Jennie L. Timberlake to be postmaster at Terral, Okla., in place of J. L. Timberlake. Incumbent's commission expires January 18, 1933.

OREGON

Jay W. Moore to be postmaster at Harrisburg, Oreg., in place of J. W. Moore. Incumbent's commission expired January 9, 1933.

PENNSYLVANIA

Samuel M. Rathman to be postmaster at Adamstown, Pa., in place of S. M. Rathman. Incumbent's commission expired January 14, 1933.

Walter C. Alcorn to be postmaster at Avonmore, Pa., in place of W. C. Alcorn. Incumbent's commission expired January 12, 1933.

Charles L. Albert to be postmaster at Blue Ridge Summit, Pa., in place of C. L. Albert. Incumbent's commission expires January 19, 1933.

Clarence G. Young to be postmaster at Bristol, Pa., in place of C. G. Young. Incumbent's commission expires January 19, 1933.

Harold C. Fry to be postmaster at Camp Hill, Pa., in place of H. C. Fry. Incumbent's commission expires January 19, 1933.

Grace Baker to be postmaster at Claysburg, Pa., in place of Grace Baker. Incumbent's commission expires January 31, 1933.

Edward J. Fleming to be postmaster at Cochranton, Pa., in place of E. J. Fleming. Incumbent's commission expired January 5, 1933.

Minnie E. Lewis to be postmaster at Covington, Pa., in place of M. E. Lewis. Incumbent's commission expired January 5, 1933.

George L. Goodhart to be postmaster at Dayton, Pa., in place of G. L. Goodhart. Incumbent's commission expires January 31, 1933.

H. George Marburger to be postmaster at Denver, Pa., in place of H. G. Marburger. Incumbent's commission expired January 14, 1933.

Samuel Y. Wissler to be postmaster at Ephrata, Pa., in place of S. Y. Wissler. Incumbent's commission expired January 14, 1933.

Paul J. Kessler to be postmaster at Gilberton, Pa., in place of P. J. Kessler. Incumbent's commission expires January 29, 1933.

Charles H. Lapsley to be postmaster at Glassport, Pa., in place of C. H. Lapsley. Incumbent's commission expired January 5, 1933.

Edwin H. Cliff to be postmaster at Glen Olden, Pa., in place of E. H. Cliff. Incumbent's commission expires January 19, 1933.

John B. Elliott to be postmaster at Hollidaysburg, Pa., in place of F. J. Over, deceased.

Allie L. Keyes to be postmaster at Lake Ariel, Pa., in place of A. L. Keyes. Incumbent's commission expires January 19, 1933.

PUERTO RICO

Luis E. Kolb to be postmaster at Utuado, P. R., in place of L. E. Kolb. Incumbent's commission expired January 8, 1933.

SOUTH CAROLINA

John W. Doar to be postmaster at Georgetown, S. C., in place of T. J. Karnes. Incumbent's commission expired May 26, 1930.

VIRGINIA

William R. Sparks to be postmaster at Clincheo, Va., in place of W. R. Sparks. Incumbent's commission expired April 2, 1932.

Louise B. Callaham to be postmaster at Glenallen, Va., in place of E. L. Allen. Incumbent's commission expired January 5, 1932.

Charlotte V. Bevans to be postmaster at Greenbackville, Va., in place of C. V. Bevans. Incumbent's commission expires January 29, 1933.

John A. Johnston to be postmaster at Petersburg, Va., in place of J. A. Johnston. Incumbent's commission expires January 19, 1933.

James J. Mateer to be postmaster at Rosslyn, Va., in place of J. J. Mateer. Incumbent's commission expires January 29, 1933.

Fannie C. Moore to be postmaster at Vinton, Va., in place of F. C. Moore. Incumbent's commission expires January 19, 1933.

WASHINGTON

Blanche E. Lambert to be postmaster at Ione, Wash., in place of B. E. Lambert. Incumbent's commission expires January 26, 1933.

William J. Taylor to be postmaster at Rockford, Wash., in place of W. L. Oliver, deceased.

Harry A. Mykrantz to be postmaster at Twisp, Wash., in place of H. A. Mykrantz. Incumbent's commission expires January 26, 1933.

WISCONSIN

Marion L. Spencer to be postmaster at Balsam Lake, Wis., in place of M. L. Spencer. Incumbent's commission expired January 5, 1933.

Anthony H. Otten to be postmaster at Barton, Wis., in place of A. H. Otten. Incumbent's commission expires January 29, 1933.

Herman F. Barth to be postmaster at Cashton, Wis., in place of H. F. Barth. Incumbent's commission expires January 21, 1933.

Bertha S. Wild to be postmaster at De Soto, Wis., in place of B. S. Wild. Incumbent's commission expires January 21, 1933.

Murlat B. Abdoo to be postmaster at Highland, Wis., in place of M. B. Abdoo. Incumbent's commission expires January 29, 1933.

Rudolph Zimmer to be postmaster at Hilbert, Wis., in place of Rudolph Zimmer. Incumbent's commission expires January 21, 1933.

Oscar E. Hoyt to be postmaster at Iron Ridge, Wis., in place of O. E. Hoyt. Incumbent's commission expires January 29, 1933.

John H. McNown to be postmaster at Mauston, Wis., in place of J. H. McNown. Incumbent's commission expires January 21, 1933.

James J. Stoveken to be postmaster at Pembine, Wis., in place of J. J. Stoveken. Incumbent's commission expires January 31, 1933.

George F. Fiedler to be postmaster at Seymour, Wis., in place of G. F. Fiedler. Incumbent's commission expires January 31, 1933.

Martin F. Walter to be postmaster at West Bend, Wis., in place of M. F. Walter. Incumbent's commission expires January 29, 1933.

WITHDRAWALS

Executive nominations withdrawn from the Senate January 17 (legislative day of January 10), 1933

POSTMASTERS

ILLINOIS

Charles H. Cottrell to be postmaster at Quincy, in the State of Illinois.

NEW MEXICO

John H. York to be postmaster at Las Vegas, in the State of New Mexico.

HOUSE OF REPRESENTATIVES

TUESDAY, JANUARY 17, 1933

The House met at 12 o'clock noon.

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

Our fathers' God, from the rising of the sun to the going down of the same, Thy name be praised; incline our hearts to Thee; very precious is this fellowship. In it dark things and bad tempers can not thrive and prevail. Father of Mercies, Thou art the light of the world; in it all institutions can become nobly fruitful. O come Thou richly with our Republic, until its empire shall become world-wide through

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the channels of peace and Christian integrity. May the service of this Chamber inspire new industries, new arts, and new morals. O let the tides of comfort and plenty rise higher and higher, blessing the poorest homes of the remotest sections, exterminating poverty, curing social ills, and making happiness coextensive with our brother man. Amen.

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

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

FIRST DEFICIENCY BILL

Mr. BYRNS. Mr. Speaker, I call up the conference report on the bill (H. R. 13975) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1933, and for other purposes, and ask unanimous consent that the statement may be read in lieu of the report.

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

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13975) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1933, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 9, 10, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, and 27, and agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same, with an amendment as follows: In lieu of the sum named in said amendment, insert "$35,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In line 6 of the matter inserted by said amendment, after the word "including," insert the following: "per diem allowances in accordance with the subsistence expense act of 1926, as amended (U. S. C., Supp. VI, title 5, chap. 16), and other"; and the Senate agree to the same.

The committee of conference report a disagreement on amendment numbered 12.

JOSEPH W. BYRNS,
J. P. BUCHANAN,
EDWARD T. TAYLOR,
WILL R. WOOD,
EDWARD H. WASON,
Managers on the part of the House.
FREDERICK HALE,
REED SMOOT,
HENRY W. KEYES,
CARTER GLASS,
KENNETH MCKELLAR,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to H. R. 13975, a bill making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1933, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On Nos. 1 to 7, inclusive, relating to the Senate: Appropriates for salaries and expenses of the Senate in the amounts and for the purposes provided by the Senate amendments, as follows: $18,000 for payments to widows of deceased Senators, $1,040 for two telephone operators now carried on the roll of contingent expenses, $20,000 for miscellaneous items, $40,000 for inquiries and investigations, and $15,000 for Senate restaurants and kitchens.

On No. 8: Appropriates $35,000 instead of $40,000, as proposed by the Senate, for expenses under the direction of the joint committee of Congress of the inaugural ceremonies of the President of the United States on March 4, 1933.

On Nos. 9 and 10: Appropriates $1,243.49 additional, as proposed by the Senate, for payment of claims determined by the Secretary of the Navy, as provided by law and certified to Congress after the bill had passed the House.

On No. 11: Appropriates $150,000, as proposed by the Senate, for expenses of the General Disarmament Conference at Geneva, Switzerland, modified so as to provide that per diem allowances in connection with traveling expenses shall be in accordance with the provisions of the subsistence expense act of 1926, as amended.

On Nos. 13 to 19, inclusive: Appropriates $4,395.81 additional, as proposed by the Senate, for damage claims settled by the various departments under the provisions of existing law and certified to Congress after the bill had passed the House.

On Nos. 20 to 24, inclusive: Appropriates $36,771.40 additional, as proposed by the Senate, for the payment of judgments rendered against the United States by United States district courts and the Court of Claims and certified to Congress after the bill had passed the House.

On No. 25: Appropriates $13,564.45, as proposed by the Senate, for the payment of claims allowed by the General Accounting Office under the provisions of existing law and certified to Congress after the bill had passed the House.

On Nos. 26 and 27: Correct section numbers in the bill.

The committee of conference report in disagreement the amendment of the Senate No. 12, which is as follows:

Provided, That no refund or credit of any income or profits, estate, or gift tax in excess of $5,000 shall be made after the enactment of this act until a report thereof giving the name of the person, corporation, or partnership to whom the refund or credit is to be made, the amount of such refund or credit, and all the facts and papers in connection therewith are submitted by the Commissioner of Internal Revenue to the Joint Committee on Internal Revenue Taxation and action thereon taken by said committee. The said committee or its duly authorized staff shall have full access to all the papers and shall examine into and pass upon the case de novo, and no refund or credit shall be made until the Joint Committee on Internal Revenue Taxation or its duly authorized staff shall have so passed on such refund, fixed the amount thereof, and made its report to the Commissioner of Internal Revenue; and no refund shall be made without the approval of said committee or its duly authorized staff.

JOSEPH W. BYRNS,
J. P. BUCHANAN,
EDWARD T. TAYLOR,
WILL R. WOOD,
EDWARD H. WASON,
Managers on the part of the House.

Mr. STAFFORD. Mr. Speaker, will the gentleman from Tennessee yield?

Mr. BYRNS. I yield.

Mr. STAFFORD. I notice one rather important amendment which I think should have some passing comment. This is the amendment providing an additional appropriation for the limitation of armament conference at Geneva in the sum of $150,000. As I recall, the Congress scaled down the original estimate of the department some $150,000 or

$200,000, and I would like to inquire what is the present status of the original appropriation and the need of this supplemental appropriation.

Mr. BYRNS. I may state to the gentleman that all the fund, or practically all of it, has been expended. The estimate which was submitted at the last session of Congress called for $415,000. The House scaled this appropriation and agreed to an appropriation of $390,000. Then the matter went to the Senate and the Senate further reduced it to $300,000, which reduction was accepted by the House. So the total of the appropriations made at the last session was $300,000.

As I have just stated, I understand this money has been expended. We had no hearings before our committee for the reason that no estimate was submitted. The estimate came in for this additional $150,000 after the bill had been prepared and reported to the House, and it was suggested to the State Department and to the Budget Director that they would have to go to the Senate committee. I have read the hearings which were had before the Senate committee on this proposition, and it was stated that they expect to use about $13,000 of this additional appropriation between now and March 4, and to have the remaining $137,000 for the administration which begins March 4. It is desirable, so they state, that we continue our participation in this conference, and for that reason the committee has agreed to the Senate amendment and recommends it to the House.

Mr. SNELL. Will the gentleman yield there?

Mr. BYRNS. Yes.

Mr. SNELL. Have we any representatives over there at the present time, or have all our commissioners returned home?

Mr. BYRNS. We have some representatives over there. I believe we have one or two ambassadors or ministers who are assigned to countries in the vicinity of Geneva.

Mr. SNELL. For what purpose is this $30,000 to be used at the present time?

Mr. BYRNS. I think it is contemplated to send additional representatives over there.

Mr. SNELL. Is this conference in active session now?

Mr. BYRNS. My impression is they are not in active session at this very moment, but I understand they expect to resume their conference very shortly, and I may state to the gentleman, if he will permit, Mr. Carr was very emphatic in his statement before the Senate committee that a per diem provision in the economy act limiting the amount to $6 a day would prevail. There was some question in the minds of the House conferees as to whether or not there might be some controversy over this later on, for the reason that the appropriation, as the gentleman will notice, refers back to the authorizing resolution, and in the authorizing resolution it was expressly stated that all acts pertaining to per diems should be waived in so far as this particular appropriation is concerned.

Mr. SNELL. That is the way I remember it.

Mr. BYRNS. So at the instance of the House conferees there has been inserted in this appropriation a provision which will make it absolutely certain that the provisions of the economy act relating to per diem will prevail in this instance and the amount will not exceed $6 a day.

Mr. DYER. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. DYER. Will the gentleman tell us whether or not all the expenditures of this commission are audited by anybody or passed upon by the State Department or does the Comptroller General have anything to say about it?

Mr. BYRNS. They are audited by the State Department and, of course, expended under its direction. Then, of course, after the expenditures are made, or possibly in advance, the Comptroller General audits them. So they go through the regular course of audit.

Mr. DYER. I will say to the gentleman from Tennessee that we all have such implicit confidence in him that to my mind it seems strange that the gentleman would agree in conference to an additional appropriation for something for which we have already expended a lot of money and for which we have received no compensation in return, in any way, directly or indirectly. I do not believe the commission is over there to accomplish anything, but to have a good time at the expense of the taxpayers, which in these days, in my judgment, is quite contrary to what we ought to be doing.

Mr. BYRNS. May I say this to my good friend, that I was as reluctant to agree to the increased appropriation as the gentleman himself. But here is the situation in which we find ourselves. We agreed to participate in this conference. A great many nations met with a view to cut down disarmaments, if such a thing is possible, and we hope it will be.

The conference has not been concluded; they are to resume their session. It would be rather singular if our Government after participating in it and having expended $300,000 should suddenly withdraw and refuse to have anything further to do with it.

The next administration, I am sure, will feel like doing what it can to secure a general disarmament agreement; at least it ought to have the opportunity if it wishes to do so, of carrying on. The House conferees felt very much as the gentleman from Missouri felt, but it felt there was nothing else to do except to make the appropriation.

Mr. BLANTON. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. BLANTON. Are not these the facts? The authorizing resolution that was first passed in the House for this conference authorized an appropriation of $450,000.

Mr. BYRNS. The estimate was $415,000.

Mr. BLANTON. But the gentleman will remember that the resolution that passed the House, the authorizing resolution, authorized $450,000 to be appropriated, and when the matter went to the gentleman's committee he very properly cut it down $60,000, leaving $390,000 appropriated in the bill. Then that went to the Senate, and finally $300,000 was allowed.

Mr. BYRNS. That is a fact.

Mr. BLANTON. The gentleman and his committee then found out that the members of this conference had arranged to use big fine " palaces of the seas " in coming back, the finest and biggest boats they could get, and the gentleman thought that they ought to use the regular liners. Is not that so? And the gentleman helped cut that down. The committee, both in the House and the Senate, gave the State Department to understand that they must not expend more than the $300,000.

Mr. BYRNS. That is true.

Mr. BLANTON. The members of this conference paid high salaries to its numerous employees—15 in one class and 2 or 3 in another class—a list of which I printed in the RECORD the other day, after we had given notice not to expend more than $300,000 they are spending more and asking for another $150,000.

Now, is there any way to get a vote on that except to vote the whole conference report on the entire deficiency bill up or down?

Mr. BYRNS. None in the world that I know of.

Mr. BLANTON. The gentleman's committee has not voted on the $150,000, but it has been put in in conference.

Mr. BYRNS. That is true.

Mr. BLANTON. Can not the gentleman give us a separate vote on that matter?

Mr. BYRNS. There is only one way to do it, and that is to vote the conference report up or down.

Mr. BLANTON. I would like to vote against this additional $150,000, because they are going to spend and waste it and are liable to involve our Government in serious foreign complications. We ought to bring them home right now and keep them home for a while.

Mr. BYRNS. Let me make a statement, which is largely a repetition of what I have already said. We find ourselves in this position. Regardless of what my good friend may have felt as far as the conference is concerned, we

agreed to participate in it. Congress finally made an appropriation of $300,000 for that purpose. They spent many months there. They might have got along with fewer commissioners perhaps, but I do not know about that. The gentleman from Texas may be entirely correct.

But, at any rate, they expended the $300,000 and the conference adjourned. They are going to resume that conference. It was a question of making an additional appropriation or having the United States Government withdraw from the conference upon the ground that it either did not have the money or was not willing to spend the money. They need $13,000 from now until March 4. Not knowing, of course, what attitude the next administration is going to take, your committee felt it was only fair to give the next administration the sum of $137,000 so that it can participate or continue to participate in that conference if it desires to do so. If we do not do that, we step down and out, and I imagine that the conference will prove a failure and, of course, the world will say it was because the United States Government cut itself out of the conference, and by so doing possibly prevented some disarmament agreement. I am as much interested in economy and in the saving of money as anybody could possibly be, but I believe it is only the fair thing to do to give the incoming administration this sum of money and then permit the administration to exercise its judgment as to how it shall be expended or how much of it. That is the whole story.

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

Mr. BYRNS. Yes.

Mr. DYER. And they can expend it in any way they want to, can pay any kind of salaries they feel proper to pay, and Congress will have no control of it, and the Comptroller General will have no control of it. It seems to me that that is a bad way to do business.

Mr. BYRNS. The original sum of $300,000 was appropriated in the same manner that this is being appropriated. I am not speaking now as a Democrat but simply as a Member of the House when I say that in the light of what has occurred and the pledges of the next administration I feel quite sure that the next administration will be just as economical as it can be in the distribution of this fund. If there was no reason to put a limit on the fund of $300,000 a year ago, there is certainly no reason for putting a limit upon this fund now.

Mr. DYER. Was this a Budget estimate to the Senate?

Mr. BYRNS. Yes; it was.

Mr. McDUFFIE. Do the provisions of the economy act apply to this fund?

Mr. BYRNS. We have made it so.

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

Mr. BYRNS. Yes.

Mr. McFADDEN. I am not so much concerned about the amount of the appropriation or how it is going to be expended, but I am concerned that the United States is expending $150,000 for this very purpose. Some of us have been watching what this delegation has been doing at Geneva, and I am frank to say to the House, from my observation, that they have not accomplished anything except the further involvement of the United States in international affairs. I am concerned, secondly, in regard to this matter because the gentlemen who are directing this conference at Geneva and who propose to go into another huddle are now engaged in the work of the World Economic Conference, making up the agenda, which conference is to be held in London very shortly. There was sent to this House, at the same time this $150,000 appropriation came, an estimate for a like amount to cover the expenses of the world conference at London. As to this World Economic Conference at London, I am sincerely hoping this Congress will not bind itself, but by voting for this appropriation you are, because some of the same gentlemen are dealing with the preparation of the things that will be discussed at London. I am against this appropriation, further, for the fact—and I do not intend to speak for the Democrats—that this is binding an incoming administration to present policies of international entanglements and for that reason I think serious consideration should be given to the voting down of this conference report.

Mr. BYRNS. The gentleman is talking about water which has already passed over the dam. Congress last year by regularly authorized resolution decided that it would participate in this conference.

Mr. McFADDEN. Yes; but nothing has been accomplished.

Mr. BYRNS. And as the gentleman from Texas [Mr. BLANTON] has said, agreed that $450,000 might be expended for that purpose. That resolution was considered, it was discussed on the floor of the House, and after due consideration the House and the Senate adopted the resolution. It was signed by the President. In that resolution we agreed to participate in that conference, and $300,000 was appropriated for that purpose later on in the appropriation bill. We began the conference. If the House or the Congress wishes to withdraw, it has that right, but I think it ought to be done through a repeal of the authorizing resolution rather than by strangling the conference, so far as we are concerned, putting ourselves in the rather humiliating position of participating in a conference until it was practically finished and then suddenly stepping out. I do not know what the next administration will do, but I do think that it is only fair to give the next administration this $137,000 so that it will be in a position to act if it feels that anything can be accomplished.

