, we are appropriating too much money. If we appropriate what has already been recommended by the Budget and what will be recommended, we will have virtually bankrupted our Treasury, and we ought to pause and consider carefully before we undertake to do such a thing as that.

Mr. BROOKHART. Mr. President—

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

Mr. McKELLAR. Certainly.

Mr. BROOKHART. I invite the Senator's attention to the fact that last year the States spent about \$1,000,000,000 on highways and hard-surfaced roads. The Government started that increase by paying for such construction work on a 50-50 basis. Last year the Federal Government's appropriation was only \$125,000,000, and they avoided their share in that work by going out into the States and organizing road-boasting associations, which agitated for gasoline taxes and county bonds and State bonds, but never once came here agitating for an increased Federal appropriation. The Federal Government is not doing its duty toward those roads. Every such road is a military road. Every such road is a post road. Every such road is an interstate road, all of which the Federal Government is under obligation to protect and promote. So instead of decreasing the appropriation for roads it ought to be increased by \$400,000,000 at least.

Mr. McKELLAR. Has not the Senator heard of the celebrated conference that is going to take place in February by which we are going to abolish all war forever, so we will not need any military roads?

I want to say in all seriousness that I am for good roads whenever the Government has the money to build them. When we have the money to build roads, I do not know of a better use to which Federal money can be put. But when we are stared in the face by a prospective deficit of \$7,204,000,000 in the Treasury, and when we see United States 3 per cent bonds down to 83, I think we ought to call a halt on some of these extravagant appropriations.

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

Mr. McKELLAR. I yield.

Mr. BROOKHART. The Senator knows the bond market is a matter of stock manipulation. If the Government wanted to keep its bonds at par as it did during the war, it could do so.

Mr. McKELLAR. What is the matter with the Senator's administration that he does not keep them at par?

Mr. BROOKHART. Whose administration? [Laughter.]

Mr. McKELLAR. The Senator's administration. He helped elect the present administration. Why does he not make it do its duty to keep its bonds at par?

Mr. BROOKHART. I did not help elect it as much as the Senator did by getting a candidate and a platform that the people would not support.

Mr. McKELLAR. I remember that the Senator from Iowa went all over the country telling of the great good and benefits that would accrue to the American people if Herbert Hoover was elected. Does the Senator still think so, or was he mistaken at that time?

Mr. BROOKHART. I did not have as much success as was had in the Southern States, down in the Senator's own neighborhood, for instance.

Mr. McKELLAR. At any rate, the Senator was mistaken about him, was he not? The Senator will admit he was mistaken in furthering the election of Herbert Hoover?

Mr. BROOKHART. I can not tell what was on the other side.

Mr. McKELLAR. The Senator does not approve now of his action then, does he?

Mr. BROOKHART. I will admit we got the worst of it. [Laughter.]

Mr. McKELLAR. That is what I thought.

Mr. BROOKHART. Whether it would have been still worse if the Senator's candidate had won is another matter.

Mr. McKELLAR. I do not know about that. It would have been awful bad if that were true. [Laughter.]

Mr. President, in conclusion, let me say that these figures are truly astounding. It is the duty of Congress to call a halt on these extravagant appropriations. I am going to vote for the resolution of the Senator from Mississippi unless a better one is offered. I think it is a gesture, but will not hurt either one way or the other. It might be misconstrued if I voted against it, and I am not going to allow my action to be misconstrued; but I say that this resolution is not going to do any good. The only way we are going to cut down the appropriations is to cut them down in committee and on the floor of the Senate. I hope every Senator here will examine the figures I have heretofore given, will examine the condition of the Treasury, and will vote to cut down appropriations and authorizations for appropriations, because in authorizations the real trouble lies.

Mr. PITTMAN. Mr. President—

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

Mr. McKELLAR. I yield.

Mr. PITTMAN. Mr. President, I agree with the Senator from Tennessee that the resolution of the Senator from Mississippi can not possibly accomplish any good.

Mr. McKELLAR. It might accomplish what Mr. Hoover calls "psychological good." I have never found very much good in that kind of psychology; at any rate, we have not seen any very beneficial results from it as yet, still that is what it might be called.

Mr. PITTMAN. On the other hand, it is not possible to cut down appropriations by a resolution.

Mr. McKELLAR. No, sir.

Mr. PITTMAN. In the first place, it will have to be done by committees; and in the second place, by amendments adopted on the floor on the various appropriation bills.

Mr. McKELLAR. Absolutely.

Mr. PITTMAN. But I feel as the Senator does. We have to vote for something that will accomplish no good or for something that on its face is apparently a step in the direction of economy. Therefore, when the Senator shall have concluded I am going to offer an amendment to the resolution.

Mr. McKELLAR. To show that my heart is in the proper place, I am going to yield the floor and let the Senator from Nevada offer his amendment.

Mr. DILL obtained the floor.

Mr. PITTMAN—

Mr. DILL. Mr. President, if the Senator from Nevada merely wishes to offer an amendment to the resolution of the Senator from Mississippi I yield to him for that purpose.

Mr. PITTMAN. I offer the amendment, which I send to the desk and ask that it may be read.

The VICE PRESIDENT. The amendment proposed by the Senator from Nevada will be read.