Mr. McFADDEN. Mr. Speaker, will the gentleman yield to me for a further observation?

Mr. BYRNS. Yes.

Mr. McFADDEN. I say to the gentleman and to the House that for the past two weeks the gentlemen who are going to convene at Geneva under the authority of this appropriation, have been engaged in Geneva in the quarters of the League of Nations, in the preparation of this agenda which is to be discussed at the London conference. This is part of a movement by the League of Nations, of which the United States is not a part. The gentlemen who are going to represent the United States at this conference are internationalists, who believe in the United States joining the League of Nations and the World Court. This is all a step to that general development, which is soon to take place, if we continue to authorize conferences like this.

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

Mr. BYRNS. Yes.

Mr. PATMAN. I invite the attention of the gentleman to the fact that the international bankers in New York would like to see the countries of the world go back to the gold standard. Many of the countries of the world who are off the gold standard owe the United States a considerable sum of money. Now they are openly advocating that we cancel the war debts if those countries will agree to go back on the gold standard.

I invite your attention to an article that appeared in the New York Times of last Sunday. It reads:

The gold standard linked with war-debt issue. Our interest in Great Britain's return to stabilized pound is suggested as bargaining point with London. Money of 30 nations involved.

They want 30 nations to return to the gold standard if we will cancel the war debts amounting to $11,000,000,000.

World Economic Conference will deal with many problems in which welfare of the United States is concerned.

The article is written by one of the staff reporters for the New York Times. It concludes by saying:

In such a situation we would wish Britain to return to the gold standard. In the war-debt claim on Britain we have a good card to play.

In other words, they are saying: "Let us have this economic conference; let us send our representatives over there and let us tell those countries which are off the gold standard that if they will go back on the gold standard, although the United States and France own practically all the gold in the world, we will cancel the debts that those foreign countries owe us."

I think that should be considered in connection with this appropriation. We should not make this appropriation un-

less we have an understanding that the question of canceling the debts will not be considered in return for other countries going back on the gold standard.

Mr. BYRNS. This appropriation has absolutely nothing to do with the World Economic Conference. This relates to the Disarmament Conference which is held at Geneva. The World Economic Conference is a different conference, contemplated to be held in London, as I understand, and which is now dependent upon legislation that is pending before this House. If the House does not want a world conference, all it has to do is to vote down that resolution which authorizes it; but let us not confuse that with this appropriation. This appropriation relates to disarmament altogether and has nothing whatever to do with the matter to which the gentleman from Texas [Mr. PATMAN] refers.

Mr. BLANTON. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. BLANTON. Is it not a fact that the other day the President of the United States sent his messenger here, and in one hand he brought us the President's recommendation for this $150,000 and at the same time in the other hand his messenger brought us the President's recommendation for another $150,000 for the World Economic Conference? They are twin babies, if the gentleman pleases. They go hand in hand. They were brought here at the same time. They were hatched up in the White House at the same time, in the same brain. I quite agree with the gentleman from Pennsylvania [Mr. MCFADDEN] and the gentleman from Texas [Mr. PATMAN] that we ought to go slow on this matter, and I wish it were so that we could get a separate vote on this additional $150,000 and vote every bit of it down. Of course the only chance we have to vote now is to vote the conference report on the entire deficiency appropriation either up or down. We have no chance to vote on this separate matter, unless the gentleman from Tennessee gives us that chance.

Mr. DYER. The gentleman can ask unanimous consent to vote on that.

Mr. BLANTON. No; but I will call for a record vote on the conference report, which is our only way to express disapproval.

Mr. MCFADDEN. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. MCFADDEN. These conferences are linked. As I recall, the American representative at the disarmament conference is Norman H. Davis. Mr. Davis has been here for the past three weeks conferring with the President of the United States and the President elect. Mr. Davis and our ambassador to Germany, Mr. Sackett, comprise the committee who are sitting in with the world conference committee at Geneva in preparation of that agenda. They are linked. They can not be separated. This is a plan conceived by the League of Nations and the Bank of International Settlements under the dictation of Great Britain. I say we should not vote this appropriation at this time or permit any further entanglements in the international situation. The papers are full of what the League of Nations is being asked to do. Our ambassador in London, Mr. Mellon, only yesterday had a conference with Sir John Simon in regard to what the League of Nations should do and should not do in the present Japanese-Chinese situation. Shadows of war in the Far East are involving the League of Nations. The statement to-day of our State Department further involves us in the Far East, and here now we are asked by an appropriation to authorize further involvement. We should vote down this whole appropriation and give notice that from this time on we are not going to participate any further in these world entanglements, whatever conferences they may have.

Mr. BYRNS. I am sorry to disagree with the gentleman. I think the gentleman should have made that speech when the original resolution was here, authorizing this appropriation. I do not want any Member of the House to vote against this report or for it with the idea that it has any relation whatsoever to the World Economic Conference. This relates solely and alone to the disarmament conference and has nothing to do with the World Economic Conference, which, I understand, will come before the House later on in the way of legislation and not on an appropriation bill. At that time all the arguments which my good friends have made in opposition can be taken up.

Mr. FISH. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. FISH. I came in a little late. I want to see if I understand this. This appropriation is for the disarmament conference, as I understand. Is this to pay for the expenses of the delegates?

Mr. BYRNS. All additional expenses; yes.

Mr. FISH. I wish to bear out what the gentleman from Tennessee has so ably said to the House. Both of these matters came before the Committee on Foreign Affairs, and that committee conducted hearings, and the entire matter was discussed. The limitation of armaments conferences has nothing to do with the World Economic Conference. The invitation for the economic conference specifically excludes consideration of the war debts. The gentleman from Texas [Mr. PATMAN] ought to know that. But this is a separate matter.

Furthermore, I am sure that 99 per cent of the American people want us to attend this conference to see if we can not reach a further means of limiting armament, particularly naval armament, on a proper and safe basis, and I agree with the gentleman from Tennessee whole-heartedly on this matter.

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

Mr. BYRNS. I yield.

Mr. PATTERSON. Mr. Speaker, I feel there is a great deal of force in what the gentleman from Tennessee has said with regard to this matter. After both branches of the United States Congress passed the bill and the President signed it and we have participated in this disarmament conference, to withdraw from it at the last minute, I think, would create a bad impression. I do not believe we can afford to withdraw at this time, for to do so might open to question our sincerity toward armament reduction, and surely armament reduction is needed if it can be brought about reasonably and safely.

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

Mr. BYRNS. Briefly, not for a speech, but for an inquiry.

Mr. MCFADDEN. Mr. Speaker, regardless of what the gentleman from New York has said, and I recognize he is a member of the Committee on Foreign Affairs, I wish to say that war debts, disarmament, and the economic conference are all involved; and I again point to the fact that the gentlemen who are representing us on the disarment conference are the same gentlemen who are preparing the agenda for the economic conference in London. I call attention also to the fact that Great Britain and the other countries propose to discuss war debts at the coming economic conference to be held soon in London.

Mr. BYRNS. Mr. Speaker, I think we have had enough speeches on this subject. Let me make this brief statement now with reference to what this conference report carries.

The amount of the bill as it passed the House is $31,421,520.57.

The amount of the bill as it passed the Senate carried $31,761,535.72. In other words there was added by the Senate the sum of $340,015.15.

The bill as agreed upon carries $31,756,535.72.

The principal items added to the House bill are as follows: Senate expenses, $94,040; inaugural expenses, $35,000; disarmament conference, $150,000; judgments and authorized claims, $55,975.15; the amount of the Budget estimates was $44,138,764.14.

The bill is less than the Budget estimate in the sum of $12,382,228.42.

Mr. Speaker, if there are no further inquiries I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 92, noes 11.

Mr. BLANTON. Mr. Speaker, I object to the vote because there is no quorum present, and I make the point of order there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 291, nays 61, not voting 74, as follows:

[Roll No. 143]

YEAS—291

Adkins	Crowe	Jacobsen	Ramseyer
Aldrich	Crowther	Jeffers	Ramspeck
Allen	Culkin	Jenkins	Ransley
Almon	Cullen	Johnson, S. Dak.	Rayburn
Amlie	Darrow	Johnson, Tex.	Reed, N. Y.
Andresen	Davenport	Kading	Reilly
Andrew, Mass.	Davis, Pa.	Kahn	Rich
Andrews, N. Y.	Davis, Tenn.	Keller	Robinson
Arentz	Delaney	Kinzer	Rogers, Mass.
Arnold	De Priest	Kleberg	Rogers, N. H.
Auf der Heide	DeRouen	Kniffin	Romjue
Ayres	Dickinson	Knutson	Sabath
Bacharach	Dickstein	Kopp	Sanders, N. Y.
Bachmann	Dieterich	Kunz	Schafer
Bacon	Dominick	Kurtz	Schneider
Bankhead	Doughton	Kvale	Schuetz
Barbour	Douglas, Ariz.	LaGuardia	Seger
Barton	Douglass, Mass.	Lambeth	Seiberling
Beck	Driver	Lanham	Selvig
Beedy	Eaton, Colo.	Lankford, Ga.	Shallenberger
Biddle	Eaton, N. J.	Lankford, Va.	Shott
Bland	Englebright	Leavitt	Shreve
Bloom	Erk	Lehlbach	Sirovich
Boehne	Eslick	Lichtenwalner	Smith, Idaho
Bohn	Estep	Lindsay	Smith, Va.
Boileau	Evans, Calif.	Lonergan	Smith, W. Va.
Bolton	Evans, Mont.	Loofbourow	Snell
Bowman	Fernandez	Lovette	Snow
Boylan	Fiesinger	Lozier	Somers, N. Y.
Briggs	Fish	Luce	Spence
Britten	Fishburne	McClintock, Ohio	Stafford
Browning	Fitzpatrick	McCormack	Stalker
Brumm	Flood	McDuffie	Steagall
Brunner	Foss	McKeown	Stevenson
Buchanan	Frear	McMillan	Stokes
Bulwinkle	Free	McReynolds	Strong, Kans.
Burch	French	Maas	Strong, Pa.
Burdick	Fuller	Major	Stull
Burtness	Gambrill	Maloney	Sutphin
Busby	Gavagan	Mapes	Swanson
Byrns	Gibson	Martin, Mass.	Swick
Cable	Gifford	Martin, Oreg.	Swing
Campbell, Pa.	Gilbert	Mead	Taber
Canfield	Goldsborough	Michener	Taylor, Colo.
Cannon	Goss	Millard	Temple
Carden	Granfield	Milligan	Thatcher
Carter, Calif.	Greenwood	Mobley	Timberlake
Cartwright	Gregory	Montague	Treadway
Castellow	Griffin	Moore, Ky.	Turpin
Cavicchia	Guyer	Moore, Ohio	Underwood
Celler	Hadley	Murphy	Vinson, Ga.
Chindblom	Hall, Ill.	Nelson, Me.	Vinson, Ky.
Chiperfield	Hall, N. Dak.	Nelson, Mo.	Warren
Christgau	Hancock, N. Y.	Nelson, Wis.	Wason
Christopherson	Hardy	Niedringhaus	Weaver
Clague	Harlan	Nolan	Weeks
Clark, N. C.	Hart	Norton, N. J.	West
Clarke, N. Y.	Hartley	O'Connor	White
Cochran, Mo.	Hastings	Oliver, Ala.	Whitley
Cochran, Pa.	Haugen	Oliver, N. Y.	Whittington
Cole, Iowa	Hawley	Overton	Wigglesworth
Cole, Md.	Hess	Owen	Williams, Mo.
Collier	Hill, Ala.	Palmisano	Williams, Tex.
Collins	Hill, Wash.	Parker, N. Y.	Williamson
Colton	Hoch	Parsons	Wingo
Condon	Hogg, Ind.	Partridge	Wolcott
Connery	Hogg, W. Va.	Patterson	Wolfenden
Connolly	Holaday	Perkins	Wolverton
Cooper, Ohio	Hollister	Pou	Wood, Ind.
Cooper, Tenn.	Holmes	Prall	Woodruff
Cox	Hooper	Pratt, Harcourt J.	Woodrum
Coyle	Hope	Pratt, Ruth	Wright
Crosser	Huddleston	Rainey	

NAYS—61

Allgood	Drane	Howard	Miller
Baldrige	Dyer	Johnson, Mo.	Mitchell
Beam	Elizey	Johnson, Okla.	Montet
Black	Finley	Jones	Norton, Nebr.
Blanton	Fulmer	Ketcham	Parker, Ga.
Campbell, Iowa	Gasque	Lambertson	Parks
Chavez	Gilchrist	Lamneck	Patman
Crail	Glover	Larrabee	Pettengill
Cross	Green	Ludlow	Pittenger
Dies	Griswold	McClintic, Okla.	Polk
Dowell	Haines	McFadden	Ragon
Doxey	Hare	McGugin	Rankin
Sanders, Tex.	Swank	Taylor, Tenn.	Underhill
Sinclair	Sweeney	Thomason	Wood, Ga.
Sparks	Tarver	Tinkham	Yon
Summers, Wash.			

NOT VOTING—74

Abernethy	Freeman	Kelly, Pa.	Reid, Ill.
Boland	Fulbright	Kemp	Rudd
Brand, Ga.	Garber	Kennedy, Md.	Sandlin
Brand, Ohio	Gillen	Kennedy, N. Y.	Shannon
Buckbee	Golder	Kerr	Simmons
Carley	Goodwin	Larsen	Stewart
Carter, Wyo.	Hall, Miss.	Lea	Sullivan, N. Y.
Cary	Hancock, N. C.	Lewis	Sullivan, Pa.
Chapman	Hopkins	McLeod	Sumners, Tex.
Chase	Hornor	McSwain	Thurston
Clancy	Horr	Magrady	Tierney
Cooke	Houston, Del.	Manlove	Watson
Corning	Hull, Morton D.	Mansfield	Welch
Crump	Hull, William E.	May	Wilson
Curry	Igoe	Morehead	Withrow
Disney	James	Mouser	Wyant
Doutrich	Johnson, Ill.	Peavey	Yates
Drewry	Johnson, Wash.	Person	
Flannagan	Kelly, Ill.	Purnell	

So the conference report was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. Kerr with Mr. Wyant.
Mr. Boland with Mr. Reid of Illinois.
Mr. Lea with Mr. Doutrich.
Mr. McSwain with Mr. McLeod.
Mr. Carley with Mr. Kelly of Pennsylvania.
Mr. Moorehead with Mr. Buckbee.
Mr. Stewart with Mr. Carter of Wyoming.
Mr. Gillen with Mr. Purnell.
Mr. Wilson with Mr. Hopkins.
Mr. Abernethy with Mr. James.
Mr. Kelly of Illinois with Mr. Yates.
Mr. Brand of Georgia with Mr. Johnson of Washington.
Mr. Mansfield with Mr. Magrady.
Mr. Rudd with Mr. Clancy.
Mr. Flannagan with Mr. Manlove.
Mr. Lewis with Mr. Brand of Ohio.
Mr. Corning with Mr. Peavey.
Mr. Sullivan of New York with Mr. Curry.
Mr. Horner with Mr. Sullivan of Pennsylvania.
Mr. Tierney with Mr. Goodwin.
Mr. Sumners of Texas with Mr. Watson.
Mr. Hancock of North Carolina with Mr. Houston of Delaware.
Mr. Shannon with Mr. Withrow.
Mr. Kennedy of Maryland with Mr. Johnson of Illinois.
Mr. Cary with Mr. Thurston.
Mr. May with Mr. Mouser.
Mr. Chapman with Mr. Chase.
Mr. Larsen with Mr. Person.
Mr. Kemp with Mr. Freeman.
Mr. Crump with Mr. Cooke.
Mr. Kennedy of New York with Mr. Welch.
Mr. Sandlin with Mr. Morton D. Hull.
Mr. Igoe with Mr. Horr.
Mr. Hall of Mississippi with Mr. Golder.
Mr. Drewry with Mr. Garber.
Mr. Disney with Mr. William E. Hull.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

QUESTION OF PRIVILEGE

Mr. McFADDEN. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Pennsylvania rise?

Mr. McFADDEN. Mr. Speaker, I rise to a question of constitutional privilege.

The SPEAKER. The gentleman will state it.

Mr. CHINDBLOM. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CHINDBLOM. Mr. Speaker, I have a recollection that there are a number of privileges of the House which may not be exercised while a conference report is under consideration. I desire to submit the inquiry whether the consideration of the conference report may be interrupted by this proceeding.

The SPEAKER. The conference report has just been agreed to.

Mr. BYRNS. But there is an amendment pending.

Mr. CHINDBLOM. Consideration of the matters in the conference report has not been concluded because the conference report states that the conferees have not agreed upon one amendment, and consideration of that amendment is a part of the conference report.

The SPEAKER. The conference report has been agreed to, but the amendment in disagreement has not been acted

upon. It is the understanding of the Chair that a question of constitutional privilege may intervene between the agreement to the conference report and consideration of an amendment in disagreement. There is a hiatus there when the conference report has been agreed to and the House may go on, indefinitely, without considering the amendments in disagreement.

Mr. CHINDBLOM. May I suggest to the Chair that the amendment in question is included in the conference report to the extent that the conferees report to the House that they have been unable to agree or have not agreed upon the amendment. Of course, it comes up as a part of the conference report. If it is not a part of the conference report, I respectfully submit to the Chair it has no privilege whatever and may not be called up at all except under a special rule or until reached on the calendar.

The SPEAKER. The Chair is inclined to think that the philosophy of the rule would be that the conference report having been disposed of, the other question with respect to completing the consideration of the report may be delayed a day or two days if the House is disposed to do so and, in the meantime, a question of constitutional privilege can intervene.

Mr. CHINDBLOM. May I add the further suggestion to the Chair that that might well be so if the gentleman in charge of the conference report waived his right?

Mr. BYRNS. Of course I do not do that.

The SPEAKER. Let the Chair call the attention of the gentleman from Illinois to the rule with respect to questions of privilege:

> Questions of privilege shall be, first, those affecting the rights of the House collectively, its safety, dignity, and the integrity of its proceedings; second, the rights, reputation, and conduct of Members individually, in their Representative capacity only, and shall have precedence of all other questions, except motions to adjourn.

It seems to the Chair this language is clear and that a question of constitutional privilege is undoubtedly in order at any time and only a motion to adjourn could interfere with it.

Mr. BYRNS. Mr. Speaker, in view of the ruling of the Chair, I would like to make this appeal to the gentleman from Pennsylvania [Mr. MCFADDEN].

This conference report has to go back to the Senate for approval. The report carries with it $625,000 for the relief of the unemployed and the suffering here in the District of Columbia. I do not know how long it will take to dispose of this single amendment, but, of course, it will not take more than one hour at the outside. I wonder if the gentleman from Pennsylvania will not withhold his question of privilege until we get through with this amendment and dispose of it and send it back to the Senate in order that the Senate may act upon it.

Mr. McFADDEN. Mr. Speaker, I will be very pleased to withhold the matter.

FIRST DEFICIENCY BILL

The SPEAKER. The Clerk will report the amendment in disagreement.

The Clerk read as follows:

> Amendment No. 12: Page 13, line 8, after the word "each," insert "*Provided*, That no refund or credit of any income or profits, estate, or gift tax in excess of $5,000 shall be made after the enactment of this act until a report thereof giving the name of the person, corporation, or partnership to whom the refund or credit is to be made, the amount of such refund or credit, and all the facts and papers in connection therewith are submitted by the Commissioner of Internal Revenue to the Joint Committee on Internal Revenue Taxation and action thereon taken by said committee. The said committee or its duly authorized staff shall have full access to all the papers and shall examine into and pass upon the case de novo, and no refund or credit shall be made until the Joint Committee on Internal Revenue Taxation or its duly authorized staff shall have so passed on such refund, fixed the amount thereof, and made its report to the Commissioner of Internal Revenue; and no refund shall be made without the approval of said committee or its duly authorized staff."

Mr. BYRNS. Mr. Speaker, I move that the House recede from amendment No. 12 and concur with the following amendment.