The CHIEF CLERK. It is proposed to strike out after the word "appropriations," in line 5, the words "as will bring the total amount reported to the Senate at least \$300,000,000 below the total recommended in the Budget for such fiscal year," and to insert "as may be done consistent with the existing obligations of the Government, and without impairing the necessary power of the Government to perform its duty in meeting the present financial crisis."

Mr. McKELLAR. May I suggest to the Senator, if the Senator from Washington will permit me—

Mr. DILL. I yield.

Mr. McKELLAR. I think that would be just as meaningless a gesture as the other; but if I shall be compelled to vote on either one, I shall vote for it, I think, as a gesture.

Mr. PITTMAN. I should like to have the clerk read the resolution as it would stand should my amendment be agreed to.

The VICE PRESIDENT. The clerk will read as requested. The Chief Clerk read as follows:

Resolved, That it is the sense of the Senate that the Committee on Appropriations of the Senate, in reporting to the Senate upon the several appropriation bills for the fiscal year ending June 30, 1933, make such decreases in proposed appropriations as may be done consistent with the existing obligations of the Government, and without impairing the necessary power of the Government to perform its duty in meeting the present financial crisis.

Mr. HULL. Mr. President—

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

Mr. DILL. I yield.

Mr. HULL. I ask permission to insert in the Record at this point a public statement with reference to this subject which was prepared by me last November.

The VICE PRESIDENT. Without objection, it is so ordered.

The statement is as follows:

SOME PHASES OF A DEMOCRATIC FISCAL PROGRAM—STATEMENT OF CORDELL HULL

There is manifest necessity for basic reform of the spirit and policy of retrenchment, economy, and financing in our entire Government affairs. Peoples and governments—Federal, State, and local—are to-day groaning under colossal loads, of ever-increasing taxes, expenditures, and debt, approaching a critical and unbearable stage. The dominant fiscal leadership of the Nation since 1920, can not escape its measurable share of responsibility for these near catastrophic developments.

Taxes of these various governments and their subdivisions are overlapping, grossly inequitable, and excessive, with their unheard of increase from \$7,500,000,000 to \$9,790,000,000 from 1922 to 1929. Instead of visualizing and treating Federal, State, and local taxes as one common burden on the 123,000,000 American people and prescribing tax structures with such uniformity and coordination as would promote the maximum of equity for every class of taxpayers, measured by the doctrine of ability to pay, we see to-day a thoroughly confused, demoralized, and chaotic tax situation, with most systems distinguished by discrimination, excessive exemptions, exception, allowances, unscientific rates, double, triplicate and quadruple taxation, and narrow and lopsided methods, as the rule rather than the exception.

Our combined Federal, State, and local expenditures are running wild with a present peak of near \$12,000,000,000, with budgetary policies often evaded, ignored, abused, or nonexistent, while a spirit of waste and extravagance reigns supreme. The great orgy of expenditures must be halted and restricted to necessary or productive purposes, while those of an actual emergency nature, such as unemployment and other exigencies, must receive every attention.

The Federal, State, and local indebtedness in 1929 has climbed to \$30,000,000,000, which, with annual taxes, aggregate near 12 per cent of the actual wealth or capital of the Nation; while a vast portion of such indebtedness was incurred hastily, unwisely, and unsoundly, with no sinking-fund provision, and is subject to excessive interest and inadequate tax rates. The new Federal debt now being created to meet accruing Treasury deficits will, in the end, exceed \$2,000,000,000, and this amount in the future will nullify and wipe out the combined amount of the four so-called tax reductions during the past 10 years and we shall have tax levies of \$2,000,000,000 over again. Less than \$1,000,000,000 of our public-debt reductions since 1920 come from tax receipts; the chief portion came from the proceeds of the Government assets of \$6,379,000,000 on hand in August, 1919, when the debt was at its peak, and they are now virtually exhausted. This automatic manner in which debt reduction has thus far occurred has now ended, and skillful financing for the first time becomes necessary.

The culmination of careless and lax State and Federal financing during recent years is now further revealing its inevitable effects in the way of unbalanced budgets, actual default in the amount of over \$700,000,000 by local governments, impaired credit of both Federal and State Governments, abuse, violation, and suspension, actual or in effect, of Federal and many State sinking funds; neglect to carry through refunding operations during periods of low-interest rates, or a disposition to permit bankers alone to fix such rates.

The truth is that the interest rate on our Federal bonds is almost a minor feature compared with their incalculable convenience and suitability for liquid reserves of the great banking and business interests of the Nation. They are virtually equivalent to cash reserves bearing interest, and our whole debt structure should be handled in the light of this patent condition. With an unprecedented reservoir of idle credit since 1919, the average in-

terest rate of our Federal debt has only been reduced from 4.18 per cent to 3.81 per cent.

The Democrats in the Senate and House of Representatives should lead in a demand for a halting and reexamination and reform of the policies of taxation, expenditures, and debt throughout the country. They should, in this undertaking, earnestly invoke the cooperation of Democrats in charge of State, county, and municipal governments everywhere, in a nation-wide movement back to frugal government, under a rigid practice of the policy that "economy is better than taxation, and taxation is better than borrowing." Such vast and vital program would contemplate reform in the scale of public expenses—Federal, State, and municipal; such public economy, official retrenchments, and wise financing as would deal resolutely and adequately with the existing swollen and runaway taxation, expenditure, and debt situation. To this end, Democrats in charge of governments and their subdivisions everywhere should pledge themselves to a policy of steady economy in every possible way to reduce and curtail the expenses of government in cutting down excessive salaries, extravagant appropriations, in consolidating or abolishing bureaus and divisions, suspending until later appropriations not strictly necessary or productive or emergency, discontinuing useless establishments and offices not absolutely required by the public interests, to keep the Budget balanced and the credit of the Government maintained.

Enormous savings in less taxes, less waste, less expenditures, less debt, and the promotion of equitable tax burdens could and should be effected by the careful and systematic coordination of taxes, expenditures, and numerous other overlapping functions and activities of our Federal, State, and municipal governments, thereby avoiding immense duplicate expenditures and much burdensome double taxation, while modernized and uniform accounting methods would be installed in the Treasury and other fiscal offices of State, county, and municipal governments, with large resultant savings, and a considerable range of public buildings and other construction work could be standardized at an immense saving to the taxpayer. An outstanding accountant, tax expert, and civil engineer or city manager engaged by the Federal Government, with similar cooperation from the States, could thus offer a program that would save several billions of dollars within three to five years.

Sound fiscal policy and orderly business practice strongly demand the establishment of a permanent normal peace level of Treasury receipts and expenditures for all ordinary or recurring purposes. It is now 13 years after the war, and an equilibrium between the income and outgo of the Treasury, in competent hands, should be easily possible. To this end, there should be a separate classification and listing of all those expenditures well recognized and defined as ordinary expenditures which constitute most of the actual recurring expenses of the Government, and another segregation and classification of extraordinary expenditures, such as those in aid of productive undertakings and the millions of unemployed, the drought sufferers, emergency construction, and other temporary emergency requirements, in order that, in the first place, Congress and the general American public may at all times have an intelligent knowledge of the fiscal affairs of the Government; and, secondly, that Congress may develop a tax structure which during an average business year will yield an adequate amount of revenue to meet the ordinary expenditures of the Government, while at the same time making any special and temporary tax levies to defray all extraordinary expenses of such nature as to be borne by taxes rather than loans. Thus to clarify the revenue situation, by giving notice of which levies are to be permanent and which temporary, would avoid most of the usual tax controversy.

Such systems of accounting, whether or not kept as a regular part of the official system of the Treasury, would enable Congress to stabilize ordinary receipts and expenditures of the Government on a permanent peace basis that all could understand. The present system of Federal taxes was probably reduced in 1928, through erroneous judgment, below the level that would, with normal business conditions, meet the ordinary expenditures of the Government, and to remedy this deficiency moderate readjustments upward of present rates, especially on incomes, may be necessary, while still further increases, including surtaxes and one on gifts to supplement the temporary and special taxes designed to meet extraordinary expenditures that are productive, may be soundly met by loans.

The doctrine of ability to pay, measured by net income, should as nearly as possible be the touchstone of every plan, method, or system of taxation—Federal, State, and local. In a recent speech Secretary Mellon truly said, "We have at the present time an internal-revenue system of few and relatively light taxes." The country to-day faces an economic crisis virtually equal to that of war in its gravity and its call upon those able to make pecuniary contributions or sacrifices. Those able to pay taxes should cheerfully step forward and offer again to assume surtax increases up to a 40 per cent maximum, with a similar gift and estate tax that would make the latter effective, until the existing emergency is passed. Nineteen States now have some species of income taxation. The question as to just how high graduated taxes should be fixed in the permanent peace-time system would more properly come up for determination at the end of the present fiscal exigency.

The Federal and State income levies should be so coordinated as would provide a substantial tax by one or the other, beginning with a small exemption and extending by an equitable scale of graduation to the maximum surtax level desired. Democrats

should undertake as rapidly as possible to reduce present ordinary expenditures of \$3,440,000,000 for 1920 to a permanent level of from \$2,750,000,000 to \$3,000,000,000. There must at all hazards be a check on local debt and expenditures now hopelessly out of control.

The policy of steady payment of the public indebtedness inaugurated by the administration of Thomas Jefferson should be strictly pursued. The integrity of the sinking fund should be scrupulously maintained. In no conceivable circumstances can an administration in charge of the Federal Government justify chronic borrowing to pay current demands, or tolerate with complacency a gaping deficit until it grows first to \$900,000,000 and then into a rate of over \$2,000,000,000 per annum, while all sinking-fund policies are in effect suspended. A more tragic and complete breakdown of fiscal policy and management has never occurred here or anywhere in peace time.

Those in charge of the Federal Government during the World War were subjected to the supreme test of capacity to rule and to govern, and they proceeded to write the most brilliant chapter in the fiscal history of all time, while those intrusted with Government control and leadership to-day are helpless to cope with a fiscal emergency in time of profound peace.

Mr. MCKELLAR. Mr. President—

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

Mr. DILL. I yield.

Mr. MCKELLAR. In reference to the questions asked by the Senator from Michigan [Mr. COUZENS] a few moments ago, I desire to put into the RECORD the bills referred to in the newspapers the other morning and the bills referred to in the question of the Senator from Michigan, so that the exact facts may be shown. When those facts shall have been shown it will be found, if I recall the figures—and I think I do—that instead of being \$800,000,000 it was less than \$60,000,000 that was sought to be appropriated all told.