The Clerk read as follows:

> Mr. BYRNS moves that the House recede from its disagreement to Senate amendment No. 12 and agree to the same with the following amendment: In lieu of the matter inserted by such amendment insert "*Provided*, That no refund or credit of any income or profits, estate, or gift tax in excess of $20,000 shall be made after the enactment of this act until a report thereof giving the name of the individual, trust, estate, partnership, company, or corporation to whom the refund or credit is to be made, the amount of such refund or credit, and the facts in connection therewith are submitted by the Commissioner of Internal Revenue to the Joint Committee on Internal Revenue Taxation and action thereon taken by said committee. The said committee or its duly authorized staff shall have full access to all the papers and shall examine into and pass upon the case, and no refund or credit in excess of $20,000 shall be made until the Joint Committee on Internal Revenue Taxation shall have so passed on such refund or credit, fixed the amount thereof, and made its report to the Commissioner of Internal Revenue; and no refund or credit in excess of $20,000 shall be made without the approval of said committee. This proviso shall not apply to refunds or credits made pursuant to a judgment of a court having jurisdiction over the subject matter, or a decision of the United States Board of Tax Appeals, which has become final."

Mr. BYRNS. Mr. Speaker, I do not know whether there is going to be any serious opposition to this amendment or not. I presume my good friend from Indiana is against it because he opposed it in the conference committee. I wonder if the gentleman wants any time?

Mr. WOOD of Indiana. I would like to have an hour. How much time will the gentleman give me?

Mr. BYRNS. I have an hour and I am entirely willing to yield half of that time to the gentleman from Indiana to be used by him or to be yielded to those in opposition.

Mr. WOOD of Indiana. This is a question of such importance that I think more than an hour might well be taken. Quite a number of Members on this side desire to speak. I think I am entitled to an hour.

Mr. BYRNS. The gentleman is if I do not move the previous question.

Mr. WOOD of Indiana. I hope the gentleman will not invoke that.

Mr. BYRNS. I do not intend to be unreasonable. Suppose we extend the time to an hour and a half, one-half to be controlled by the gentleman from Indiana and one-half by myself, and at the end of that time the previous question to be considered as ordered?

Mr. WOOD of Indiana. That would be satisfactory to me.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that debate on the proposed amendment and all amendments thereto close in one hour and a half, one-half of the time to be controlled by the gentleman from Indiana and one-half by myself, and at the end of that time the previous question to be considered as ordered.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that debate on this amendment and all amendments thereto close in one hour and a half, one-half of the time to be controlled by the gentleman from Indiana and one-half by himself, and at the end of that time the previous question shall be considered as ordered. Is there objection?

There was no objection.

Mr. BYRNS. Mr. Speaker, the Senate adopted an amendment to the deficiency bill, which appears on page 13, line 8, known as the McKellar amendment, relating to tax refunds.

The amendment adopted by the Senate provides that in all cases where it was proposed to refund to the amount of $5,000 or more the cases should be sent to the Joint Committee on Revenue Taxation, composed of Senators and Representatives, for consideration by that committee and its official staff; that that committee should consider the cases de novo; and that the refunds should not be made unless they were approved in specific sums by that committee.

You gentlemen, of course, are familiar with the fact that under the present law only those refunds amounting to $75,000 and over are sent to that committee.

Mr. BRIGGS. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. BRIGGS. Then the only effect of this Senate amendment was to reduce the amount they are required to pass upon from $75,000 to $5,000?

Mr. BYRNS. That is one thing; but it involves much more than that. It not only involved reducing the amount from $75,000 to $5,000 but it went farther. It provided that the cases should be considered de novo.

We are all familiar with what that means. It means that the committee would be required to investigate these cases from the beginning, and in effect set up a second internal-revenue bureau here on the Hill and impose on this committee the necessity in every case of sending some auditor to the concern or the individual who is seeking the refund, to look over his books and investigate it from the beginning.

It also provided that all of the papers should be sent up here to this committee. Your committee had an extended conference with the Senate conference committee. We were told, as we all know, that this matter was under discussion in the Senate for the greater part of three days, I think, and we were reminded of the fact that two-thirds of the Senate had approved the amendment as it was adopted and as it appeared in this bill. It was insisted, therefore, that since two-thirds of the Senate had expressed its support of the amendment on a roll call, of course, the House should yield.

Personally I believe there ought to be a change of some kind in existing law. I don't believe that a taxpayer should be subjected altogether to the decision of some income-tax inspector who is appointed by reason of his civil-service status, rather than because of his experience and knowledge of business in general. While that is not involved in this amendment, I think one of the greatest injustices that sometimes occur from the present form of the law is that business concerns frequently find themselves confronted with what is known as jeopardy assessments, that is, an assessment which is imposed and which is registered in the office of the county register, upon the theory that the taxpayer is disposing of his property for the purpose of evading his tax. I think we ought to safeguard not only the Government but the taxpayer also. As I say, that is not involved in this amendment.

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

Mr. BYRNS. Yes.

Mr. BRIGGS. The gentleman spoke of setting up another income-tax bureau on Capitol Hill. Why could not the facilities of the Board of Tax Appeals be utilized for these matters just as they are utilized in so many other matters involving this very question between the taxpayer and the Government?

Mr. BYRNS. Of course that is the contention made by those who are opposed to this amendment. I am not altogether in accord with the gentleman as indicated by his question. I think the committee of Congress should be given some authority, and I did not want to be understood as saying that I am opposed to the adoption of the amendment as proposed in the amendment which I have sent to the Clerk's desk. I see no reason in the world why this Joint Committee on Revenue Taxation should not be provided with a proper staff to enable it to look into these tax refunds before they are paid.

There has been a great deal said on this floor and in the newspapers about the manner in which these taxes have been refunded. I am not here to express any opinion one way or the other with reference to the charges that we have heard made, not only on the floor of Congress but have frequently seen in the newspapers; but I do say that there is a feeling in the country, which I think is entirely justified, that there ought to be a little more scrutiny given to claims for the refund of taxes.

Mr. BRIGGS. I agree with the gentleman thoroughly.

Mr. BYRNS. And that is indicated by the fact that up to this time something like $4,000,000,000 of taxes which have been collected and paid into the Treasury have been returned to the taxpayers upon their application for a refund, and Congress has had no voice in the question of the return.

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

Mr. BYRNS. Yes.

Mr. BRITTEN. The gentleman a few moments ago indicated that the original Senate amendment would set up in the Capitol another tax examining unit. Does not the gentleman's amendment do the very same thing, except in a slightly less degree? I personally have every confidence in the various boards now acting for the Commissioner of the Internal Revenue Department.

Mr. BYRNS. I think not.

Mr. BRITTEN. When you start examining refunds in excess of $20,000, you will have to treble, probably increase tenfold, the number of clerks and accountants that are now attached to this congressional auditing unit, as I see it, and if I am incorrect, I would like to have the gentleman inform me.

Mr. BYRNS. I think the gentleman is entirely incorrect. My statement as to a second internal revenue bureau was based on the language which was employed in the Senate amendment, which required this joint committee to investigate these cases de novo. This amendment which I propose, and which I may say has been agreed to by the Senate conferees, although some of the House conferees are not in favor of it, strikes out the words "de novo" and provides that the Internal Revenue Commissioner shall send to the joint committee all the facts, including the name of the taxpayer applicant, his address, and everything upon which his bureau acted in ordering the refund, and also give full access to all papers connected with the case. In the Senate amendment it was provided that all those papers should be sent up here to the Capitol, and the gentleman can understand that in some of these cases the papers would fill a bookcase and sometimes several bookcases.

Of course, we thought it would be much better to make them accessible down there in the Treasury Department for the official staff of this committee to look over rather than to have them carted up here, especially when we were told that no Internal Revenue Commissioner would consent to those papers leaving his bureau without retaining a certified copy of every paper which was sent to the Capitol. That is one change that is made. I am told that even had the amendment passed with the limit as low as $5,000 it would have required only 30 additional employees. It will require much less under the proposed amendment.

Mr. BRITTEN. I am not thinking so much of the language as I am of the amount that is specified. Of course, for a joint congressional committee to investigate every refund in excess of $5,000—and they would run up into the hundreds of thousands—would be ridiculous. It would require a force on Capitol Hill covering 500 or 600 clerks and accountants in all probability. It will positively delay settlements of pending claims, and in so doing cost the Treasury a lot of additional interest. That apparently is unimportant, but the taxpayer must wait until this political committee on Capitol Hill has satisfied itself concerning his refund.

It would be necessary to establish a super internal revenue department on Capitol Hill. But I was thinking of the amount. The amount, as carried in the gentleman's amendment, is increased from $5,000 to $20,000. I do not know how many thousand cases this amount is likely to promote before the joint congressional committee, but it is certain that a large number of accountants will have to be attached to this congressional committee at all times. There would have to be provided office room for them, such as we do not have now. It will undoubtedly require a hundred or more expert accountants to care for the claims over $20,000, and at a time when we should be thinking along lines of retrenchment rather than expansion of the Federal inquisitorial units.

Mr. BYRNS. Let me say this, which is a repetition of what I said a while ago, that there is a feeling throughout this country, whether justified or not, that many of these refund cases have not been given that consideration which ought to have been given to them before the money of the people was taken out of the Treasury and returned to the

claimant. They feel, and I think properly so, that in many of these cases there ought to have been a closer investigation made, and that the matter should not have been left to the decision of perhaps one individual. In the case of one great concern there were $90,000,000 of taxes returned to the taxpayer.

I think there ought to be set up some machinery which would enable the people of this country to know that more consideration is being given. Just think what a fine thing it would be if the Government had that $4,000,000,000 which has been refunded in the past few years.

Mr. TREADWAY. Will the gentleman yield for a question relating to the $4,000,000,000?

Mr. BYRNS. Yes; certainly.

Mr. TREADWAY. Is not the greater part of that $4,000,000,000 abatement the result of a certain amount of estate taxes being relevied in the States where the decedent died? In other words, the $4,000,000,000, as I understand it, involves the entire assessment against the estate, levied by the Federal Government, without consideration of the abatement that goes to the States under the 80 per cent clause of the law.

Mr. BYRNS. Well, the gentleman is a member of that committee and, of course, has more information on the subject than I have.

Mr. TREADWAY. Well, is that not correct?

Mr. BYRNS. My impression is that the gentleman is mistaken.

Mr. TREADWAY. I think I am absolutely right.

Mr. BYRNS. The most of the $4,000,000,000 represents money that has been paid in, in the form of income taxes, and then a claim has been set up by persons paying it in a year or perhaps five years, as in a number of cases, for a refund. Then after a certain investigation the refund is made, without any opportunity for Congress or any other person representing the people to have a voice in the question as to whether it should be done. That is all this amendment contemplates. There is nothing else contemplated by this amendment than that. Whenever a sum equal to $20,000 is found by the bureau to be due a taxpayer in the way of a refund, then that claim, with full notice and all the facts, should be sent to Congress, and the Congress through its regularly organized committee and its auditors should have an opportunity to look into it. And why not? We are the representatives of the people. In the last 10 years I have often thought we were the only representatives of the people who seemed interested in the Treasury of the United States. I think the people certainly would feel better and they certainly would have better protection if an amendment of this kind were adopted.

Mr. TAYLOR of Tennessee. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. TAYLOR of Tennessee. Has the gentleman any information as to just how many instances the joint committee has reversed the Internal Revenue Department under the existing law?

Mr. BYRNS. We had that information, but I do not seem to have it just now.

Mr. TAYLOR of Tennessee. I would like to have that information and also the amount.

Mr. BYRNS. They claim to have saved something over a million dollars, I am informed.

If this amendment is adopted to apply to refunds of over $20,000 there are only about 600 cases to which it will apply. There will not be exceeding 30 additional auditors required in order to go over these additional cases. It does seem to me, where millions are involved, we ought not to quibble over the fact that a few additional employees will be necessary in order to see that the Government is treated fairly in the refunding of income taxes.

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

Mr. WOOD of Indiana. Mr. Speaker, I was opposed to the amendment known as the McKellar amendment added to this bill in the Senate. I am equally opposed to the proposal made by the gentleman from Tennessee [Mr. BYRNS] as a substitute. As far as injury is concerned, it occurs to me that it is not remedied by the proposal of the gentleman from Tennessee [Mr. BYRNS]. The original Senate amendment, the McKellar amendment, provided that an examination could be made de novo; that this committee, or its staff, might go clear back to the beginning of things, go back and examine the books of the taxpayer. They can do it yet under the proposed amendment, for under the proposal of the gentleman from Tennessee it is provided that these investigators shall have charge of and access to all papers. The foundation upon which tax returns are made is the books of the taxpayer, so that they can go back there again. It sets up a new and independent department of the Internal Revenue Department. If it is going to become a law, we should abolish the Internal Revenue Department as now constituted, in order to save expense, in order to save all sorts of quarrels and trouble, for the auditors up here will be in constant conflict with the gentlemen down there. If the amendment offered by the gentleman from Tennessee [Mr. BYRNS] is defeated, I propose to offer something in its place, for the reason that this matter is of vital importance, not only to the Government but to the taxpayers. It is of such importance that the fullest consideration should be given it before any change in the existing plan is adopted. It is a matter that the Committee on Ways and Means, which is familiar with this question of taxation and the collection and refunding of internal revenue taxes, should have jurisdiction over, and no doubt that committee has given this very question very much attention already. For us to adopt this, without any consideration, without any hearing, without any light upon the subject at all other than you are getting to-day is unwise. It is absolutely impossible to enlighten this body in the short time that is given for the consideration of this matter. I say it is a crime not only against the Government but against every taxpayer in the Nation who has to do with the Internal Revenue Department.

If this proposal is defeated, I propose to offer an amendment, the substance of which is to authorize the joint committee now existing upon internal revenue taxes to make a study of this thing, to adopt a plan, if a new plan be needed, and to report to the Congress within 30 days after the convening of the next session of Congress.

Now, if my plan is adopted, I dare say if there are defects, if there are existing evils, they will be corrected after the evidence is heard and upon mature judgment.

My great objection to this bill is that it trespasses upon the executive branch of the Government. Our fathers, in their wisdom, provided three branches of the Government—the legislative, the executive, and the judicial. For a hundred years one of them was not permitted to encroach upon the other. I will admit that in these lax times encroachments have been made, but if the Constitution is to endure, if the fundamental principles of government laid down in that Constitution are to be preserved, it is pretty near time we drew the line against the trespassing of one branch of the Government upon the others.

Why do I say it is trespassing upon the executive department? It provides that the amount of refund shall be fixed by this committee. It delegates to the legislative body an executive function. In passing a criminal law we might as well say that the Congress, through its agency, shall enforce it, although it is purely an executive matter. We might as well say of every civil law we pass that Congress shall have the enforcement of the law. It is doing away with, if you please, not only the executive department, but encroaching upon the judicial department as well.

During the administration of Mr. Wilson the very identical question arose in the first session after the Republicans gained control of this body. I was in charge of the legislative, executive, and judicial appropriation bill at that time. When the bill went over to the Senate a proposal was submitted by a Senator providing that the Joint Committee on Printing should have absolute authority to say what should and what should not be printed by the executive depart-

ments. Mr. Wilson vetoed it. I desire your indulgence for a few minutes to call your attention to the reasons upon which he based his veto.

The veto message reads as follows:

To the House of Representatives:

I am returning without my signature H. R. 12610, "An act making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1921, and for other purposes."

I object to and can not approve section 8 of the bill, which amends section 11 of the act approved March 1, 1919, as follows:

"SEC. 8. That section 11 of the act entitled 'An act making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1920, and for other purposes,' is hereby amended by striking out the first proviso and inserting the following in lieu thereof:

"'*Provided*, That hereafter no journal, magazine, periodical, or similar Government publication shall be printed, issued, or discontinued by any branch or officer of the Government service unless the same shall have been authorized under such regulations as shall be prescribed by the Joint Committee on Printing, and such publications shall not contain any commercial advertisements: *Provided further*, That the foregoing provisions of this section shall also apply to mimeographing, multigraphing, and other processes used for the duplication of typewritten and printed matter, other than official correspondence and office records.'"

That section provides that no journal, magazine, periodical, or similar Government publication shall be printed, issued, or discontinued by any branch or officer of the Government service unless authorized under regulations prescribed by the congressional Joint Committee on Printing, and, furthermore, prohibits mimeographing, multigraphing, and other processes used for the duplication of typewritten and printed matter other than official correspondence and office records, unless authorized under such regulations of the congressional Joint Committee on Printing. Aside from the control over the printing, issuing, or discontinuing of periodicals or similar Government publications by the congressional Joint Committee on Printing, the obvious effect of this provision would be to give to that committee power to prevent the executive departments from mimeographing, multigraphing, or otherwise duplicating any material which they desire, and, in that way, power to determine what information shall be given to the people of the country by the executive departments. The committee apparently would have power, for example, to prevent even the making of carbon copies of anything other than official correspondence and office records. Without raising any constitutional question, I think that this section, which would give the congressional Joint Committee on Printing power to exercise censorship over the executive departments, is an encroachment on the functions of the Executive and incompatible with good government. I am in entire sympathy with the efforts of the Congress and the departments to effect economies in printing and in the use of paper and supplies, but I do not believe that such a provision as this should become law. I should also call attention to the fact that by its terms the section in question absolutely forbids mimeographing, multigraphing, and other duplicating processes in the executive departments (except as permitted by regulations established by the congressional Joint Committee on Printing), and thus imposes a flat prohibition against the exercise of executive functions.

If we are to have efficient and economical business administration of Government affairs, the Congress, I believe, should direct its efforts to the control of public moneys along broader lines, fixing the amounts to be expended, and then holding the executive departments strictly responsible for their use. This can be accomplished by the enactment of legislation establishing an effective budget system which I have heretofore urged. The Congress and the Executive should function within their respective spheres. Otherwise, efficient and responsible management will be impossible and progress impeded by wasteful forces of disorganization and obstruction. The Congress has the power and the right to grant or deny an appropriation, or to enact or refuse to enact a law; but once an appropriation is made or a law is passed, the appropriation should be administered or the law executed by the executive branch of the Government. In no other way can the Government be efficiently managed and responsibility definitely fixed. The Congress has the right to confer upon its committees full authority for purposes of investigation and the accumulation of information for its guidance, but I do not concede the right, and certainly not the wisdom, of the Congress endowing a committee of either House or a joint committee of both Houses with power to prescribe "regulations" under which executive departments may operate. Under section 8 of the bill, responsibility can not be definitely placed upon either the executive departments or the Joint Committee on Printing. It falls between them.

I regard the provision in question as an invasion of the province of the Executive and calculated to result in unwarranted interferences in the processes of good government, producing confusion, irritation, and distrust. The proposal assumes significance as an outstanding illustration of a growing tendency which I am sure is not fully realized by the Congress itself and certainly not by the people of the country. For that reason I am taking the liberty of pointing out a few examples of an increasing disposition, as expressed in existing laws and in pending legislative proposals, to restrict the executive departments in the exercise of purely administrative functions.

I do not care to discuss here the powers which previously have been conferred upon the congressional Joint Committee on Printing, as they have passed into law, but I do feel that it is proper to point to a few specific examples of the administrative authority exercised by the committee under existing law in order to indicate the incongruity and inconsistency that already exist and which would be accentuated and aggravated if section 8 of the bill under consideration were enacted into law. In this connection, I invite the attention of the Congress to a letter from the chairman of the Joint Committee on Printing to the Public Printer, under date of March 19, 1920, replying to a request from the latter for a ruling by the committee as to the application to certain printing of section 89 of the printing act of 1895, restricting the printing of reports, publications, and documents to 1,000 copies each. In the communication mentioned the Public Printer is "directed" to apply that section of the law in accordance with the "opinion" rendered by the chairman of the Joint Committee on Printing. To my mind, the opinion mentioned is nothing more or less than a direction to an executive officer in the performance of executive duties. The printing laws may give the congressional Joint Committee on Printing authority to make interpretations of the law, but if they do, I think it is a most unwise procedure and that the statute should be revised.