I here give the number of the various bills and the amount of the authorization in each.

The VICE PRESIDENT. Without objection, the request of the Senator from Tennessee is granted.

The matter referred to is as follows:

Senate Joint Resolution 21.....	\$2,500,000
S. 601.....	25,000,000
S. 602.....	80,000
S. 603.....	100,000
S. 604.....	125,000
S. 605.....	150,000
S. 606.....	125,000
S. 607.....	100,000
S. 589.....	
S. 644.....	10,000,000
S. 588.....	
S. 643.....	10,000,000
	58,180,000

Mr. MCKELLAR. I now submit the bills themselves.

Senate Joint Resolution 21

Joint resolution authorizing an appropriation for establishing and erecting a memorial to the pioneers who crossed the Great Smoky Mountains in the early history of the country, building a memorial highway from the Great Smoky Mountains National Park to the city of Knoxville, Tenn., and for other purposes.

Whereas during our Revolutionary War period pioneer settlers crossed for the first time the Great Smoky Mountains and made their homes in the valleys to the west of those mountains; and

Whereas among these settlers was John Sevier, born in Virginia, who during the Revolution gathered together Tennesseans, Virginians, and North Carolinians at a point on the Nolachucky River in what is now Carter County, Tenn., and just west of these mountains, and thereupon with his military followers marched eastward, crossed the mountains, and joined other colonial forces and fought and won the great Battle of Kings Mountain, the result of which battle virtually decided the destiny of the American Colonies in favor of the Colonies; and

Whereas the same John Sevier afterwards became Governor of the new State of Tennessee for six successive terms and has ever been regarded as one of its leading citizens; and

Whereas Andrew Jackson was born in the State of South Carolina and as a boy he also moved across these same mountains into Tennessee and afterwards became a justice of the Supreme Court of Tennessee, a Congressman, a Senator twice, and President of the United States twice, and who also conquered Florida and made it a part of the Union, and afterwards won the great victory over the British at New Orleans on January 8, 1815; and

Whereas Andrew Johnson was born in Raleigh, N. C., and moved across these same mountains into Tennessee, and afterwards became a member of the legislature, a Congressman, governor of the State twice, a Senator of the United States, Vice President, and President of the United States; and

Whereas James K. Polk was born near Charlotte, N. C., and he, too, in early childhood, crossed these very same mountains, settled

in Tennessee, and afterwards became a Member of Congress and President of the United States; and

Whereas the State of North Carolina and the State of Tennessee have recently transferred to the United States a very large body of land on either side of the boundary line between North Carolina and Tennessee, in the Great Smoky Mountains, for the purpose of creating a national park, partly in North Carolina and partly in Tennessee, and to be known as the Great Smoky Mountains Park; and

Whereas the United States Government by its public officials has accepted said land, and plans are being made to develop the same as a great national park; and

Whereas at present, this being a mountainous region, access by means of roads is not easy but difficult, and it is most desirous that when said park is completed highways be built therein and joined thereto: Now, therefore, be it

Resolved, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$2,500,000, or such part thereof as may be necessary, as a contribution on the part of the United States for the purpose of establishing and erecting a memorial to the pioneers who crossed these mountains in the early history of our country and established on the west side of these same mountains the great civilization that now exists, and likewise a memorial highway extending from the memorial entrance into said park to the city of Knoxville, in the State of Tennessee, which entrance highway will put said park in connection with many great national road systems leading into Knoxville: *Provided,* That the exact location of said memorial entrance and memorial highway shall be determined by the Director of the National Park Service of the United States and the commissioner of highways and public works of the State of Tennessee.

Sec. 2. There is hereby established a commission to be known as the Volunteer State Pioneer Memorial Commission (hereinafter referred to as the commission) and to be composed of eight commissioners, as follows: The Secretary of the Interior of the United States; two Senators to be appointed by the President of the Senate; two Members of the House of Representatives to be appointed by the Speaker of the House; the Governor of the State of Tennessee; the Director of the National Park Service of the United States; and the commissioner of highways and public works for the State of Tennessee.

The commissioners shall serve without compensation, but may select a chairman from among their number and also appoint a secretary at such salary as the commission may fix.

Said commission shall be charged with the duty of supervising the construction and appropriate marking of the said memorial and entrance way thereto.

Sec. 3. No part of the contribution on the part of the United States herein authorized shall be appropriated until there has been made available by the State of Tennessee and its political subdivisions an amount sufficient to pay one-half of the total cost of said memorial and approach thereto, and until the entire plan, including location, surveys, proposed markers, and monuments, has been approved by the commission.

S. 601

A bill authorizing the acquiring of sites and the erection of post-office buildings

Be it enacted, etc., That hereafter any incorporated town in the United States not now having a post-office building but having a post office the postal receipts of which amount to \$8,000 or more yearly shall be eligible for a Federal post-office building.

Sec. 2. There is hereby authorized to be appropriated, out of any sums of money in the Treasury not otherwise appropriated, the sum of \$25,000,000 to be used by the Secretary of the Treasury in acquiring post-office sites in cities and towns not now having post-office buildings, the said sites to be selected, after an examination has been made by a duly authorized inspector of the Post Office Department, by a committee composed of the Fourth Assistant Postmaster General, an Assistant Secretary of the Treasury, and by the Architect of the Treasury; and the said committee is directed to acquire said sites as speedily as possible, and giving no preference to any State. The power of eminent domain is hereby specifically conferred upon said committee where any site can not be obtained at a reasonable price.

Sec. 3. There is hereby authorized to be appropriated, out of any sums of money in the Treasury not otherwise appropriated, the sum of \$125,000,000 to be expended under a 5-year program in erecting buildings on sites acquired under section 2 hereof, such buildings to be erected without preference to any State by the Treasury Department as now provided by law, such building program to begin in the fiscal year 1932.

S. 602

A bill for the purchase of a post-office site and the erection thereon of a suitable public building at Dickson, Tenn.

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to purchase a site, or acquire it by condemnation or otherwise, in the town of Dickson, in the State of Tennessee, and cause to be erected thereon a suitable public building for the use and accommodation of a post office and other Government offices, the cost of said site and building not to exceed \$80,000.

S. 603

A bill for the purchase of a post-office site and the erection thereon of a suitable public building at Manchester, Tenn.

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to purchase a site, or acquire it by condemnation or otherwise, in the town of Manchester, in the State of Tennessee, and cause to be erected thereon a suitable public building for the use and accommodation of a post office and other Government offices, the cost of said site and building not to exceed \$100,000.

S. 604

A bill to provide for the acquisition of a site and the erection thereon of a public building at Ripley, Tenn.

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to acquire, by purchase, condemnation, or otherwise, a site and to contract for the erection and completion thereon of a suitable building, including fire-proof vaults, heating and ventilating apparatus, and approaches, complete, for the use and accommodation of the United States post office in Ripley, Tenn., at a cost, including site, not to exceed the sum of \$125,000.

S. 605

A bill to provide for the acquisition of a site and the erection thereon of a public building at Trenton, Tenn.

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to acquire, by purchase, condemnation, or otherwise, a site and to contract for the erection and completion thereon of a suitable building, including fire-proof vaults, heating and ventilating apparatus, and approaches, complete, for the use and accommodation of the United States post office in Trenton, Tenn., at a cost, including site, not to exceed the sum of \$150,000.

S. 606

A bill to provide for the acquisition of a site and the erection thereon of a public building at Milan, Tenn.

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to acquire, by purchase, condemnation, or otherwise, a site and to contract for the erection and completion thereon of a suitable building, including fire-proof vaults, heating and ventilating apparatus, and approaches, complete, for the use and accommodation of the United States post office in Milan, Tenn., at a cost, including site, not to exceed the sum of \$125,000.

S. 607

A bill for the purchase of a post-office site and the erection thereon of a suitable public building at Brownsville, Tenn.

Be it enacted, etc., That the Secretary of the Treasury be, and he hereby is, authorized and directed to purchase a site, or acquire it by condemnation or otherwise, in the town of Brownsville, in the State of Tennessee, and cause to be erected thereon a suitable public building for the use and accommodation of a post office and other Government offices, the cost of said site and building not to exceed \$100,000.

S. 589

A bill providing insurance relief for certain World War soldiers.

Be it enacted, etc., That where any World War soldier may be shown to have been suffering with, or to have died with, prior to January 1, 1925, active tuberculosis, paralysis agitans, spinal meningitis, epilepsy, dementia præcox, or neuropsychiatric disease, it shall be conclusively presumed that he acquired said disease in service between April 6, 1917, and July 2, 1921, and while his war-risk insurance was in force, and said diseases, or any one of them, shall be conclusively presumed to be a total permanent disability for the purpose of maturing said insurance; and this act shall be retroactive and shall take effect as of the date the said soldier was discharged from the said service.

S. 644

A bill authorizing negotiations and providing for the construction, maintenance, and operation of an interoceanic canal over Nicaraguan territory, and for other purposes

Be it enacted, etc., That the Government of Nicaragua having by treaty with the Government of the United States signed at Washington on August 5, 1914, and duly ratified as required by the laws of both of said Governments and proclaimed June 24, 1916, granted in perpetuity to the Government of the United States, forever free from taxation or other public charge, the exclusive proprietary rights necessary and convenient for the construction, operation, and maintenance of an interoceanic canal, by way of the San Juan River and the great Lake of Nicaragua or by way of any route over Nicaraguan territory, the details of the terms upon which such canal shall be constructed, operated, and maintained to be agreed to by the two Governments whenever the Government of the United States shall notify the Government of

Nicaragua of its desire or intention to construct such canal, the President of the United States is hereby authorized, empowered, and directed to notify the Government of Nicaragua of its desire and intention to construct such canal and to agree upon the details of the terms under which such canal shall be constructed, operated, and maintained.

Sec. 2. The Senate of the United States having, in its ratification of the treaty with Nicaragua, as aforesaid, inserted the words: "It is declared by the Senate that in advising and consenting to the ratification of the said convention as amended such advice and consent are given with the understanding, to be expressed as a part of the instrument of ratification, that nothing in said convention is intended to affect any existing right of any of the said named states," namely, Costa Rica, Salvador, and Honduras, the President is authorized and directed to enter into negotiations with said states and determine whether they, or any of them, have any interest in said proposed canal.