Another example of the exercise of administrative authority by the Joint Committee on Printing is to be found in a resolution adopted by that committee on April 2, 1920, prohibiting any person connected with any department of the Government from furnishing any publication for free distribution to any private individual, corporation, or agency, in lots to exceed 50 copies, "without first making application to the Joint Committee on Printing." The resolution reads as follows:

"*Resolved by the Joint Committee on Printing, under authority of section 11 of Public Act No. 314, Sixty-fifth Congress*, That no person connected with any department of the Government shall furnish any publication for free distribution to any private individual, corporation, or agency, in lots to exceed 50 copies, without first making application to the Joint Committee on Printing, giving the name of the person or agency desiring the same, the name of the publication, and the number of copies desired: *Provided*, That this regulation shall not apply to publications which are sold at a price to cover the cost of same: *Provided further*, That the clerk of the Joint Committee on Printing be instructed to furnish to each department of the Government and to the Public Printer a copy of this resolution with a request that the receipt of same be duly acknowledged."

I also invite attention to the creation by law of what is known as the Public Buildings Commission, consisting of two Senators, two Representatives, the Superintendent of the Capitol Buildings and Grounds, the officer in charge of public buildings and grounds, and the Supervising Architect or Acting Supervising Architect of the Treasury.

That commission, by law, is given—

"absolute control of and the allotment of all space in the several public buildings owned, or buildings leased by the United States in the District of Columbia, with the exception of the Executive Mansion and Office of the President, Capitol Building, the Senate and House Office Buildings, the Capitol power plant, the buildings under the jurisdiction of the Regent of the Smithsonian Institution, and the Congressional Library Building."

The commission possesses the absolute power to order the several executive departments and independent establishments out of any of the buildings which they occupy, and, as a matter of fact, has directed various branches of the public service to vacate or to occupy specified space. It is organized and operates as a congressional commission and appears in the Congressional Directory under the heading "Congressional Commissions and Joint Committees." The Senators serving upon it are appointed by the President of the Senate, the Representatives serving upon it are appointed by the Speaker of the House, while the other officials composing the commission are specifically named in the law. Its work, nevertheless, so far as it involves the allotting of space for administrative services and of ordering executive departments to move units into or out of Government owned or leased buildings, is distinctly executive in character.

My attention has been drawn to a pending legislative proposal of a similar character which I mention in this connection simply as a further illustration. When the bill which I am returning was under consideration in the Senate, an amendment was agreed to by the Senate, transferring the Bureau of Efficiency from the jurisdiction of the President to the jurisdiction of the Congress. That amendment was eliminated in conference but has reappeared in slightly changed form as a Senate amendment to the pending bill designed to establish a national budget system.

It is proposed to give that bureau more sweeping power of investigation than is usually conferred upon the committees of the Congress itself. It would function not as a committee of the Congress but as a bureau of the Congress, if such is permissible, with an officer of the Congress at its head. I do not here discuss the proposal in detail further than to cite it as another illustration of the tendency to which I invite attention.

In considering bills containing the provisions mentioned above, I was willing to overlook the objectionable features for the time being with the thought that they were designed as exceptional and temporary measures to meet unusual conditions. To permit such expedients to serve as precedents or accepted rules for legislation would, in my judgment, be most unfortunate and destructive of proper principles for the orderly and efficient management

of the Government's business. I feel very strongly that the authority carried in section 8 of the bill herewith returned should not be conferred upon a legislative committee and that the entire section should be stricken from the measure.

WOODROW WILSON.

THE WHITE HOUSE, *May 13, 1920.*

What does this amendment propose? It proposes, if you please, that an executive department, the Treasury Department, whose business it is to fix the amounts of these recoveries shall no longer perform that function, but that this committee shall perform that function in its stead. Therefore, I say that it is completely at variance with the Constitution. It is completely in opposition, and in direct opposition, to the provision of the Constitution which provides that neither of these branches of Government shall encroach upon the others.

This question has been before the Supreme Court a number of times. It was decided very lately by the Supreme Court in the case of Springer *v.* The Philippine Islands (277 U. S. 189). This is a case where the Philippine government was running a bank and also owned stock in a coal company. They delegated the authority to vote the stock in their concessions to a committee. Objection was raised and it was tried in the Federal court and held to be unconstitutional. The case came to the Supreme Court of the United States, and this court affirmed the lower court and held that they could not delegate any such power, that it was purely an executive function and that the legislature could not perform executive acts. I desire to call to your attention a portion of the syllabus:

5. Legislative power, as distinguished from executive power, is the authority to make laws, but not to enforce them or to appoint the agents charged with the duty of enforcing them. The latter are executive functions.

6. Not having the power of appointment, unless expressly granted or incidental to its powers, the legislature can not engraft executive duties upon a legislative office, since that would be to usurp the power of appointment by indirection.

7. The appointment of managers (in this instance corporate directors) of property or a business in which the government is interested, is essentially an executive act, which the legislature is without capacity to perform, directly or through its members.

8. Whether or not the members of the "board" or "committee" are public officers in the strict sense they are at least public agents charged with executive functions and therefore beyond the appointing power of the legislature.

The court in passing upon this question said:

It may be stated then, as a general rule inherent in the American constitutional system, that, unless otherwise expressly provided or incidental to the powers conferred, the legislature can not exercise either executive or judicial power; the executive can not exercise either legislative or judicial power; the judiciary can not exercise either executive or legislative power. The existence in the various constitutions of occasional provisions expressly giving to one of the departments powers which by their nature otherwise would fall within the general scope of the authority of another department emphasizes, rather than casts doubt upon, the generally inviolate character of this basic rule.

Legislative power, as distinguished from executive power, is the authority to make laws, but not to enforce them or appoint the agents charged with the duty of such enforcement. The latter are executive functions. It is unnecessary to enlarge further upon the general subject, since it has so recently received the full consideration of this court. (Myers *v.* United States, 272 U. S. 52.)

So, Mr. Speaker, I wish to impress upon the House that the principle involved in the motion now before us is a vital proposition transcending, if you please, away beyond the importance of the amendment itself.

Now, if we have no means whereby the Government can be protected in regard to these refunds, legislation can be had, and it should came in the regular way; it should not come upon an appropriation bill, where there is no time for consideration and where there is no time to delve into the facts.

I appeal to you for the protection of the Constitution of the United States, which provides that there shall be these three distinct branches of the Government, each independent of the other, that we should not take from one and add to the other. To do so is to violate the Constitution. It will involve lawsuits; it will go to the Supreme Court, no doubt, if it should receive the sanction of the President of the United States, and I dare say, while having no authority to speak his mind, that the President of the United States, in protecting the Constitution he is sworn to support, can not help but veto this bill that so palpably encroaches upon the executive branch of the Government, as this proposal does.

Now, as to its merits or demerits. It means delay, and delay upon delay. It means, if you please, confusion confounded.

It will take an army of additional employees; it will take an army of auditors; it will take an army of investigators; it will take an army of clerks to make this effective should it become law. So I say in our deliberations, gentlemen, let us devise a plan, if there is not one sufficient now, to protect the Government and the taxpayers of the country, and do it in an orderly way and not in violation of the Constitution.

Mr. Speaker, I yield back the remainder of my time.

Mr. BYRNS. Mr. Speaker, I yield five minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Speaker, after the explanation that the gentleman from Indiana [Mr. WOOD] has made relative to the unconstitutionality of this provision and the convincing argument he has made, it does not seem to me that we need go into this matter very much more in detail.

I want particularly, however, to call the attention of the House to the question of $4,000,000,000 in refunds. As I understand it, that amount is made up of two items, one consisting of abatements or mere bookkeeping adjustments, and the other consisting of refunds and credits which, of course, do affect Treasury outgo or receipts. However, refunds are constantly diminishing since the department has practically finished auditing the returns covering that most complicated tax, known as the excess-profits tax.

The first item, as I tried to point out to the gentleman from Tennessee, includes abatements that are made as a result of the 80 per cent credit clause in the Federal estate tax law. Where State inheritance taxes are paid, they must be credited against the Federal estate tax computed at Federal rates up to the full amount paid, provided it does not exceed 80 per cent of the tax computed at Federal rates. In other words, it is a mere matter of dividing the total levy between the Federal Government and the State governments. It is a matter of bookkeeping. There is not $4,000,000,000 involved in any particular whatsoever, and I want to reassert that the question of this readjustment between the States and the Federal Government brings about the figures that the gentleman from Tennessee referred to.

Mr. O'CONNOR. Will the gentleman yield?

Mr. TREADWAY. I have not much time left, but I will yield.

Mr. O'CONNOR. It is my recollection that at least $2,000,000,000 of the $4,000,000,000 is cash returned. The other is abatement or credit, but $2,000,000,000 is a sufficiently large amount.

Mr. TREADWAY. Two billion dollars is returned for the very reason that I am giving. The gentleman is only confirming what I am saying.

Now, as to the direct application of this so-called amendment to the conference report. Let us see where this report stops. If one reads the record of the Senate debate on this question, it is perfectly apparent that to a very large degree it is aimed at one large estate, the estate of the father of a governmental official who seems to get under the hide of some of our political opponents.

In addition to this the matter was not given serious attention in the Senate. The Senator who proposed it is not a member of the Finance Committee. He proposed various alternatives—that they should go to the Board of Tax Appeals, and that the amount should be $5,000 instead of $75,000—almost anything to get something to stick into this bill.

Let this matter be given careful consideration by the Committee on Finance and see where you will get. I always find that many of these amendments offered on the floor, with all due respect to my colleagues in the House, have not had

the careful and serious consideration that the subject deserves. That is where this amendment sprang from, the question of $20,000 instead of $5,000.

When the gentleman from Tennessee [Mr. BYRNS] proposes this unconstitutional provision whereby our committee will themselves set the amounts of the refunds, have we not pretty nearly got to begin a de novo proceeding and require a tremendous lot of investigation in order to be able to reach a conclusion which we can justify?

I submit that question to the gentleman from Tennessee.

The committee's technical staff has done good work under the present provision, which requires a review of refunds of over $75,000. In addition to that, my friends, this provision was not in the original law setting up the Joint Committee on Internal Revenue Taxation; it was a further function added to the work originally assigned to the committee under the revenue act of 1926. It came about subsequently through an amendment to an appropriation bill. Do not overcome a good job by adopting a slovenly amendment now that will spoil the whole provision in the present law.

Mr. WOOD of Indiana. Mr. Speaker, I offer a substitute motion for the motion of the gentleman from Tennessee, which I ask to have reported at this time.

Mr. CHINDBLOM. Mr. Speaker, for information I may say that when the Speaker put the question as to the unanimous-consent request made by the gentleman from Tennessee, he put it in substantially the following form: "That there be one hour and a half of debate upon the motion and amendments thereto and that at the end of the one hour and a half the previous question shall be considered as ordered."

Mr. BYRNS. Mr. Speaker, I should like to hear the amendment.

The SPEAKER pro tempore (Mr. BOEHNE). The Clerk will report the substitute motion.

The Clerk read as follows:

Mr. WOOD of Indiana moves that the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with the following amendment:

"In lieu of the matter inserted by such amendment insert: *Provided*, That the Joint Committee on Internal Revenue Taxation immediately upon the enactment of this act shall proceed with an investigation and study of the methods and procedure of the Bureau of Internal Revenue in respect of the abatement, credit and/or refund of any income, war profits, excess profits, estate or gift taxes for the purpose of determining the adequacy of such methods and procedure under existing laws and regulations for the proper protection of the interests of the Government of the United States and the expeditious and just consideration and settlement of claims and other questions involving the rights of taxpayers. The Joint Committee shall report to Congress within 30 days after the date of the convening of the next session their conclusions resulting from such investigation and study, and such recommendations for legislation in connection therewith as they may deem essential. The authority herein conferred, if the Joint Committee shall so determine, shall also embrace the audit of payments for the refund of any such taxes by the General Accounting Office."

Mr. BYRNS. Mr. Speaker, I do not understand the status of this proposition. If it is offered as an amendment, then I reserve a point of order against it. I do not think it is in order at the present stage of the proceedings. It may or may not be in order after the disposition of the amendment as offered, but, certainly, it is not in order now to offer this as a substitute.

The SPEAKER. Let the Chair call attention to the parliamentary situation. The gentleman from Tennessee called up an amendment in disagreement. Under the ordinary rules of the House the gentleman would be entitled to one hour with the privilege of moving the previous question. The gentleman from Tennessee asked unanimous consent that the time be extended to one hour and a half, one half to be controlled by the gentleman from Indiana [Mr. WOOD] and one half by himself, and at the end of that period the previous question should be considered as ordered. Under the parliamentary situation nothing can be considered until we dispose of this amendment.

Mr. CHINDBLOM. Will the Chair permit an interruption?

The SPEAKER. Yes.

Mr. CHINDBLOM. I dare say the stenographic notes will show that when the Chair put the unanimous-consent request, it was put in about this form: "That there be debate for one hour and a half upon the pending amendment and motions thereto, and at the end of the one hour and a half the previous question shall be considered as ordered." It may have been an inadvertence on the part of the Chair, but I took particular notice of it.

Mr. BRITTEN. Mr. Speaker, the language was—

On this amendment and all amendments thereto.

Mr. BYRNS. Mr. Speaker, even if it was put in that form, I do not think that of itself would be sufficient to override the rules of the House. I made a preferential motion to concur with an amendment. It seems to me, before any amendment can possibly be in order, the amendment which I have proposed should be voted upon. Then the question as to whether another amendment will be in order is a matter that can be taken up at that time. Personally, I think the proposed amendment is subject to a point of order because it is not germane to the proposition contained in the bill, but I do not think it is necessary to raise that point now.

Mr. CHINDBLOM. Mr. Speaker, the substitute offered by the gentleman from Indiana [Mr. WOOD] is also to the effect that the House recede and concur with an amendment, but the gentleman from Indiana substitutes language for that proposed by the gentleman from Tennessee [Mr. BYRNS].

The SPEAKER. As the Chair recalls the matter now, the Chair did say "the amendment and all amendments thereto." This is the recollection of the Chair at the present time; and if this was the unanimous-consent request, then the gentleman from Indiana could offer amendments within his 45 minutes of time, the previous question being considered as ordered at the expiration of the time fixed for debate.

As to the question of germaneness, of course, the Chair is not advised, because the Chair has not examined the amendment. Does the Chair understand that the gentleman from Tennessee makes a point of order against the amendment to the amendment on the ground it is not germane?

Mr. BYRNS. Yes, Mr. Speaker.

The SPEAKER. Will the gentleman from Tennessee examine the amendment and point out wherein it is not germane.

Mr. BYRNS. Mr. Speaker, the amendment, as it appears in the bill and as proposed in the amendment I have offered, makes no change in existing law except that where the Internal Revenue Commissioner shall have decided upon a refund, before it can be made, it shall be first sent to this committee and receive its approval. The amendment of the gentleman from Indiana makes no reference to refunds, further than the fact that an investigation shall be made and that, later on, this committee shall report a scheme or a provision relating to refunds. It seems to me there is quite a difference between the two amendments and the objects and purposes sought to be accomplished thereby.

Mr. STAFFORD rose.

The SPEAKER. The Chair will hear the gentleman from Indiana.

Mr. WOOD of Indiana. Mr. Speaker, I yield to the gentleman from Wisconsin.

Mr. STAFFORD. Mr. Speaker, the amendment of the Senate provides for an investigation by the Joint Committee on Internal Revenue Taxation of the refund and credit features of profits, estate and gift taxes. The amendment proposed by the gentleman from Tennessee is of rather similar import. It directs the Treasury Department to make a report to the Congress so that it may be investigated by the joint committee. The effect of the amendment offered by the gentleman from Indiana is to provide an investigation only and a report to Congress.

I am frank to say to the Speaker that I have a vague recollection, upon which perhaps the parliamentarian may cite the precedent to the Speaker, of a ruling made when a substantive piece of legislation was under consideration. I think it was some time back when, as the Speaker may

recall, General Grosvenor offered an amendment to have an investigation made of a certain legislative proposal. I am not certain about the ruling; but I recall the incident, and I am of the opinion that Speaker Cannon held it was a germane proposal to refer to a commission the investigation of a substantive proposition that was under consideration at that time, which was the investigation of some matters pertaining to immigration.

I have not had time to investigate the precedents. I have examined the Digest, but have not found the ruling. I remember distinctly the occasion, although I do not recall the ruling, where General Grosvenor, of Ohio, that old war horse, offered an amendment to refer the matter to a commission.

I believe that Speaker Cannon ruled that that amendment was in order.

Mr. BYRNS. May I call attention to one other fact, and that is that the amendment of the gentleman from Indiana puts additional duties on the Comptroller General. Anyway, it broadens the inquiry by extending it to the Comptroller General's office.

The SPEAKER. The amendment of the Senate is pretty clear. It is for the purpose of putting the power in the hands of a joint committee to determine the facts and to review the settlement for a refund or abatement or credit.

The amendment offered by the gentleman from Tennessee seeks to accomplish the same purpose, the only difference being a change in the amount of the refund and providing that the decision of the Board of Tax Appeals shall not be interfered with.

The amendment proposed by the gentleman from Indiana is for the substantive purpose of determining what law should be passed in the manner of taking care—if the Chair may use that term—of refunds, abatements, and credits. One is a substantive proposition as to the change of existing law, and the other is merely providing for an investigation for the purpose of determining what changes should be made in existing law.

The decisions are pretty uniform, as the Parliamentarian informs the Chair—the Chair not having had an opportunity to investigate—that the proposition to investigate as a substitute for substantive legislation, is not germane. Therefore, the Chair sustains the point of order.

Mr. WOOD of Indiana. Mr. Speaker, I yield 10 minutes to the gentleman from Illinois [Mr. CHINDBLOM].

Mr. CHINDBLOM. Mr. Speaker, this is a question that has received careful and prolonged consideration by the Ways and Means Committee in connection with the passage of the internal revenue laws. The Senate amendment proposes that the joint congressional committee and its staff shall have full authority to determine whether a refund or abatement or credit shall be allowed. The motion offered by the gentleman from Tennessee [Mr. BYRNS] takes out the authority of the staff to make a final determination, and to that extent is a vast improvement. The Senate amendment actually proposes that the working staff employed by the Joint Committee on Internal Revenue Taxation shall have power to determine finally whether a refund or credits should be allowed. At all events it is proposed, even by the pending substitute, that the final determination of this question shall be given to the joint committee as an agent of the Congress. Of course, that is an executive function, as has already been said; but, in addition to that, if Congress is to appoint an agency which shall pass on refunds, credits, and abatements when they have been recommended or granted by the Treasury Department, why should not the taxpayer have the same opportunity to go to this agency of the Congress and complain because the Treasury Department has refused him a credit or abatement or refund which he has sought to get? And why should not this agency of the Congress examine every return which is made to the Treasury Department with reference to taxes, because the Treasury Department, if it has a disposition so to do, can show favoritism, can do injustice by approving returns as they have been filed, and not assessing any additional taxes, just as well as by allowing refunds and abatements?

Mr. Speaker, this question involves the entire problem as to how returns of taxes to the Federal Government shall be handled. It relates not only to the question of refunds, abatements, and credits, but also to the examination and acceptance of returns in the first instance. It seems almost amazing that such a proposition as this should be here. The present system has been in vogue for many years, all these years since the income tax was enacted shortly before the World War. I now ask the membership on my right, the Democratic side, whether, after all these years, when you now have your own administration coming in, you will now cast a vote of lack of confidence in that administration before it takes office, by providing that it shall not have the authority or power which the Republican administration has had during all these years, and which the Wilson administration had during the early days of the income-tax period? Are you now going to say that you will take from the incoming administration, which is yours, all of the authority which has been exercised during all these years by both Republicans and Democrats? I think it is preposterous to say that the Congress of the United States, the Senators and Representatives, shall sit in review upon the administrative, executive functions of the Treasury Department.

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

Mr. CHINDBLOM. Yes.

Mr. HOCH. This amendment seems to be worded in the negative form. It provides that refunds above $20,000 shall not be paid without the approval of the joint committee and further states that the committee shall fix the amount. Suppose it increases the amount, would the department be under obligation to pay the amount fixed by the committee?

Mr. CHINDBLOM. I presume so; I do not know; but I do know this, that a taxpayer who is entitled to a refund or an abatement or a credit can be deprived of his just rights by mere nonaction or inaction on the part of the joint committee. The members of the joint committee leave Washington in the month of June usually and do not return until December. During all of that time who is going to pass on the actions of the Treasury Department? You do not permit the staff to do it, as the Senate provided in its amendment, but the joint committee must do it. And how? They must do it by joint action. There must be a meeting of the Senators of the Finance Committee of the Senate and of Representatives who are members of the Ways and Means Committee of the House to pass on the refunds; and if they do not act at all, the taxpayer loses his right. All they need to do is to go away for vacations or fail to meet.