Sec. 3. That the President shall direct the Nicaraguan Canal Commission, hereinafter authorized, to cause to be excavated, constructed, completed, and perpetually maintained a ship canal connecting the Caribbean Sea with the Pacific Ocean by what is commonly known as the Nicaraguan route, from a point on the shore of the Caribbean Sea near Greytown, by way of Lake Nicaragua, to a point near Brito on the Pacific Ocean. Said canal shall be of sufficient capacity to accommodate vessels of the greatest tonnage and draft now in use and such as may be reasonably anticipated, and shall be supplied with all necessary locks and other appliances to meet the necessities of vessels passing through the same from ocean to ocean; and he shall also construct such safe and commodious harbors at the termini of said canal as shall be necessary for the safe and convenient use thereof, and shall make such provisions for defense as may be necessary for the safety and protection of said harbors and canal; and such sum or sums of money as may be agreed upon by such treaty as compensation to be paid to Nicaragua and Costa Rica for the concessions and rights hereunder provided to be acquired by the United States are hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be paid on warrant or warrants drawn by the President.

Sec. 4. That as soon as the details of the terms upon which said Nicaraguan Canal shall be constructed, operated, and maintained are agreed upon by said Governments and as soon as the surveys heretofore ordered by a joint resolution of the Congress shall have been completed and a report thereof made to the Congress the President is authorized to proceed with the building of said canal.

In the excavation and construction of said canal the San Juan River and Lake Nicaragua, or such parts of each as may be made available, shall be used.

Sec. 5. That the sum of \$10,000,000 is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, toward the project herein contemplated.

Sec. 6. That in any agreement heretofore made or hereinafter made with the Republics of Nicaragua or Costa Rica the President is hereby authorized to guarantee to said Republic or Republics the use of said canal and harbors, upon such terms as may be agreed upon, for all vessels owned by said Republic or Republics or by citizens thereof, such agreement, however, to be confirmed by the Senate as in ordinary cases.

Sec. 7. That to enable the President to carry out the provisions of this act there is hereby created the Nicaraguan Canal Commission, the same to be composed of five members, who shall be nominated and appointed by the President, by and with the advice and consent of the Senate, and who shall serve until the completion of said canal unless sooner removed by the President, and one of whom shall be named as the chairman of said commission. At least three of them shall be persons learned and skilled in the science of engineering, and at least one of them shall be an officer of the United States Army, and at least one of them shall be an officer of the United States Navy, the said officer being either on the active or the retired list of the Army or Navy. Said commissioners shall each receive as compensation \$12,000 per year: *Provided*, That in the case of Army and Navy officers said compensations shall be in lieu of their pay as officers. In addition to the members of said Nicaraguan Canal Commission the President is hereby authorized to employ in said service any of the engineers in civil life, at his discretion, and any other persons necessary for the proper and expeditious prosecution of said work. The compensation of all such engineers and other persons employed under this act shall be fixed by the commission, subject to the approval of the President. Said commission shall in all matters be subject to the direction and control of the President, and shall make to the President annually and at such periods as may be required by order of the President full and complete reports of all their acts and doings and of all moneys received and expended in the construction of said work and in the performance of their duties in connection therewith, which said reports shall be by the President transmitted to the Congress. The said commission shall give such information as may at any time be required by act of Congress or by order of either House of Congress. The President shall cause to be provided and assigned for the use of the commission such offices as may with the suitable equipment of the same be necessary and proper, in his discretion, for the proper discharge of the duties thereof.

Sec. 8. That the Secretary of the Treasury is hereby authorized to borrow on the credit of the United States from time to time, as the proceeds may be required to defray expenditures authorized by this act (such proceeds when received to be used only for the purpose of meeting such expenditures), the sum of \$200,000,000, or so much thereof as may be necessary, and to prepare and issue therefor coupon or registered bonds of the United States in such form as he may prescribe and in denominations of \$20 or some multiple of that sum, redeemable in gold coin at the pleasure of the United States after 10 years from the date of their issue, and payable 30 years from such date, and bearing interest payable quarterly in gold coin at the rate of 3 per cent per annum; and the bonds herein authorized shall be exempt from all taxes or duties of the United States, as well as from taxation in any form by or under State, municipal, or local authority: *Provided*, That said bonds may be disposed of by the Secretary of the Treasury at not less than par, under such regulations as he may prescribe, giving to all citizens of the United States an equal opportunity to subscribe therefor, but no commission shall be allowed or paid thereon; and a sum not exceeding one-tenth of 1 per cent of the amount of the bonds herein authorized is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to pay the expense of preparing, advertising, and issuing the same.

S. 588

A bill to amend the World War veterans' act, 1924

Be it enacted, etc., That section 200 of the World War veterans' act, 1924, be amended as follows:

"Sec. 200. For death or disability resulting from personal injury suffered or disease contracted in the military or naval service on or after April 6, 1917, and before July 2, 1921, or for an aggravation or recurrence of a disability existing prior to examination, acceptance, and enrollment for service, when such aggravation was suffered or contracted in, or such recurrence was caused by, the military or naval service on or after April 6, 1917, and before July 2, 1921, by any commissioned officer or enlisted man, or by any member of the Army Nurse Corps (female) or of the Navy Nurse Corps (female), when employed in the active service under the War Department or Navy Department, the United States shall pay to such commissioned officer or enlisted man, member of the Army Nurse Corps (female) or of the Navy Nurse Corps (female), or women citizens of the United States who were taken from the United States by the United States Government and who served in base hospitals overseas, or, in the discretion of the director, separately to his or her dependents, compensation as hereinafter provided; but no compensation shall be paid if the injury, disease, aggravation, or recurrence has been caused by his own willful misconduct: *Provided*, That no person suffering from paralysis, paresis, or blindness shall be denied compensation by reason of willful misconduct, nor shall any person who is helpless or bedridden as a result of any disability be denied compensation by reason of willful misconduct. That for the purposes of this act, every such officer, enlisted man, or other member employed in the active service under the War Department or Navy Department who was discharged or who resigned prior to July 2, 1921, and every such officer, enlisted man, or other member employed in the active service under the War Department or Navy Department on or before November 11, 1918, who, on or after July 2, 1921, is discharged or resigns, shall be conclusively held and taken to have been in sound condition when examined, accepted, and enrolled for service, except as to defects, disorders, or infirmities made of record in any manner by proper authorities of the United States at the time of, or prior to, inception of active service, to the extent to which any such defect, disorder, or infirmity was so made of record: *Provided*, That an ex-service man who is shown to have, or, if deceased, to have had, prior to January 1, 1930, neuropsychiatric disease and spinal meningitis, an active tuberculosis disease, paralysis agitans, encephalitis lethargica, a chronic constitutional disease or analogous disease, particularly, all diseases enumerated on page 75 of the schedule of disability rating of the United States Veterans' Bureau, 1925, or amebic dysentery developing a 10 per cent degree of disability or more in accordance with the provisions of subdivision (4) of section 202 of this act, shall be presumed to have acquired his disability in such service between April 6, 1917, and July 2, 1921, or to have suffered an aggravation of a preexisting neuropsychiatric disease and spinal meningitis, tuberculosis, paralysis agitans, encephalitis lethargica, a chronic constitutional disease or analogous disease, particularly, all diseases enumerated on page 75 of the schedule of disability ratings of the United States Veterans' Bureau, 1925, or amebic dysentery in such service between said dates, and said presumption shall be conclusive in cases of active tuberculosis disease and spinal meningitis, but in all other cases said presumption shall be rebuttable by clear and convincing evidence; but nothing in this proviso shall be construed to prevent a claimant from receiving the benefits of compensation and medical care and treatment for a disability due to these diseases of more than 10 per cent degree (in accordance with the provisions of subdivision (4) of sec. 202 of this act) on or subsequent to January 1, 1930, if the facts in the case substantiate his claim."

Sec. 2. Sections 206 and 209 of the World War veterans' act, 1924, as amended, are hereby repealed.

Sec. 3. These amendments shall take effect and be in force from and after the date of their enactment.

S. 643

A bill to authorize the creation of organized rural communities, to demonstrate methods of reclamation and benefits of planned rural development

Be it enacted, etc., That the Secretary of the Interior, herein-after styled the Secretary, is authorized to create in each of the States of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia one organized rural community in order to demonstrate the methods of reclamation and benefits of planned rural development.

Sec. 2. That the Secretary, acting through the Bureau of Reclamation, is authorized to acquire through donation, purchase, or by eminent domain an area of swamp, cut-over, neglected, abandoned, or poorly farmed land in each of the above-mentioned States, sufficient to create therefrom at least 200 farms and farm workers' allotments, each of such area as the Secretary may find necessary, and to provide for the reclamation, development, and settlement of such lands in accordance with the provisions of this act: *Provided*, That the purchase price of the land shall not exceed an amount arrived at by a board of 3 independent appraisers composed of 1 appointed by the Secretary, 1 appointed by the Federal Farm Loan Board, and 1 appointed by the head of the college of agriculture in the State within which the land is located.

Sec. 3. The Secretary, through plans provided by the Bureau of Reclamation, shall carry out all reclamation, development, and settlement work necessary for profitable cultivation of such farms and farm workers' allotments, and shall subdivide the lands, and shall cause said farms and farm workers' allotments to be offered for sale, and sold to actual settlers and cultivators under regulations approved by him regarding qualifications of settlers and repayment terms and conditions for the purchase of said farms and farm workers' allotments: *Provided*, That the term for repayment of the purchase price shall not exceed 40 years from the date of sale with interest at the rate of 4 per cent per annum payable annually or semiannually.

Sec. 4. Farms and farm workers' allotments shall be sold at an aggregate price sufficient to repay the cost of surveys, reclamation, development, and administration and service charges with a sum equal to 10 per cent of all of such cost added to provide for unforeseen contingencies. The Secretary is authorized to impose and collect such additional incidental charges as may be required.