Mr. BYRNS. Of course, the gentleman understands that the staff was eliminated due to the fact that some of us feel that Congress could not delegate its authority in that way.

Mr. CHINDBLOM. Certainly; but the august body which passed the amendment by a two-thirds vote and suspended its own rules in order to pass it evidently were of the opinion that the staff alone, without the committee, would be competent to act and should act in the absence of the joint committee.

Have you actually improved the Senate amendment? You have done away with the examination de novo, and that, in my opinion, makes the proposition worse than the Senate amendment, because under the Senate amendment the committee and its staff were required to examine the proposition from the beginning, de novo, and consider the whole matter. All the joint committee will need to do now is to look at the papers, and they may, upon the most cursory examination, reject the proposal.

Mr. CHIPERFIELD. In the gentleman's opinion, what right would any committee of Congress have to take any final action during a recess of the Congress?

Mr. CHINDBLOM. As far as that is concerned, this congressional committee is not acting during the sitting of the Congress in the ordinary sense. It is a joint committee, created by law, and I do not think the question of whether

the Congress is in session or not would make any difference. But we are proposing to take from the Treasury Department the entire control of the handling of these refunds.

There has been some discussion of the total amounts of these allowances. The gentleman from New York [Mr. O'CONNOR] said that $2,000,000,000 of the $4,000,000,000 refunded so far represent cash refunds and $2,000,000,000 represents credits, as I understood it.

Mr. O'CONNOR. That is substantially correct.

Mr. CHINDBLOM. The gentleman will remember that when the excess profits tax laws were passed, as well as the other income tax laws, during the war, they were passed with great speed out of the very necessity of the hour, and the taxpayers paid their money into the Treasury voluntarily and freely and on hastily made returns, with the understanding, as I know has been said by Commissioners of Internal Revenue who were in office at that time, that the returns would subsequently be thoroughly investigated and carefully audited by the Government.

They knew at the time that there were innumerable questions with reference to the income tax laws and excess profits tax laws which were not understood, even by the department itself. So large amounts were paid by taxpayers with a definite understanding that they would subsequently be audited and that refunds would be made.

Mr. O'CONNOR. Will the gentleman yield for a question?

Mr. CHINDBLOM. I yield.

Mr. O'CONNOR. In the income-tax refunds of the past years practically none of them pertain to the excess-profits tax.

Mr. CHINDBLOM. Unfortunately, it has been the information of the Committee on Ways and Means that the war taxes have dragged on and on, and settlements were not made of many of those taxes until within the last two or three years.

The SPEAKER. The time of the gentleman from Illinois [Mr. CHINDBLOM] has expired.

Mr. CHINDBLOM. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CHINDBLOM. Mr. Speaker, the Joint Congressional Committee on Internal Revenue Taxation was created by the revenue act of 1926. It received the status of a permanent establishment, and its functions were to study and report to the Congress on the operations of the internal revenue laws, and make such recommendations to the Congress from time to time as it might deem advisable. The revenue act of 1928 added to its duties the reception and examination of reports from the Commissioner of Internal Revenue of all cases of refunds or credits in excess of $75,000 and provided that no such refund or credit should be made until 30 days after the committee had received the report thereon. That act also required the joint committee to make an annual report to Congress of the cases submitted to it by the commissioner. This was the so-called publicity amendment, and the work under it has been entirely satisfactory. In its report submitted to the House on January 12, 1933, during the present session, the chief of staff stated:

> Taken as a whole, the refunds and credits have been open to little criticism, and, in our opinion, the Treasury Department and the Bureau of Internal Revenue are to be commended for their careful and fair determinations.

It is this staff to whom the Senate amendment would give complete and final authority to pass on refunds and credits of all income, gift, and estate taxes. Those who believe that the work of the Treasury Department should be reviewed by representatives of the legislative authority have a capable and dependable agency in the personnel of the staff of the joint committee, but such audit or supervision should not usurp the final constitutional jurisdiction of the executive authority.

Mr. BYRNS. Mr. Speaker, I yield 10 minutes to the gentleman from Texas [Mr. PATMAN].

SECRECY A BADGE OF FRAUD

Mr. PATMAN. Mr. Speaker, this amendment is a step in the right direction, but to my mind, as a matter of permanent policy, we should change the law relating to income-tax returns and the making of income-tax refunds. Our Government, as administered now, in so far as tax laws are concerned, is a government by secrecy. The income-tax payer makes his tax return in secret, and if the Government, through the Internal Revenue Bureau and the Treasury Department, should determine that a refund should be granted, the refund is made in secret. Taxes are collected in secret and refunded in secret. All taxes collected by cities, counties, and States are always collected subject to public inspection. The tax rolls of all municipalities I have mentioned are subject to public inspection. Some States have a provision in their tax laws where they provide that the income-tax returns are subject to public inspection. I understand the income-tax returns in Massachusetts are subject to public inspection. Secrecy is a badge of fraud, and there is no reason on earth why income-tax returns should be secret, and certainly when our Government collects billions of dollars in money and refunds billions of dollars in money, the taxpayers are entitled to know, they are entitled to find out, they are entitled to inspect for themselves and determine whether or not those refunds should have been made. We have a Joint Committee on Internal Revenue Taxation. That committee was authorized many years ago. Not so long ago I had occasion to try to examine one of these tax refunds. I discovered that although a taxpayer makes application for a refund involving hundreds of millions of dollars and that application is sent to the joint committee for approval, after it is approved by the Treasury Department, yet a Member of Congress is not permitted to see that application or see any of the papers in connection with the case. A Member of Congress is not permitted to determine for himself whether or not the refunds should be made.

The amendment suggested by the gentleman from Tennessee [Mr. BYRNS] states that where a refund or credit is given, where the amount involved is more than $20,000, the joint committee shall examine all papers and look into it for themselves; I do hope that the committee functions a little better than the committee has functioned in the past.

JOINT COMMITTEE NEVER MEETS

My information is that this Joint Committee on Internal Revenue Taxation has never had one single meeting except for the purpose of organization, and if there is a member of the committee on the floor of the House I invite him to deny that if it is not true. On the other hand, during the Mellon régime the chairman of that committee [Mr. HAWLEY] carried proxies for the other Republican members, and when the Secretary of the Treasury, Mr. Mellon, would send up a recommendation for a refund it could be very quickly granted, because Mr. HAWLEY had the proxies in his pocket of all of the other members of the committee—that is, the majority members of that committee—and he could authorize it right then and there, and the recommendation could go back to the Treasury immediately and be paid. The committee has not looked into these cases. It was impossible for them to take the time away from their work and away from their duties to inspect all books and papers in connection with the refunds. In one case there were 6 truck loads of papers and books in connection with a refund, involving over $100,000,000. This refund was granted.

ALL TAX REFUNDS MADE PUBLIC

Although this amendment is a step in the right direction, and I hope it is adopted, as a matter of permanent policy let us consider making all tax returns subject to public inspection, and I venture to say we will collect hundreds of millions of dollars a year more than the Government is now collecting. If one makes a mistake in his tax return, it is not likely that it will ever be known since the returns are secret.

PUBLIC INSPECTION

This is just a case of the investigators investigating the investigators, and as a matter of permanent policy it would not be right, although as an expedient in this particular case I hope the House adopts it. Certainly, whenever one makes application for a tax refund, any citizen of the United States, any taxpayer, should have the right to look into that for himself if he wants to look into it, and there is no reason when those returns come to that joint committee, why any Member of Congress should not look into it. But under the present law they are secret.

No taxpayer can examine applications for tax refunds and books in connection therewith, when a taxpayer is asking to have returned to him in some instances hundreds of millions of dollars. It is not right. There is only one sure way to cure it, and that is to make subject to public inspection all income-tax returns made to the United States Government.

The SPEAKER. The time of the gentleman from Texas [Mr. PATMAN] has expired.

Mr. BYRNS. Mr. Speaker, I yield seven minutes to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, the subject of tax refunds has compelled my attention on several occasions. On July 12 of last year I discussed the subject on the floor, and on July 15 or 16 I placed in the CONGRESSIONAL RECORD a list of refunds, attempting to show, in conformance with the heading of my remarks, that the Republican campaign was financed out of the Treasury of the United States. Now, if this congressional committee had served no other purpose it certainly has rendered important service in affording an opportunity to discover the relation between campaign contributions and tax refunds. Last July I pointed out that in the 1928 campaign $477,000 had been contributed by 24 men who had been refunded $114,000,000 in taxes by the Treasury of the United States. During the campaign of 1932 I attempted to follow up the relationship between tax refunds and campaign contributions. I attempted to check campaign contributions against tax refunds. Unfortunately for me, the campaign contributions were not published or filed here until toward the very close of the campaign.

On October 14, 1932, a list of the contributions was filed. I then proceeded to attempt to check refunds against campaign contributions and I found some further and startling relationship between them. I found that Mr. Andrew W. Mellon had contributed $25,000 to the 1932 campaign; that Mr. R. B. Mellon, his brother, had contributed $15,000; and L. W. Mellon, another brother, had contributed $5,000. I found that Mr. Andrew W. Mellon had received a personal refund of $72,000, that the Mellon Aluminum Co. had received a refund of a million and a half, and the Mellon Pittsburgh Plate Glass & Steel Co. had received a refund of $693,000.

I further found that Mr. H. H. Timken, of Canton, Ohio, contributed $7,000 to the Republican campaign of 1932 and that the Timken Roller Bearing Co., of Canton, Ohio, had received a refund of $672,000.

I further found that on the eve of the election the Guggenheim family of New York—Marie, S. R., and Simon, and Mrs. H. S. Guggenheim—had contributed $16,000 to the 1932 campaign and that the refunds to the Guggenheims were $109,000. Simon Guggenheim had received $48,000, and the Chile Copper Co., in which the Guggenheims are interested, had received a refund of $464,000.

Some day when I have the industry and the patience, now that all the Republican campaign contributions are supposed to have been filed, I shall check them to the close of the election and show the relationship between campaign contributions and tax refunds.

Now, because the committee could not investigate tax refunds below $75,000, I agree with this amendment, that any tax refund of $20,000 or over should be reviewed by this committee for the reason that $20,000 to-day is quite a lot of money, and a man who gets a $20,000 or a $30,000 refund might be tempted to make a substantial campaign contribution; and it might have some relation to a tax refund. So for that reason, in view of past experience, where in 10 years $4,000,000,000 have been refunded, where $150,000,000 have been refunded to a few of the big campaign contributors, I believe that further extension of the power of the committee down to $20,000 to review this situation and to publish the facts to the world is thoroughly justified.

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

Mr. O'CONNOR. I yield.

Mr. SNELL. Will the gentleman also include in his list the Democrats who have made big campaign contributions who also received tax refunds?

Mr. O'CONNOR. I probably will not have to do that.

Mr. SNELL. Will the gentleman do it?

Mr. O'CONNOR. Let me answer the gentleman from New York in this way: I would be glad to, but the gentleman from New York, the minority leader, has saved me the effort by showing what they contributed up to July 1. He put in the RECORD a list of alleged Democrats who had received refunds. I looked over the list, and as far as I know I did not recognize them as being in the family of Democracy, with one or two exceptions.

Mr. SNELL. Some of these others are alleged Republicans, too.

Mr. O'CONNOR. I did not see them.

Mr. SNELL. Let us look the list over.

Mr. O'CONNOR. If the gentleman will get up his list, I will get up mine; we will compose them and put them in as a symposium.

Mr. SNELL. I think it is a very poor argument, and I am not willing to present that in my argument against it.

[Here the gavel fell.]

Mr. WOOD of Indiana. Mr. Speaker, I yield five minutes to the gentleman from Wisconsin [Mr. STAFFORD].

Mr. STAFFORD. Mr. Speaker, the question before the House is whether we will convert the House of Representatives, through its subsidiary, into a political snooping committee to pass upon the refunds of private taxpayers.

You would have every taxpayer in the country come before the Congress through his Representative and ask the Representative to make an appeal to this joint committee to pass upon a refund of taxes which covers an investigation of his private affairs.

The effect of this amendment is to compel the individual taxpayers of the country to call upon the Representatives for a visa of their refunds instead of giving them access to the courts and access to the department in its administrative functions. Every tax refund involving more than $20,000 becomes the prey of congressional influence if it is delayed consideration, and especially if it should not be favorably reconsidered. Such a procedure is bound to develop scandal. This is unthinkable and unjustifiable in the administration of taxation matters. Now, the country has the benefit of the report of the joint congressional committee that makes an investigation of those tax refunds above $75,000. This is the second one published by the Joint Committee on Internal Revenue Taxation.

The gentleman from New York [Mr. O'CONNOR] is rather loose in his facts as presented when he says that the refunds amount to millions and millions of dollars. This report by the committee's own chief expert shows that in 1929 the total refunds above $75,000 were $54,000,000 and for 1930 likewise $54,000,000. His report further says that in the future the refunds will very likely be much less.

I am very sorry this amendment is a breed of the State of Tennessee. I am very sorry the gentleman from Tennessee had to consider the brood of his distinguished senior Senator. Otherwise I am quite sure that if he were not so hampered and handicapped in that illegitimate relationship [laughter] he would have come in here in opposition to this ill-considered proposal.

I have read the debates and know that it was not given much consideration on the floor of the Senate. It largely developed out of the Ogden Mills estate refund of taxes, in which five million and more was for the abatement of inheritance taxes, where the estate had paid them without protest up to the full amount without deducting the 80 per

cent which the law allows as a set-off in payment of the inheritance tax payable to the States. Only a few thousand dollars—something like $30,000, if my memory serves me right—of the entire amount repaid was really as a refund.

Mr. Speaker, it is unthinkable that you are going to convert the Congress of the United States into an administrative agency to hold up all the refunds and compel the taxpayers of the country to resort to the courts for relief, when the policy of the Treasury Department, since the 1924 act was passed, has been to presume everything in favor of the Government and to force the taxpayer to come to the Treasury Department for a refund. Prior to this time the policy was the opposite. Then they gave some consideration to the merits of the assessment prior to its levy. Since that time the policy has been to presume everything in favor of the Government and force the taxpayer to come to the Treasury Department for a review. This is the reason these refunds and abatements are in such large amounts.

Now, what is the practice for refunds under existing procedure? Every taxpayer before his claim can be considered by the Treasury Department, must file his application with the local collector. This is passed upon by the field collector. Then it is sent here to Washington and passed upon by the income-tax unit. Then it is passed upon by the Board of Review, and then it is surveyed by this joint committee if it amounts to $75,000 or more, and no one has pointed out any abuse so far as administration is concerned, except the political surmise by the distinguished representative of democracy, the leader of Tammany, Mr. O'CONNOR.

Mr. WOOD of Indiana. Mr. Speaker, I yield the balance of my time, seven minutes, to the gentleman from Pennsylvania [Mr. BECK].

Mr. BECK. Mr. Speaker, I know I will contribute very little to the discussion of this matter, and yet this brief and inadequate debate is profoundly interesting, because the suggestion of the Senate, even as modified and undoubtedly improved by the House proposal of the gentleman from Tennessee, invites our country to make a step backward of more than a hundred and fifty years to a period of time as to the legislative history of which this country has no reason to be proud.

I have never made a reference before to a book that I wrote during the last session of Congress called Our Wonderland of Bureaucracy, which certainly did not show that I was in love either with an executive bureaucracy or a legislative bureaucracy; but if I could refer any Member of this body who happens to have this book to chapter third, he will find a very illuminating account—illuminating simply because of the facts that I dug up out of the past—of the attempt of the Congress under the old Articles of Confederation to run the executive branch of the Government by congressional committees.

All executive business was then conducted subject to the supervision, the approval, or the rejection of some congressional committee, and the result was that the Congress of the Confederation fell into such contempt that at the time of the adoption of the Constitution, that Constitution being adopted because of the known evils of the old Confederation, the existing Confederation had fallen into such disrepute that it had little more than the shadow of its authority.

It was for this reason that when we framed the wise Constitution of 1787, the framers of that document not merely divided the Government into three departments but they said, with a significance that is not always appreciated, that "the executive power is vested in a President of the United States."

This proposition proposes that that which is plainly an executive function is to be made subject to a congressional bureaucracy, for this joint committee has the power to appoint a staff, and it will act largely through a staff, and this staff is not merely to examine the actions of the executive branch of the Government but it is also to approve or reject whatever the executive has done in the matter of tax refunds. As a result, if this law were put into effect and carried out, there would be established in this part of the Capitol a very considerable inquisitorial bureaucracy which would sit in judgment upon every action of the Bureau of Internal Revenue and of the Secretary of the Treasury in refunding taxes, and thus bring about a confusion in the orderly administration of the Government that would result in the same chaos as came when the Constitution of the old Confederation broke down, and for precisely the same reason.

So much for the constitutional aspect of the question; but let us also remember two purely pragmatic considerations. If there be one fact that is patent above every other, it is that this country has grown so vast that our governmental machinery has broken down under an impossible weight. Men quarrel with Congress and they forget that we attempt a superhuman task in attempting to meet the economic and other objectives of a great and powerful people; but if you add to this the supervision of this executive department, it may speedily follow that we will then sit in judgment upon other executive authorities, and in this way all the orderly demarcations of power between the executive, the legislative, and the judicial will be speedily obliterated.

In addition to the fact that we are in no condition, with the burden of governmental business, to attempt this additional task, there is the other thought, and it is very apt to what my friend from New York [Mr. O'CONNOR] has said—that if there be the possibility of sinister influences or political and corrupt motives, when the executive branch of the Government supervises these refunds which are essential in a policy which says to the taxpayer, "Pay first and then claim your refund later," what would be said of the political possibilities of a power in a congressional committee, acting through its own chosen executive staff, to say that ours is the last word as to whether a refund can or can not be allowed?

Mr. O'CONNOR. Will the gentleman yield?

Mr. BECK. Pardon me a moment. I will yield as soon as I complete my thought.

This would admit of a power in individual Senators and individual Members of Congress of compelling many men and interests that may conceivably be asking for a perfectly just refund—it would be within their power, in order to meet their own political purposes, or the objectives of their party, to grant refunds. This might lead to even greater evils than under the present system.

[Here the gavel fell.]

Mr. BYRNS. Mr. Speaker, I yield five minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Speaker, it seems to me, listening to this discussion this afternoon, that a great deal can be done with words. We have listened to constitutional arguments about this amendment, how much harm it is going to do the executive branch, how the Congress in passing this legislation is encroaching on the executive department, but it seems to me that these words cover up a real existing evil that should be remedied.

How is it that a small corporation or an individual taxpayer has to wait for four, five, and six years to get a refund of $5,000 or $10,000 to which he is entitled, while a big corporation comes in and takes a $100,000,000 refund at once. There appears to be something rotten in Denmark as far as some of these refunds are concerned, and I think this amendment should be agreed to.

You all have cases of this kind, you all have individuals in your districts who are taxpayers, and go down to the Treasury to try to get a refund. If a big corporation like the United States Steel Corporation, or any other large corporation, comes to the Treasury for a refund, you will find that they have very little difficulty in speeding up the matter.

Mr. BRITTEN. Will the gentleman yield?

Mr. CONNERY. I will.

Mr. BRITTEN. I understand this amendment will do just what the gentleman is opposed to. It will slow up the refunds.

Mr. CONNERY. No; it will not. When the United States Steel Corporation goes to the Treasury Department the clerks jump. They do not do any jumping when the little fellow wants his refund. The little fellow's chances are

much better with Congress. Members of Congress do not have to take the submissive attitude toward big corporations that appointive tax experts of the Treasury must take.

Mr. BRITTEN. The taxpayer does not come to Congress at all; he goes to the very place where he gets his refund, the Internal Revenue Department.

Mr. CONNERY. Yes; but the case will be reviewed up here. When the congressional committee looks it over and says, "Why does the United States Steel Corporation get $60,000,000 so quickly and the individual, John Jones, can not get $5,000 without long, expensive, and tiresome delay?" The public will know about it. The public has been entirely in the dark on these matters in the past. Let us let the people in on the facts. The why and the wherefore.

Mr. BRITTEN. The congressional committee does not know anything about John Jones until the Commissioner of Internal Revenue informs it of a proposed refund.

Mr. CONNERY. They can find out about John Jones in reviewing the case. They will ask and get the information from the Treasury Department.

Mr. BRITTEN. I am satisfied that the amendment will do the very thing that the gentleman from Massachusetts is seeking to avoid. It will promote further delay. The present system has plenty of safeguards.

Mr. CONNERY. Well, these safeguards seem to have worked beautifully for the big fellow. Let us give the little fellow a chance for a change.

Mr. BECK. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. BECK. The gentleman has referred to the United States Steel Corporation and the refund of $100,000,000. Can the gentleman state how long it took them to get that refund?

Mr. CONNERY. I do not know.

Mr. BECK. Seven years.

Mr. CONNERY. Well, waiting seven years for $100,000,000 is not such a long time. [Laughter.] The small taxpayer looking for a refund waits much longer than that and then is lucky if he gets it.

Now, Mr. Speaker, without taking any further time, I hope that the amendment will be agreed to. It is a very progressive step in the right direction and it will let the public light shine in on some dark places which have not seen much light in a long time. I hope and expect that the shedding of this light will bring beneficial curative results to the small as well as the large taxpayers. [Applause.]

Mr. BYRNS. Mr. Speaker, may I take a moment in concluding this discussion? I can not for the life of me understand how there can be any objection to a committee of the Senate and a committee of the House composed of the membership of both bodies looking into the question of refunds after the Internal Revenue Commissioner has passed on it.

Now, gentlemen who have opposed the amendment have been very emphatic in the assertion that they are speaking for the good of the taxpayer. As a matter of fact this will only apply to 600 cases throughout all the United States.

There are only about 600 of these claims which will come under the supervision of the joint congressional committee, which will amount to refunds of $20,000 or more. Why should not the representatives of 120,000,000 people here be allowed to turn the fullest light on these claims in order that we may be sure when we come to make an appropriation to satisfy them, that correct action has been taken? That is all this means. It simply means that Congress, through its accredited representatives, proposes to say to the Internal Revenue Commissioner—I do not care whether he be a Republican or a Democrat—before we make an appropriation to pay these 600 claims amounting to over $20,000 each, we propose, through our duly constituted committee, to look into it and be sure that we are appropriating money of the people in a proper way.

The SPEAKER. The time of the gentleman from Tennessee has expired. All time has expired.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the motion of the gentleman from Tennessee to concur in the Senate amendment with an amendment be again reported.

The SPEAKER. Without objection, the Clerk will again report the motion of the gentleman from Tennessee.

There was no objection, and the Clerk again reported the motion.

The SPEAKER. The question is on the motion of the gentleman from Tennessee to concur in the Senate amendment with an amendment.

Mr. WOOD of Indiana. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 224, nays 143, not voting 59, as follows:

[Roll No. 144]

YEAS—224

Allgood	Dies	Kerr	Parks
Almon	Dieterich	Ketcham	Parsons
Amlie	Disney	Kleberg	Patman
Arnold	Dominick	Kniffin	Patterson
Auf der Heide	Doughton	Kopp	Peavey
Ayres	Douglas, Ariz.	Kunz	Pittenger
Bankhead	Douglass, Mass.	Kvale	Polk
Barton	Dowell	Lambertson	Prall
Beam	Doxey	Lambeth	Ragon
Black	Drane	Lamneck	Rainey
Bland	Drewry	Lanham	Ramspeck
Blanton	Driver	Lankford, Ga.	Rankin
Bloom	Ellzey	Larrabee	Rayburn
Boehne	Eslick	Larsen	Reilly
Boileau	Evans, Mont.	Lea	Rogers, N. H.
Boylan	Fernandez	Leavitt	Romjue
Brand, Ohio	Fiesinger	Lewis	Sabath
Briggs	Fishburne	Lichtenwalner	Sanders, Tex.
Browning	Fitzpatrick	Lindsay	Schneider
Brunner	Flannagan	Lonergan	Schuetz
Buchanan	Flood	Lozier	Selvig
Bulwinkle	Frear	Ludlow	Shallenberger
Burch	Fuller	McClintic, Okla.	Sinclair
Busby	Fulmer	McCormack	Sirovich
Byrns	Gambrill	McDuffie	Smith, Va.
Campbell, Iowa	Gasque	McFadden	Smith, W. Va.
Canfield	Gavagan	McKeown	Somers, N. Y.
Cannon	Gilbert	McMillan	Spence
Carden	Gilchrist	McReynolds	Steagall
Cartwright	Glover	McSwain	Stevenson
Cary	Goldsborough	Maas	Summers, Wash.
Castellow	Granfield	Major	Sumners, Tex.
Celler	Green	Maloney	Sutphin
Chavez	Greenwood	Mansfield	Swank
Christgau	Gregory	May	Sweeney
Christopherson	Griffin	Mead	Swing
Clague	Griswold	Miller	Tarver
Clark, N. C.	Haines	Milligan	Taylor, Colo.
Cochran, Mo.	Hare	Mitchell	Taylor, Tenn.
Collier	Harlan	Mobley	Thomason
Collins	Hart	Montague	Underwood
Condon	Hastings	Montet	Vinson, Ga.
Connery	Hill, Ala.	Moore, Ky.	Vinson, Ky.
Cooper, Tenn.	Hill, Wash.	Morehead	Warren
Cox	Howard	Nelson, Mo.	Weaver
Crail	Huddleston	Nelson, Wis.	West
Cross	Jacobsen	Nolan	Whittington
Crosser	Jeffers	Norton, Nebr.	Williams, Mo.
Crowe	Johnson, Mo.	Norton, N. J.	Williams, Tex.
Crump	Johnson, Okla.	O'Connor	Williamson
Cullen	Johnson, Tex.	Oliver, Ala.	Wilson
Davis, Tenn.	Jones	Oliver, N. Y.	Wingo
Delaney	Kading	Overton	Wood, Ga.
DeRouen	Keller	Owen	Woodrum
Dickinson	Kemp	Palmisano	Wright
Dickstein	Kennedy, Md.	Parker, Ga.	Yon

NAYS—143

Adkins	Burtness	De Priest	Hardy
Aldrich	Cable	Dyer	Hartley
Allen	Campbell, Pa.	Eaton, Colo.	Hawley
Andresen	Carter, Calif.	Englebright	Hoch
Andrew, Mass.	Cavicchia	Erk	Hogg, Ind.
Andrews, N. Y.	Chindblom	Estep	Hogg, W. Va.
Arentz	Chiperfield	Evans, Calif.	Holaday
Bacharach	Clarke, N. Y.	Finley	Hollister
Bachmann	Cochran, Pa.	Fish	Holmes
Bacon	Cole, Iowa	Foss	Hooper
Baldrige	Colton	Free	Hope
Barbour	Connolly	French	Houston, Del.
Beck	Cooper, Ohio	Gibson	Jenkins
Beedy	Coyle	Gifford	Johnson, S. Dak.
Biddle	Crowther	Goss	Kahn
Bohn	Culkin	Guyer	Kelly, Pa.
Bolton	Curry	Hadley	Kinzer
Bowman	Darrow	Hall, Ill.	Knutson
Britten	Davenport	Hall, N. Dak.	Kurtz
Brumm	Davis, Pa.	Hancock, N. Y.	LaGuardia

Lankford, Va.	Partridge	Shreve	Tinkham
Lehlbach	Pettengill	Smith, Idaho	Treadway
Loofbourow	Pratt, Harcourt J.	Snell	Turpin
Lovette	Pratt, Ruth	Snow	Underhill
Luce	Purnell	Stafford	Wason
McClintock, Ohio	Ramseyer	Stalker	Watson
McGugin	Ransley	Stokes	Welch
Mapes	Reed, N. Y.	Strong, Kans.	White
Martin, Mass.	Rich	Strong, Pa.	Whitley
Michener	Robinson	Stull	Wigglesworth
Millard	Rogers, Mass.	Swanson	Wolcott
Moore, Ohio	Sanders, N. Y.	Swick	Wolfenden
Murphy	Schafer	Taber	Wolverton
Nelson, Me.	Seger	Temple	Wood, Ind.
Niedringhaus	Seiberling	Thatcher	Woodruff
Parker, N. Y.	Shott	Timberlake	

NOT VOTING—59

Abernethy	Freeman	Igoe	Rudd
Boland	Fulbright	James	Sandlin
Brand, Ga.	Garber	Johnson, Ill.	Shannon
Buckbee	Gillen	Johnson, Wash.	Simmons
Burdick	Golder	Kelly, Ill.	Sparks
Carley	Goodwin	Kennedy, N. Y.	Stewart
Carter, Wyo.	Hall, Miss.	McLeod	Sullivan, N. Y.
Chapman	Hancock, N. C.	Magrady	Sullivan, Pa.
Chase	Haugen	Manlove	Thurston
Clancy	Hess	Martin, Oreg.	Tierney
Cole, Md.	Hopkins	Mouser	Weeks
Cooke	Hornor	Perkins	Withrow
Corning	Horr	Person	Wyant
Doutrich	Hull, Morton D.	Pou	Yates
Eaton, N. J.	Hull, William E.	Reid, Ill.	

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Shannon (for) with Mr. Clancy (against).
Mr. Pou (for) with Mr. Wyant (against).
Mr. Chapman (for) with Mr. Buckbee (against).
Mr. Sandlin (for) with Mr. Eaton of New Jersey (against).

Additional general pairs:

Mr. Corning with Mr. McLeod.
Mr. Martin of Oregon with Mr. Perkins.
Mr. Hancock of North Carolina with Mr. Reid of Illinois.
Mr. Gillen with Mr. Carter of Wyoming.
Mr. Brand of Georgia with Mr. Manlove.
Mr. Abernethy with Mr. Burdick.
Mr. Boland with Mr. Doutrich.
Mr. Hall of Mississippi with Mr. Hess.
Mr. Igoe with Mr. James.
Mr. Horner with Mr. Hopkins.
Mr. Sparks with Mr. Yates.
Mr. Weeks with Mr. Johnson of Washington.

Mr. RAINEY. Mr. Speaker, I am authorized to state that the following Members, if they had been present, would have voted yea:

Mr. FULBRIGHT, Mr. KELLY of Illinois, Mr. COLE of Maryland, Mr. TIERNEY, Mr. STEWART, Mr. HORR, Mr. RUDD, Mr. SULLIVAN of New York, Mr. CARLEY, and Mr. KENNEDY.

The result of the vote was announced as above recorded.

A motion to reconsider the vote by which the motion was agreed to was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Crockett, its Chief Clerk, announced that the Senate, having proceeded to reconsider the bill (H. R. 7233) entitled "An act to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes," returned by the President of the United States to the House of Representatives, in which it originated, with his objections, and passed by the House on a reconsideration of the same, it was

Resolved, That the said bill pass, two-thirds of the Senators present having voted in the affirmative.

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

S. 4095. An act to amend an act entitled "An act to punish the unlawful breaking of seals of railroad cars containing interstate or foreign shipments, the unlawful entering of such cars, the stealing of freight and express packages or baggage or articles in process of transportation in interstate shipment, and the felonious asportation of such freight or express packages or baggage or articles therefrom into another district of the United States, and the felonious possession or reception of the same," approved February 13, 1913, as amended (U. S. C., title 18, secs. 409–411), by extending its provisions to provide for the punishment of stealing or otherwise unlawful taking of property from passenger cars, sleeping cars, or dining cars, or from passengers on such cars, while such cars are parts of interstate trains, and authorizing prosecution therefor in any district in which the defendant may have taken or been in possession of the property stolen or otherwise unlawfully taken.

IMPEACHMENT CHARGES

The SPEAKER. The Chair recognizes the gentleman from Pennsylvania [Mr. MCFADDEN] to present a question of constitutional privilege.

Mr. SNELL. Mr. Speaker, I understood when the gentleman from Pennsylvania rose that he demanded his right as a constitutional privilege. I would like to ask whether it is the privilege of the House as a whole, or individual personal privilege?

The SPEAKER. The Chair can not understand until the gentleman from Pennsylvania tells the Chair about it, because he knows nothing about it. The Chair does not know what it is.

Mr. SNELL. The gentleman should state whether it is the privilege of the House as a whole or personal privilege.

The SPEAKER. The Chair could not tell the gentleman from New York until the Chair knows.

Mr. SNELL. I think it is necessary for the gentleman from Pennsylvania to state that.

Mr. MCFADDEN. I propose——

The SPEAKER. Will the gentleman state whether it is the privilege of the House?

Mr. MCFADDEN. On my own responsibility, as a Member of the House of Representatives, I impeach Herbert Hoover, President of the United States, for high crimes and misdemeanors.

The SPEAKER. The Clerk will report the resolutions.

Mr. MCFADDEN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MCFADDEN. Am I not entitled to an hour to discuss the resolution?

The SPEAKER. The gentleman is entitled to an hour, but first the Clerk must report the resolution of impeachment.

Mr. MCFADDEN. I offer the following resolution.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Whereas Herbert Hoover, President of the United States, has, in violation of the Constitution and laws of the United States, unlawfully attempted to usurp and has usurped legislative powers and functions of the Congress of the United States, which violations make him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, has, in violation of the Constitution and laws of the United States, publicly shown disrespect for the Congress of the United States, which violation makes him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, has, in violation of the Constitution and laws of the United States, pursued a policy inimical to the welfare of the United States by employing means to influence the deliberations of the legislative branch of the United States Government and has interfered with freedom of debate in Congress and has forced unsound and unconstitutional legislation upon the people of the United States, which violations make him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, has, in violation of the Constitution and laws of the United States, attempted unlawfully to dissipate and has unlawfully dissipated financial resources and other resources of the United States, which violations make him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, in violation of the Constitution and laws of the United States, has, to the great loss and detriment of the United States and to the benefit of foreign nations, unlawfully attempted to impair the validity of contracts existing between the United States and foreign nations, which violations make him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, has, in violation of the Constitution and laws of the United States, unlawfully interfered with and prevented the receipt by the United States of payments of money lawfully due to the United States from foreign nations and has inflicted great losses, financial and otherwise, upon the Government and the people of the United States and has injured the credit and financial standing of the United States Government and has increased unemployment and suffering from physical want in the United States,

and has caused a deficit in the accounts of the United States Treasury which has rendered necessary the imposition of additional taxes upon the people of the United States, which violations make him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, has, in violation of the Constitution and laws of the United States, initiated and carried on secret conversations, ignominious to the United States, with German Government officials and international bankers and others, with intent to deceive and to injure the Government and the people of the United States and thereby has injured the Government and the people of the United States; and

Whereas the said Hoover ignominiously caused a prearranged request to be improperly made to himself by General von Hindenburg, President of Germany, for the commission of an unlawful act injurious to the United States, and caused such request to be made for the purpose of deceiving and injuring the people of the United States and for the purposes of covering up a conspiracy against the United States which was taking place between himself and others, which conspiracy culminated in the Hoover moratorium proposal and the London conference of July, 1931; and

Whereas the said Hoover, with intent to injure the United States and to destroy financial assets of the United States, unlawfully declared the so-called Hoover moratorium and unlawfully initiated the international political conference which took place at London in July, 1931, which violations make him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, has publicly stated in the press that his declaration of the moratorium has meant sacrifices by the American people and that the economic load most seriously oppressing the peoples of Germany and central Europe will be immensely lightened; and

Whereas the infliction of suffering upon the American people for the benefit of foreign nations on his part, the part of the said Hoover, is a violation of the Constitution and laws of the United States, the said admission shows him to be guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, has failed to obey and to uphold the law passed by the Seventy-second Congress of the United States forbidding cancellation in whole or in part of the war debts due to the United States from foreign nations, and is endeavoring and has endeavored to nullify the contracts existing between the United States and its foreign debtors; and

Whereas such failure to obey and to uphold the law constitutes a violation of the Constitution and laws of the United States and makes him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, has, in violation of the Constitution and laws of the United States, initiated the German still-holding agreement; and

Whereas the said still-holding agreement has never become law in the United States, but has unlawfully been put into effect here by the said Hoover in his usurpation of legislative power and by interested private parties trespassing upon the rights and privileges of the United States Government; and

Whereas the said still-holding agreement violates the terms of the Federal reserve act, the national bank act, and other laws of the United States, and is injurious to the United States, such violations make him, the said Hoover, guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas an international conference composed of ministers of Great Britain, France, Germany, Belgium, Italy, Japan, and the United States took place at London from Monday, July 20, to Thursday, July 23, 1931, at the invitation of the British Government, but on the initiative of the said Hoover, and was attended and participated in by Andrew W. Mellon, Secretary of the United States Treasury, and by Henry L. Stimson, United States Secretary of State, acting as representatives of the United States; and

Whereas the said Stimson presented a certain proposal to it; and

Whereas the said London conference took action affecting the United States and exercising sway over the United States and action affecting the war debts due to the United States; and

Whereas the representative of the United States entered into agreements on behalf of the United States with the ministers of Great Britain, France, Germany, Belgium, Italy, and Japan; and

Whereas such agreements entailed the surrender of rights of the United States; and

Whereas the said agreements so made have never been disclosed or submitted to the Congress of the United States for ratification and have never become law in the United States; and

Whereas a second conference, composed of a committee appointed by direction of the aforesaid London conference under stipulation that it should consist of representatives nominated by the governors of the central banks interested, and that it was to take place at Basel under the Bank for International Settlements, met at Basel on August 8, 1931; and

Whereas Albert H. Wiggin appeared at the said conference at Basel as the representative of the United States on the nomination of George L. Harrison, of the Federal Reserve Bank of New York, an individual who had no power to make said nomination; and

Whereas control of all the banking systems of the United States, including the fiscal agents of the United States Government with their control of United States Treasury funds, was given to this London conference committee, consisting of Albert H. Wiggin, Alberto Beneduce, Dr. R. G. Bindschedler, E. Franqui, P. Hofstede de Groot, Walter T. Layton, C. Melchoir, E. Moreau, O. Rydbeck, T. Tanaka, upon which the so-called United States representative was outnumbered nine to one by the nominees of the heads of foreign central banks; and

Whereas control of all the banking systems and all the wealth of the United States and control of the United States Treasury was thus given to foreign powers; and

Whereas actions taken by the said committee made it impossible for the banks of the United States to withdraw the funds of their depositors and other funds from Germany and obliged the banks of the United States continually to maintain the volume of their funds in Germany, and made it impossible for the Treasury of the United States to withdraw moneys unlawfully taken from it and placed in Germany; and

Whereas such actions in regard to the banks and banking systems of the United States were unlawful and were unnecessary for any benefit to Germany, whose economic and budgetary situation according to the report of the London conference did not justify a lack of confidence; and

Whereas the said actions were taken as measures of deflation against the American people to impound United States funds in Germany under foreign control, to paralyze United States banks, to injure the United States Treasury, and to keep the United States in a condition of depression until misery and fear and starvation would drive the people of the United States into submission and compel them to cancel the war debts due to them; and

Whereas the said Wiggin had no lawful power to represent the banking systems of the United States at the said conference at Basel; and

Whereas the nomination of the said Wiggin by an individual at the direction of the ministers of Great Britain, France, Germany, Belgium, Italy, Japan, and the United States was unlawful; and

Whereas the agreements made and the action taken by the London conference committee at Basel have never been submitted to the Congress of the United States; and

Whereas billions of dollars in bank deposits have been lost by American citizens on account of the said agreements, and many United States banks have failed by reason of them and the Reconstruction Finance Corporation has made loans of public money to banks and institutions injured by them and the public debt of the United States and the deficit in the United States Treasury have been increased by the actions of the London conference committee at Basel; and

Whereas the said actions were taken on the initiative and by the direction of the said Hoover; and

Whereas the still holding agreement entered into at Basle by the said Wiggin was unlawful and was prepared concurrently with the terms of the Hoover moratorium proposal by the said Hoover and others and was presented to the London conference by Henry L. Stimson as a joint product of British and American participation and was a part of a conspiracy designed to force the United States into submission to foreign nations and international bankers and thus to obtain cancellation of the war debts; and

Whereas, in violation of the Constitution and laws of the United States, Herbert Hoover, President of the United States, initiated the London conference and the prearranged events which flowed from it; and

Whereas the London conference was deceitfully initiated by the said Hoover for the purpose of securing cancellation of the war debts as shown by facts and circumstances; and

Whereas the Herald Tribune published a report at the close of the London conference, a part of which reads as follows: "If, as these British leaders expect, the committee recommends a considerable extension of credits to Germany; if it indicates, further, that permanent amelioration of that situation depends upon reconsideration of the war debts and reparations problem, and if the interested powers take action along these lines, the British admit that something indeed will have been accomplished," which article shows the British expectation that the said London conference would result in a recommendation by the committee appointed at its direction to meet at Basel, that permanent amelioration of the situation would depend upon reconsideration of the war debts and reparations; and

Whereas the said committee of individuals nominated by the heads of foreign central banks, which central banks are foreign-government institutions, and Albert H. Wiggin, who unlawfully appeared as the representative of the United States and of all the banking systems of the United States, did make the prearranged recommendation by means of a report which is nothing less than an argument for a reconsideration of the war debts and reparations; and

Whereas the said Hoover initiated the London conference for the purpose of defrauding and injuring the United States and signing over majority control of the banking system of the United States, which represent the wealth and savings of the American people, to foreign nations and for the purpose of bringing about a cancellation of war debts, in violation of the Constitution and laws of the United States, his actions in connection therewith make him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, did in 1932, after the passage of the law passed by the Seventy-second Congress of the United States forbidding cancellation or reduction of the war debts, appoint one Andrew W.