Sec. 5. The Secretary is authorized in his discretion to advance for permanent improvements not exceeding the sum of \$3,000 on account of any one farm allotment and not exceeding the sum of \$1,000 on account of any one farm worker's allotment. No such advances shall exceed 60 per cent of the value of permanent improvements in connection with which made, nor until the purchaser shall have provided the remaining 40 per cent in cash or shall have theretofore provided its equivalent in value in improvements made at his sole cost. Advances for permanent improvements shall be repaid in 56 semiannual installments, each of which shall amount to 3 per cent of the sum advanced; of each such installment 2 per cent shall apply as interest and 1 per cent as principal. The Secretary shall provide such supervision by the Bureau of Reclamation as in his opinion may be necessary to insure the use of all advances for the purpose for which the same are made. Each purchaser shall, if required, insure and keep insured against fire all buildings on his farm or farm worker's allotment, the policies therefor to be made in favor of the Secretary, or such other official as he may prescribe. The Bureau of Reclamation by regulation or otherwise shall provide that the purchaser shall live on and cultivate the land in a manner to be approved by the head of that bureau, and shall keep in good order and repair all buildings, fences, and other permanent improvements situated on the farm or farm worker's allotment, reasonable wear and tear and damage by fire excepted.

Sec. 6. In case of failure on the part of the purchaser to comply with any of the terms of his contract, or any regulation promulgated by the Secretary under this act, the Secretary shall have the right, at his discretion, to cancel said contract, and thereupon shall be released from all obligation in law or in equity to convey the property, and the purchaser shall forfeit all rights thereto, and all payments theretofore made shall be deemed to be rental paid for occupancy. The Secretary shall thereupon be entitled to the possession of said property. The failure of the Secretary to exercise any option to cancel contract for default shall not be deemed a waiver of the right to exercise the option to cancel said contract for any default thereafter on the purchaser's part. No forfeiture so occasioned by default on the part of the purchaser shall be deemed in any way or to any extent to impair any lien or security on improvements or other property which may be obtained as provided in this act.

Sec. 7. All amounts collected with respect to repayment contracts for purchase of farms or farm workers' allotments, and all amounts collected from repayment for collection of advances shall be returned to the United States Treasury as a credit to the funds provided for carrying out this act.

Sec. 8. For the purpose of giving effect to this act there is authorized to be appropriated the sum of \$10,000,000 from any funds in the Treasury not otherwise appropriated: *Provided*, That not to exceed \$2,000,000 of such sum shall be expended in any of the States herein mentioned.

Sec. 9. That the Secretary is authorized to perform any and all acts and to make all needful rules and regulations for effectuating the purposes of this act.

Mr. McKELLAR. Mr. President, these bills have been introduced by me before at previous sessions of the Congress. They would authorize no such appropriations as have been suggested. All told they do not amount to \$60,000,000. In these times of stress and depression there are a number of these bills which should not be pressed. In good times every one of them might well be passed; but I shall be frank with the Senate. Some of these bills ought not to be passed with this deficit on our hands. The Great Smoky Mountain Park bill is a very proper bill and ought to be passed at the proper time, but it might well not be passed with such an enormous deficit as now confronts our Treasury.

The bill S. 601 is an effort to build post-office buildings in the smaller towns. This ought to be done; but not in view of this awful deficit. As soon as the Government is able it will save large sums whenever these small buildings are erected. They are more important than the large buildings now being erected in some of the large cities, where good buildings are being torn down just to put up better ones.

Senate bills Nos. 602 to 607, inclusive, are for specific buildings in my State which ought to have been built long ago. They should be built this year. All put together they amount to about \$630,000. They ought to be built, but I doubt if a Republican administration will do it this year.

Bills 588 and 589 do not authorize appropriations. The bills should be passed. I have no apology to make for them or any other of these bills. The Nicaragua bill I have already discussed. The measure is a proper measure. It will have to be passed eventually, but I shall not press it during this bankrupt condition of our Treasury. The Senate bill, No. 643, is a bill recommended by Doctor Mead, of the Interior Department. I introduced it by request. It is a good bill and ought to be passed; but I would not press it during this awful depression.

So, Mr. President, you can see how hard up the administration's defenders are in making an attack on me for introducing bills asking for large appropriations. They are very modest and will compare most favorably with bills of other Senators.

CLEARED RADIO CHANNELS

Mr. DILL. Mr. President, I have waited during the afternoon in the hope that the pending business might be disposed of, but it is very evident that if I want to discuss the subject I have in mind I must do so now or I may not be able to discuss it at all.

Earlier in the day I introduced a bill proposing to amend the radio law by providing that there shall be no cleared channel in radio for more than 2,300 miles. I ask unanimous consent that the bill introduced by me may be printed in the RECORD at this point.

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

Be it enacted, etc., That the second paragraph of section 9 of the radio act of 1927, as amended by the act of March 28, 1928, is hereby further amended by adding at the end of said paragraph the following: "*Provided further*, That no frequency used for broadcasting shall be reserved for the use of one station for a distance of more than 2,300 miles, airline, if any person, firm, or corporation, capable of rendering radio service in the public interest, make application to operate broadcasting apparatus on any frequency so reserved, at a point beyond the distance of 2,300 miles, airline, from the station or stations already licensed and operating on said frequency, and all applications and licenses considered and granted under this provision shall not be counted as a part of the quota of the zone in which said additional stations are located."

Mr. DILL. Mr. President, my purpose in introducing the bill is to stop the waste of radio facilities as happens now on account of the action of the Radio Commission in refusing to allow a channel used by a radio station on one coast to be used by a radio station on the other coast. Some years ago the Court of Appeals of the District said that it was a waste of facilities and not in the public interest to prohibit a station at Schenectady, WGY, from operating on the same wave length as a station, KGO, in San Francisco, Calif.; and it based its decision upon that part of the wording of the radio law which directs that radio facilities shall