Mellon, then Secretary of the United States Treasury, ambassador to a foreign power while a resolution for the impeachment of the said Mellon for violation of the United States law and misconduct in office was being heard by the Judiciary Committee of the House of Representatives, which appointment of the said Mellon was ignominious to the United States and showed disrespect for the House of Representatives; and

Whereas the said Hoover has permitted without contradiction the publication of statements concerning the said appointment of the said Mellon as having been made by him with a consideration of Mellon's fitness to conduct conversations with the said foreign power for the purpose of canceling the debt of that foreign power to the United States, thus admitting an effort on his part, the part of the said Hoover, to bring about cancellation in whole or in part of the war debt due from the said foreign nation to the United States in defiance of the will of Congress, in violation of the law of the United States, and in violation of the rights of the sovereign people of the United States, which effort on his part, as further evidenced by his actions showing a conspiracy against the United States between himself and the said Mellon and others, and by his secret conversations, ignominious to the United States, with Ramsay MacDonald, Montagu Norman, and other subjects of the King of England and officials of the British Government and others, showing a willingness and an intention on his part to defraud the people of the United States, makes him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, has, in violation of the Constitution and laws of the United States, and for the benefit of foreigners, unlawfully attempted to interfere with the operation of international agreements and has thereby furnished an excuse, albeit one of no value, for the ultimatum addressed to the United States by the British Government on December 1, 1932, and has caused the Government of France, under the mistaken assumption that the said Hoover has autocratic power, to declare in its note of December 2, 1932, that the president of the French council "agreed with the President of the United States on the terms of a communiqué, stating that in the matter of intergovernmental debts a new arrangement covering the period of the depression might be necessary, provided that the initiative came from the European powers principally concerned. In conformity with this text, which seems to constitute a novation in equity in régime of international debts, this initiative was taken. Within the sphere where only the European powers were involved, the arrangement provided for has been brought about"; and

Whereas the said communiqué so described by the French Government is legally unknown to the Government of the United States, never having been presented by the said Hoover to the Congress for ratification, and never having been ratified by the Congress of the United States; and

Whereas such opinions and such envisagements of potentialities and such readings of the future as the French Government state may be found in it were definitely and irrevocably rejected by the Congress of the United States in the law passed by the said Congress concerning the Hoover moratorium and signed by the said Hoover on December 23, 1931, nevertheless the agreement on the part of the said Hoover with the president of the French council on the terms of the said abortive communiqué mentioned by the French Government in its note of December 2, 1932, was injurious to the United States and ignominious to the United States and constitutes a violation of the Constitution and laws of the United States; and

Whereas a movement, which appears to be a concerted one, on the part of the foreign debtors of the United States is taking place under the apparent leadership of the said Hoover, the said Mellon, and others, having for its object the cancellation, for the benefit of foreign nations and individuals, of the war debts due to the United States; and

Whereas the said Hoover may have offered, or may have taken, a bribe, the said violations make him, the said Hoover, guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, in violation of the Constitution and laws of the United States, has unlawfully conducted conversations ignominious to the United States and has attempted to negotiate treaties and agreements ignominious to the United States for the benefit of foreign nations and individuals, which violations make him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, has, in violation of the Constitution and laws of the United States, unlawfully attempted to enter into secret and ignominious agreements with representatives of foreign powers, the subject matter of which is contrary to the laws of the United States, and has failed to disclose the nature and extent of those agreements and their true import to the Congress and the people of the United States, and has put into effect secret and unratified agreements between himself and foreign powers, which violations make him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, has been accused of having conveyed to foreign governments his promise that if Germany were released by them from the necessity of paying reparations, the United States would cancel the war debts due to it from the said foreign governments and other governments; and

Whereas, although it is well known to all the governments of the world that the said Hoover is and always has been without power to bind the United States to any promise or agreement whatsoever, his alleged conduct has caused a foreign government to seek to take advantage of the United States on account of it and to state in a sharply worded and threatening diplomatic communication that it entered into provisional but inconclusive negotiations with Germany at Lausanne for devising a settlement of reparations with the "cognizance and approval" of the United States Government; and

Whereas such negotiations with Germany, if so undertaken, were conceived without due regard to facts if they were based on any promises made by the said Hoover, and were not undertaken with the "cognizance and approval" of the United States Government; nevertheless, "approval" of them, if so vouchsafed to any foreign government by Herbert Hoover as a part of a bargain or conspiracy to deprive the United States of all or any part of the amount now due to it from foreign nations, was a violation of the Constitution and laws of the United States; and makes him, the said Hoover, guilty of high crimes and misdemeanors, and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, has, in his message to the United States Congress of December 6, 1932, stated that he has promised certain foreign nations that he will recommend to the Congress methods to overcome "temporary exchange difficulties," although he does not state what such exchange difficulties are, in connection with the payments due to the United States on December 15, 1932; and

Whereas such methods must necessarily be aside from and in violation of the contracts under which the said payments are to be made; and

Whereas the recommendation of them would be an attempt to deprive the United States of moneys which are due to it; and

Whereas such recommendation of methods might be used as an excuse for nonpayment or as an argument disturbing to the peace of the world for cancellation of war debts due to the United States; and

Whereas such a recommendation would be in favor of foreign nations at the expense of the people of the United States; and

Whereas the said Herbert Hoover has by all his actions endeavored to nullify the contracts concerning war debts existing between the United States and foreign nations and has endeavored to bring about a revival of the Debt Funding Commission to alter the said contracts in favor of foreign nations at the expense of the Government and the people of the United States, and has endeavored to bring about a cancellation of the said war debts, and has by all his actions encouraged foreign nations to default on their obligations to the United States and is now encouraging them so to default, such promise on his part to foreign nations constitutes a violation of the Constitution and laws of the United States and makes him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, in violation of the Constitution and laws of the United States, accepted the resignation from the Federal Reserve Board of Edmund Platt in September, 1930, in circumstances which make it appear that a bribe may have been offered to cause the said Platt to resign his position as a member of the Federal Reserve Board and an officer of the United States Government; and

Whereas the said Herbert Hoover, President of the United States, in violation of the Constitution and laws of the United States, unlawfully designated Eugene Meyer Governor of the Federal Reserve Board when he appointed the said Meyer a member of the Federal Reserve Board in September, 1930, to serve the unexpired portion of the term of Edmund Platt, and has permitted the said Meyer to act as Governor of the Federal Reserve Board continuously ever since, notwithstanding the fact that the said Meyer is serving the unexpired portion of the term of Edmund Platt and is not eligible to act as Governor of the Federal Reserve Board, which violations make him, the said Herbert Hoover, guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, in violation of the Constitution and laws of the United States, accepted the resignation from the Federal Reserve Board of Roy A. Young in September, 1930, thus creating a vacancy on the Federal Reserve Board, and has willfully failed and neglected to appoint an individual to fill the vacancy on the Federal Reserve Board occasioned by the absence of Roy A. Young, which violations make him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, has, in violation of the Constitution and laws of the United States, failed to designate as governor a member of the Federal Reserve Board who is lawfully qualified and eligible to act as governor thereof, and has failed to designate a member of the Federal Reserve Board as vice governor thereof, which violations make him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, in violation of the Constitution and laws of the United States, permitted Eugene Meyer to act as a member and as chairman of the board of the Reconstruction Finance Corporation, well knowing that the said Meyer was not lawfully qualified or eligible to act as a member of that board or as chairman thereof, and unlawfully permitted the illegally constituted Reconstruction Finance Corporation, under the illegal chairmanship of the said Eugene Meyer, unlawfully to distribute immense sums of money belong-

ing to the people of the United States, which violations make him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, has, in violation of the Constitution and laws of the United States, failed and neglected to take care that the Federal reserve law be faithfully executed, and has permitted the said law to be administered unlawfully and by an illegally constituted Federal Reserve Board, and has permitted violations of the Federal reserve law which have resulted in grave financial losses to the Government and the people of the United States, which violations make him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, has, in violation of the Constitution and laws of the United States, permitted irregularities in the issuance of Federal reserve currency which have occasioned great losses to the United States and have deprived the United States of legal revenue, and has permitted the Federal Reserve Board and the Federal reserve banks unlawfully to take and to use Government credit for private gain, and has permitted grave irregularities in the conduct of the United States Treasury, which violations make him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, has treated with contumely the veterans of the World War who came to the District of Columbia in the spring and summer of 1932 in the exercise of their constitutional rights and privileges; and

Whereas the said Hoover did nothing to relieve, even temporarily, the distress of the said veterans, their wives, and children while they were destitute at Washington, although Congress allows the Executive a large fortune yearly for the purpose of entertaining United States citizens and others from time to time as may be necessary; and

Whereas the said Hoover has shown a lack of respect for the flag of the United States by denouncing the said veterans as being for the most part criminals and undesirable low-world characters, thus holding those veterans of the World War and defenders of the United States flag up to scorn before their countrymen and their companions in arms across the sea; and

Whereas the said Hoover sent a military force heavily armed against the homeless, hungry, sick, ragged, and defenseless men, women, and children, and drove them, by force of fire and sword and chemical warfare, out of the District of Columbia, which act constituted an infringement upon the constitutional rights of the said men, women, and children; and

Whereas such acts stamp their perpetrator as one who is socially and morally unfit to be President of the United States, and such unfitness for office and such disgrace of office as the said acts denote make him, the said Hoover, guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, has publicly stated that there is a government at Washington which knows how to deal with the mob, meaning himself, and his treatment of a group of veterans of the World War, their wives and children; and

Whereas the said statement is unseemly, is liable to bring the office of the Presidency into disrepute, is injurious to the conception of a democratic government, and betrays a purpose in his actions which does not accord with the rights of a free people among whom there are no nobles and no serfs or peasants, no mob and no master, but a government of the people, by the people, for the people; and

Whereas the making of the aforesaid statement constitutes conduct unbecoming a President of the United States and makes him, the said Herbert Hoover, guilty of high crimes and misdemeanors and subject to impeachment: Therefore be it

Resolved, That the Committee on the Judiciary is authorized to investigate the official conduct of Herbert Hoover, President of the United States, and all matters related thereto, to determine whether, in the opinion of the said committee, he has been guilty of any high crime or misdemeanor which, in the contemplation of the Constitution, requires the interposition of the constitutional powers of the House. Such committee shall report its findings to the House, together with such resolution of impeachment or other recommendation as it deems proper, in order that the House of Representatives may, if necessary, present its complaint to the Senate, to the end that Herbert Hoover may be tried according to the manner prescribed for the trial of the Executive by the Constitution and the people be given their constitutional remedy and be relieved of their present apprehension that a criminal may be in office.

For the purposes of this resolution the committee is authorized to sit and act during the present Congress at such times and places in the District of Columbia or elsewhere, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to employ such experts, and such clerical, stenographic, and other assistants, to require the attendance of such witnesses and the production of such books, papers, and documents, to take such testimony, to have such printing and binding done, and to make such expenditures as it deems necessary.

(During the reading of the resolution the following occurred:)

Mr. LUCE (interrupting the reading of the resolution). Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LUCE. On a previous occasion charges apparently of the same purport were laid on the table by the House. Is it within the province of any Member to evade the rules and to take a matter from the table by proceeding with a second movement of the same sort?

The SPEAKER. The Chair, of course, has not heard the resolution read. Probably if it was identical with the resolution submitted some time ago and laid on the table there would be some question whether or not a second impeachment could be had. But the President can be impeached, or any person provided for by the Constitution, a second time, and the Chair thinks the better policy would be to have the resolution read and determine whether or not it is the same.

Mr. BRITTEN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BRITTEN. Would a motion be in order at this time?

The SPEAKER. No. The Chair would not recognize any Member to make a motion until the resolution is read.

Mr. BRITTEN. Mr. Speaker, I ask unanimous consent that the resolution be considered as having been read.

The SPEAKER. The Chair thinks the resolution should be read.

Mr. McFADDEN (again interrupting the reading of the resolution). Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. McFADDEN. I understand that at the completion of the reading of this resolution it is planned——

The SPEAKER. That is not a parliamentary inquiry. That is a statement.

Mr. McFADDEN. I am attempting to state a parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it. The Chair will hear the gentleman.

Mr. McFADDEN. During the opening I addressed the Speaker to ascertain whether or not I would be protected in one hour time for debate. I am prepared to debate. I understand a certain motion will be made which will deprive me of that right.

The SPEAKER. The Chair can not control 434 Members of the House in the motions they will make. The Chair must recognize them and interpret the rules as they are written. That is what the Chair intends to do. The gentleman from Pennsylvania would have an opportunity to discuss this matter for an hour under the rules of the House, if some gentleman did not take him off his feet by a proper motion. [Applause.]

Mr. McFADDEN. That is what I was attempting to ascertain.

The Clerk concluded the reading of the resolution.

Mr. RAINEY. Mr. Speaker, I move to lay the resolution of impeachment on the table.

The SPEAKER. The gentleman from Illinois moves to lay the resolution of impeachment on the table.

May the Chair be permitted to make a statement with reference to the rules applying to that motion. The parliamentarian has examined the precedents with reference to the motion. Speaker Clark and Speaker Gillette, under identical conditions, held that a motion to lay on the table took a Member off the floor of the House, although the general rules granted him one hour in which to discuss the resolution of impeachment or privileges of the House. Therefore the motion is in order.

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

Mr. BRITTEN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BRITTEN. Is a motion to expunge the language which has just transpired in the House in order at this time?

The SPEAKER. It may only be done by unanimous consent.

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

The yeas and nays were ordered.

The question was taken; and there were—yeas 344, nays 11, answered "present" 1, not voting 70, as follows:

[Roll No. 145]

YEAS—344

Adkins	Davis, Tenn.	Kading	Prall
Aldrich	Delaney	Kahn	Pratt, Harcourt J.
Allen	De Priest	Kelly, Pa.	Pratt, Ruth
Allgood	DeRouen	Kemp	Purnell
Amlie	Dickinson	Kennedy, Md.	Ragon
Andresen	Dickstein	Kerr	Rainey
Andrew, Mass.	Dies	Ketcham	Ramseyer
Andrews, N. Y.	Dieterich	Kinzer	Ramspeck
Arentz	Disney	Kleberg	Rankin
Arnold	Dominick	Kniffin	Ransley
Auf der Heide	Doughton	Knutson	Rayburn
Ayres	Douglas, Ariz.	Kopp	Reed, N. Y.
Bacharach	Douglass, Mass.	Kurtz	Reilly
Bachmann	Dowell	Kvale	Rich
Bacon	Doxey	LaGuardia	Robinson
Baldrige	Drane	Lambertson	Rogers, Mass.
Bankhead	Drewry	Lambeth	Rogers, N. H.
Barbour	Driver	Lamneck	Sanders, N. Y.
Barton	Dyer	Lanham	Schafer
Beam	Eaton, Colo.	Lankford, Ga.	Schuetz
Beck	Elizey	Lankford, Va.	Seger
Beedy	Englebright	Larrabee	Seiberling
Biddle	Erk	Larsen	Selvig
Bland	Eslick	Lea	Shallenberger
Bloom	Estep	Leavitt	Shott
Boehne	Evans, Calif.	Lehlbach	Shreve
Bohn	Fernandez	Lichtenwalner	Sinclair
Boileau	Fiesinger	Lindsay	Sirovich
Bolton	Finley	Lonergan	Smith, Idaho
Bowman	Fish	Loofbourow	Smith, Va.
Boylan	Fishburne	Lovette	Smith, W. Va.
Brand, Ohio	Fitzpatrick	Lozier	Snell
Briggs	Flannagan	Luce	Snow
Britten	Flood	Ludlow	Somers, N. Y.
Browning	Foss	McClintic, Okla.	Spence
Brumm	Frear	McClintock, Ohio	Stafford
Brunner	Free	McCormack	Stalker
Buchanan	French	McDuffie	Steagall
Bulwinkle	Fuller	McGugin	Stokes
Burch	Gambrill	McKeown	Strong, Kans.
Burdick	Garber	McMillan	Strong, Pa.
Burtness	Gavagan	McReynolds	Stull
Busby	Gibson	McSwain	Sutphin
Byrns	Gifford	Major	Swank
Cable	Gilbert	Maloney	Swanson
Campbell, Iowa	Gilchrist	Mansfield	Swick
Campbell, Pa.	Glover	Mapes	Swing
Canfield	Goldsborough	Martin, Mass.	Taber
Cannon	Goss	Martin, Oreg.	Tarver
Carden	Granfield	May	Taylor, Colo.
Carter, Calif.	Green	Mead	Taylor, Tenn.
Cartwright	Greenwood	Michener	Temple
Cary	Gregory	Millard	Thatcher
Castellow	Griswold	Miller	Thomason
Cavicchia	Guyer	Milligan	Timberlake
Celler	Hadley	Mitchell	Tinkham
Chavez	Haines	Mobley	Treadway
Chindblom	Hall, Ill.	Montague	Turpin
Chiperfield	Hall, N. Dak.	Moore, Ky.	Underhill
Christgau	Hancock, N. Y.	Moore, Ohio	Underwood
Christopherson	Hardy	Morehead	Vinson, Ga.
Clague	Harlan	Murphy	Vinson, Ky.
Clark, N. C.	Hartley	Nelson, Me.	Warren
Clarke, N. Y.	Hastings	Nelson, Mo.	Wason
Cochran, Mo.	Hawley	Nelson, Wis.	Watson
Cochran, Pa.	Hill, Ala.	Niedringhaus	Weaver
Cole, Iowa	Hill, Wash.	Nolan	Weeks
Collier	Hoch	Norton, Nebr.	Welch
Colton	Hogg, Ind.	Norton, N. J.	West
Condon	Hogg, W. Va.	O'Connor	White
Connery	Holaday	Oliver, Ala.	Whitley
Connolly	Hollister	Oliver, N. Y.	Whittington
Cooper, Ohio	Holmes	Overton	Wigglesworth
Cooper, Tenn.	Hooper	Palmisano	Williams, Mo.
Cox	Hope	Parker, Ga.	Williamson
Coyle	Houston, Del.	Parker, N. Y.	Wilson
Crail	Howard	Parks	Wingo
Crosser	Huddleston	Parsons	Wolcott
Crowther	Hull, William E.	Partridge	Wolfenden
Crump	Jacobsen	Patterson	Wolverton
Culkin	Jeffers	Peavey	Wood, Ga.
Cullen	Jenkins	Person	Wood, Ind.
Curry	Johnson, Mo.	Pettengill	Woodruff
Darrow	Johnson, Okla.	Pittenger	Woodrum
Davenport	Johnson, S. Dak.	Polk	Wright
Davis, Pa.	Jones	Pou	Yon

NAYS—11

Black	Griffin	McFadden	Stevenson
Blanton	Keller	Patman	Sweeney
Gasque	Kunz	Sanders, Tex.	

ANSWERED "PRESENT"—1

Sabath

NOT VOTING—70

Abernethy	Chase	Doutrich	Goodwin
Almon	Clancy	Eaton, N. J.	Hall, Miss.
Boland	Cole, Md.	Evans, Mont.	Hancock, N. C.
Brand, Ga.	Collins	Freeman	Hare
Buckbee	Cooke	Fulbright	Hart
Carley	Corning	Fulmer	Haugen
Carter, Wyo.	Cross	Gillen	Hess
Chapman	Crowe	Golder	Hopkins
Hornor	Lewis	Romjue	Summers, Wash.
Horr	McLeod	Rudd	Sumners, Tex.
Hull, Morton D.	Maas	Sandlin	Thurston
Igoe	Magrady	Schneider	Tierney
James	Manlove	Shannon	Williams, Tex.
Johnson, Ill.	Montet	Simmons	Withrow
Johnson, Tex.	Mouser	Sparks	Wyant
Johnson, Wash.	Owen	Stewart	Yates
Kelly, Ill.	Perkins	Sullivan, N. Y.	
Kennedy, N. Y.	Reid, Ill.	Sullivan, Pa.	

So the motion was agreed to.

The Clerk anounced the following additional pairs:

Until further notice:

Mr. Evans of Montana with Mr. Haugen.
Mr. Fulmer with Mr. Maas.
Mr. Hare with Mr. Chase.
Mr. Almon with Mr. Sparks.
Mr. Hart with Mr. Summers of Washington.
Mr. Cross with Mr. Schneider.
Mr. Lewis with Mr. Golder.
Mr. Collins with Mr. Withrow.
Mrs. Owen with Mr. Perkins.
Mr. Crowe with Mr. Goodwin.
Mr. Romjue with Mr. Clancy.
Mr. Williams of Texas with Mr. Wyant.
Mr. Sumners of Texas with Mr. McLeod.

Mr. HADLEY. Mr. Speaker, my colleagues, the gentlemen from Washington, Mr. JOHNSON and Mr. HORR, who are unavoidably absent, request me to announce that were they present they would have voted "yea."

The result of the vote was announced as above recorded.

CALENDAR WEDNESDAY

Mr. RAINEY. Mr. Speaker, I ask unanimous consent that business in order on to-morrow, Calendar Wednesday, be dispensed with.

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

There was no objection.

MESSAGE OF THE PRESIDENT OF THE UNITED STATES—RECEIPTS AND EXPENDITURES OF GOVERNMENT (H. DOC. NO. 527)

The SPEAKER laid before the House the following message from the President, which was read, and, with the accompanying papers, referred to the Committee on Ways and Means and ordered printed:

To the Senate and House of Representatives:

In my Budget message of December 5 I laid before the Congress the financial situation of the Government together with proposals for the next fiscal year.

It was pointed out that due to decreasing revenues and despite the efforts of the Congress and the administration, we were again faced with a deficit during the next fiscal year. I urged upon the Congress the necessity for further drastic reduction in expenditures and increase in revenues.

I now approach the Congress again upon this subject, knowing that the Members are fully possessed of the complete necessity of a balanced budget as the foundation of economic recovery and to urge that action should be taken during the present session to bring this about.

The great problem before the world to-day is a restoration and maintenance of confidence. I need scarcely repeat that the maintenance of confidence in the financial stability of the United States Government is the first contribution to all financial stability within our borders, and in fact in the world as a whole. Upon that confidence rests the credit of the States, the municipalities, all our financial institutions, and industry—it is the basis of recovered employment and agriculture.

The increases in revenues enacted at the last session have not had the results hoped for because of continued economic stagnation. The income of the Government for the next fiscal year, nominally estimated at $2,950,000,000, is likely to fall short under present world conditions by anywhere from $100,000,000 to $300,000,000.

Expenditures (and I speak in terms of expenditures rather than appropriations), because of the confusion caused by carry-over of appropriations for the present fiscal year, including Post Office deficit but excluding debt redemption, are estimated at about $3,771,000,000. If expenditures are continued during the next fiscal year at the present rate, there would thus be a deficit of from $920,000,000 to $1,120,-

000,000 in the next fiscal year, exclusive of sinking-fund charges.

Obviously the first necessity of a nation of decreasing income is reduction in expenditures. My message of December 5, as supplemented, recommended very large specific reductions of appropriations and economies for the next fiscal year. These proposals (including the effect of previous appropriations and obligations) would reflect an expenditure next year, excluding debt redemption but including post-office deficit of about $3,233,000,000, a decrease as compared to the current year of about $538,000,000.

Assuming that these economies and reductions of appropriations will be adopted, on this basis of calculation there would still be a deficit, exclusive of debt redemption, of about $400,000,000 to $600,000,000. Certainly with the general economic outlook in respect to income and the legislative outlook in respect to recommended economies the latter figure is the most likely of realization.

The first essential is that the maximum appropriations and economies set out in the Budget message as supplemented should be adhered to. The second is that there should be no new authorizations or appropriations brought forward. The third is that even the appropriations recommended should be reduced at every point the Congress is able to find an avenue therefor. So far as appropriation bills as dealt with by the House of Representatives or the committees thereof, the results have been disappointing. Maximum appropriations for the different departments which were recommended in the Executive Budget have not been adhered to. My Executive orders to consolidate some 58 Government functions into a few divisions with resulting economies appear likely of refusal by the Congress with resultant continuing waste. I regret to say that the same forces are at work which thwarted the savings of several hundred millions we sought to effect at the last session of Congress. We are during the current year and even in the next fiscal year suffering from that failure.

In the five departmental bills dealt with by the House or by the committees thereof at this session, a total of appropriations were recommended by the Executive which would result in an expenditure (exclusive of debt redemption) of $2,263,000,000, being a decrease of expenditures in these departments of $264,400,000 under the present fiscal year. Some items in these bills have been genuinely decreased by action of the committees or the votes of the House. Others have been increased. Still others have been given the appearance of reduction but in reality must be restored during the next fiscal year by deficiency bills.

The items in which there have been genuine decreases in these appropriations aggregate about $23,500,000. But of this $10,000,000 is reduction in the public buildings for which commitments have been authorized.

Items have been decreased which will in all probability be required through deficiency bills amounting to approximately $41,400,000.

Items have been increased amounting to approximately $58,200,000.

There is thus produced an appearance of slightly greater saving than recommended in the Executive Budget, but in reality an actual increase by over $35,000,000. If the Congress would accept the cuts recommended in the Executive Budget and also the genuine cuts made by the House Committee on Appropriations or as passed by the House, it would represent a real decrease in Government expenses over those in the Budget in respect to these bills of some $23,500,000.

There are yet remaining to be reported appropriation bills in which reductions have been recommended by the Executive which would secure reductions on those agencies of $249,000,000 less than those of the current year.

In consideration of reductions I realize the pressures upon the Congress. I also recognize many organizations advocating economy do not fully understand the limitations under which the Congress works in reduction of expenditures. In order to clarify this I may classify the Government expenditures proposed for the next fiscal year into six groups, excluding debt redemption but including post-office deficit:

1. Interest on the public debt which can not be reduced	$725,000,000
2. Trust funds, tax refunds, District of Columbia budget, contributions to civil-service pensions, post-office subsidies to air and foreign mail which are represented by fixed obligations, and other similar items on which there is no opportunity to reduce	310,900,000
3. Public works and their maintenance (excluding military, naval, and veterans' construction which are in following items) has been reduced practically to commitments and contracts outstanding	305,000,000
4. Expenditures on military establishments	612,700,000
5. Expenditures on veterans have been reduced in the Executive proposals by $121,000,000	818,400,000
6. All other expenditures of the Government, including the legislative, the judiciary, law enforcement, prisons, foreign affairs, fiscal and tax service, public health, education, forests, fisheries, aids to agriculture, labor, commerce, safety of life at sea, inspection of food products, and a multitude of vital services including the post office as represented by the remaining deficiency and all other independent establishments except the Veterans' Bureau	461,000,000
Total	3,233,000,000

It will be seen that about 86 per cent of the whole expenditure of the Government lies in the first five items.

No matter how rigid economies may be it is obvious that the Budget can not be balanced without a most substantial increase in revenues. But the progress of appropriation bills, however, would indicate that the Executive recommendations on which all these calculations are based will not be realized by $100,000,000 or more, and therefore it is more likely that the deficit will amount to from $500,000,000 to $700,000,000.

In canvassing the three major fields of possible income; that is, income taxes, customs and excise taxes, I believe that inquiry by the Congress will develop that income taxes under the act of 1932 have been developed to the point of maximum productivity unless we are prepared to abandon our American system of fairly high exemption and reasonably low rates applicable to the small incomes, and in any event by keeping to these principles no further burdens in this direction would substantially increase revenues and solve the questions. One of the first economic effects of the increases already made is the retreat of capital into tax-exempt securities and the denudation of industry and commerce of that much available capital.

The customs revenues and other miscellaneous revenues are not likely to be increased except through recovery in trade. In my view, therefore, the field for substantial increase in Federal Government revenues resolves itself to the exploration of the possibilities of so-called excise or sales taxes. In the estimated revenues for the next fiscal year nearly $700,000,000 is comprised of so-called excise taxes which are levied on a few score different manufactured commodities. These taxes are in fact manufacturers' sales taxes. Any attempted distinction between excise taxes on manufactured commodities, or sales taxes on manufactured commodities is mere juggling with words. Of the taxes now levied nearly $200,000,000 are upon essentials as distinguished from so-called nonessentials. The Congress has thus already established a sales tax as the basis for one-quarter of the whole public revenues, and has already adopted sales taxes upon essentials as distinguished from nonessentials. To extend this form of taxation is neither new nor revolutionary. Instead of spreading it over a few scores of commodities and services at irregular rates which cause discrimination and hardship between industries, it would seem the essence of good statesmanship to apply such a tax generally at a low rate upon all manufacturers except upon food and cheaper grades of clothing, and thereby give to the Federal Government a stable basis of income during the period of depression.

The balancing of the Budget is one of the essential steps in strengthening the foundations for recovery. Capital expenditures are a very important item in our economic life.

There can be no doubt that there is an enormous accumulated demand for capital funds that would be expended for equipment and replacements of all kinds if long-time funds could be obtained cheaply and if confidence were restored. For some time now long-time funds have not been available for the public at reasonable rates. The retirement of the Federal Treasury from the market as a constant borrower, the balancing of the Federal Budget, and the refunding operations necessary to bring the Government debt into better balance would have a stimulating effect, would vitalize our entire credit structure and produce one of the conditions essential to continued recovery.

It is essential that the Government undertake at an early moment the refunding of outstanding high interest-bearing Liberty bonds into bonds bearing a lower rate of interest. It is essential, too, that a portion of our short-term borrowing should be converted into longer-term issues. A balanced Budget would greatly facilitate such an operation.

Every principle of sound governmental management and wise economic policy call for the prompt balancing of the Federal Budget. This all-important objective is definitely within reach, and more determined effort will bring us to the goal we have been striving to reach in the face of unparalleled difficulties.

One of the most helpful contributions which the Congress and this administration could give to the next administration would be to enable them to start with the Federal Budget in balance and the Federal finances in order.

HERBERT HOOVER.

THE WHITE HOUSE, *January 17, 1933.*

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

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

There was no objection.

Mr. BYRNS. Mr. Speaker, like the other Members of the House I have had no opportunity to analyze this message, having been able to follow it only as it was read from the Clerk's desk, with a copy which I happened to hold in my hand.

I have been in Congress for some time. In this time I have never heard on any occasion or on any subject a more remarkable and amazing message sent to the Congress of the United States; and I am very sure that the President, who I assume indited it and who certainly signed it, would wish to withdraw it if this could be done when he realizes just what he has stated to the Congress and to the country.

Let me call your attention to a few significant sentences in this message. I now quote:

> The first essential is that the maximum appropriations and economies set out in the Budget message as supplemented should be adhered to.

And further on he says:

> So far as appropriation bills as dealt with by the House of Representatives or the committees thereof, the results have been disappointing. Maximum appropriations for the different departments which were recommended in the Executive Budget have not been adhered to.

Could there be anything more astonishing than such a statement from the President of the United States who has been urging economy since the Democrats took control in December, 1931, than his present complaint to Congress and to the country that the maximum appropriations which he recommended and the economies suggested by him have not been adhered to?

Are we to understand the President of the United States as wishing to put himself in the position of saying he does not think Congress should have attempted to reduce any estimate he sent up here?

Are we to understand him as complaining because Congress in its wisdom, being in charge of the purse strings of the country, has sought to reduce these estimates to the fullest possible extent?

Yet, Mr. Speaker, if the English language means anything in the world that is what this message means, because the language to which I have referred, the quotations which I have made, can not be construed in any other way.

Oh, yes, the President probably is resentful. I recall at the last session of Congress when the Democrats took control of the House under the leadership of our distinguished Speaker and began to cut down the President's estimates, finally cutting them to the extent of over $334,000,000 before it concluded, the President became very restive. After he saw three or four of these bills reported, he sent a message urging that his estimates be reduced and telling Congress within five weeks after he had sent his estimates on the 1st of December, that unless they cut them something like $200,000,000 or $300,000,000, I forget the exact figure, Congress would not be doing its duty, and this notwithstanding he was supposed to have given careful and deliberate consideration to the estimates sent up over his signature and prepared by his personal representatives.

He complains. He says Congress is not going to help balance the Budget by its present policy of reduction. What else does he say?—

> Some items in these bills have been genuinely decreased by action of the committees or the votes of the House. Others have been increased. Still others have been given the appearance of reduction but in reality must be restored during the next fiscal year by deficiency bills.

Of course, I am not going to say so, but you know that reads so much like BOB SIMMONS's speeches of December and January a year ago when the House committee was cutting estimates and appropriations that I almost think he must have taken the language from some of Bob's speeches. The gentleman from Nebraska [Mr. SIMMONS] spent hours discussing several appropriation bills. The gentleman from Nebraska criticized the reductions we were making last year, which finally amounted to over $1,100,000,000 before we got through and which I have just stated resulted in over $334,000,000 of reduction in the President's Budget. He came down in the well of the House and declaimed, "You are doing this with your tongue in your cheek; you expect to make deficiency appropriations to take care of these reductions next December." It is significant that his constituents did not agree with him when they cast their votes in the November elections. He is to be succeeded by a Democrat, who will come here to help reduce expenditures and appropriations rather than criticize the committee and its chairman for what it accomplished along that line.

You passed the deficiency bill here this afternoon, and, Mr. Speaker, as I recall, it is the smallest urgent deficiency bill that has been passed by Congress in my whole record here in the House of Representatives, carrying a little more than $3,000,000 by way of deficiencies, excluding the appropriations for refunding taxes which Mr. Mills, the Secretary of the Treasury, told us in December, 1931, would be necessary this year, and none of which was made necessary by the reductions which the Congress made.

Now, what have we done this session? Let us see how a plain, simple tale will put this message down. The President is undertaking to say—and I say this with the utmost respect, although it is a little difficult to talk about these things when we hear a message like this read—but the President is undertaking to tell the country that Congress is not doing its duty and that it is not helping to balance the Budget.

Let me call your attention to the actual facts. I have done this once or twice. But it does not seem to be known to those who proposed this message, although easily accessible to the President and those who helped him prepare this message.

We have had five bills reported to the House up to this time. The first was the Treasury and Post Office bill. The President asked us to appropriate—and, mind you, I say the President asked us to appropriate—for these two departments $994,328,901. The House Appropriations Committee recommended and the House approved appropriations carrying $961,416,597, which represents a reduction under the President's estimate of $32,912,304.

Did the House fail to do its duty in helping to balance the Budget because in this instance it refused to accept the "maximum amount" or as the President expresses it, "adhere to the maximum amount" which he asked us to appropriate. As to the Interior Department appropriation bill, which has passed the House, the Budget estimates, or the requests of the President, amounted to $46,083,929.

[Here the gavel fell.]

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes more.

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

There was no objection.

Mr. BYRNS. The House Committee on Appropriations recommended, and the House concurred in the recommendation, $43,172,904, which was a reduction of $2,911,025, which according to the President's message, just read, was all wrong and ought never to have been done.

The Department of Agriculture bill has been reported by the Committee on Appropriations and passed by the House. The Budget or the President's requests amounted to $108,-061,793. The bill as reported from the House Committee on Appropriations and concurred in by the House, carried $100,228,077, or a reduction under the President's requests of $7,833,716.

The urgent deficiency bill was then reported and was finally passed to-day. The Budget, or the President's estimates, called for $44,138,764. The bill as it was agreed upon carried $31,756,535, or a reduction under the President's estimates of $12,382,228.

The War Department bill is now pending in the House. Under the President's requests it amounted to $352,530,145. As the Committee on Appropriations has reported it, it carries $345,833,532, or a reduction under the President's estimates of $6,696,613.

In other words, in these five bills which have been reported up to this time, some of which have been passed by the House, there has been a total reduction under the President's Budget of $62,735,886. Still further reductions will be made in the bills which are to follow.

Let me ask again, just what does the President mean when he complains because the committee and the House, exercising their constitutional authority, have sought to cut down these appropriations and have reduced his estimates in these five bills alone over $62,000,000, and thus refused to "adhere to the maximum amount" which he asked? Oh, gentlemen, I repeat, I can fancy, to-morrow, when the President looks over this message again, he will have some regret, because he has put himself in a position before the Congress and before the country which is absolutely indefensible.

And then what next does he complain of? He says:

> My Executive orders to consolidate some 58 Government functions into a few divisions, with resulting economies, appears likely of refusal by the Congress, with resultant continuing waste.

Well, the President did submit a message in which he recommended that there be some sort of consolidation of some 58 activities, so they said. I never counted them, but, you know, I could not help but think—and I am sure every Member of this House thought at the time—that he had been President of the United States for nearly four years and for eight years was Secretary of Commerce and sat in the Cabinet of two Presidents.

He says he knew all this time something about the necessity of consolidation. And yet it was not until the Democrats began to take steps along this line, when they organized the House under the leadership of our distinguished Speaker, that he seems to have become aroused to the fact that something might be saved in the way of consolidation.

I challenge you or anyone else to show wherein that message he gave to the country furnished the slightest information as to just how much can be saved or what efficiency it would promote.

What is the object of consolidation? Just two things. If it is not going to save money, if it is not going to promote efficiency there is no use of transferring one bureau to another department.

One of these two things must be accomplished or else there is no justification in consolidation. And yet in that message he does not indicate, he does not tell you, what the Director of the Budget or the heads of the departments have estimated will be saved if his recommendation be carried out or what efficiency will be promoted. Nor does he venture a positive or definite opinion. He simply says it must follow as a matter of course that there will be some efficiency and some saving in administration.

Now, ladies and gentlemen, he complains because Congress did not immediately act on his consolidation message, when he did not give us a single fact to justify our taking the matter up and considering it. I repeat, for more than three and a half years he sat in the White House totally oblivious, so far as his actions were concerned, to the necessity of consolidation in the interest of economy or better efficiency.

Mr. MAPES. Will the gentleman yield?

Mr. BYRNS. Not until I complete this thought. I would like to get through and then I will yield.

Mr. MAPES. I would like to set the gentleman right.

Mr. BYRNS. All right. I will yield.

Mr. MAPES. The gentleman from Tennessee criticizes the attitude of the President in regard to reorganization. Is it not fair to say that during all the eight years he was Secretary of Commerce he consistently recommended that the President be given authority to make consolidations and reorganization of departments, and that since he has been President he has repeatedly asked Congress to give him that authority; that the authority was never given him until near the end of the last session of Congress on the passage of the economy act, and that he has acted as promptly as it was humanly possible for him to act in making the recommendation? [Applause on the Republican side.]

Mr. BYRNS. Let me ask the gentleman: Does not the Constitution make it the duty of the President to advise Congress from day to day with reference to the state of the Union and what should be done for the best interest of the country?

The SPEAKER. The time of the gentleman from Tennessee has again expired.

Mr. MAPES. I ask unanimous consent that the time of the gentleman be extended five minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. BYRNS. The gentleman says that the President for eight years has been talking about consolidations when he was Secretary of Commerce, and I think when he began to send in his numerous messages last January, a year ago, he repeatedly referred to the fact that as far back as 1922 he had been in favor of consolidations. I submit to the gentleman that there was never the slightest reason on the face of the earth why the President of the United States should not have investigated the subject and sent to Congress on any day that it was in session a recommendation that certain consolidations be made in the interest of economy and efficiency, and the mere fact that Congress had not given him that power certainly offers no excuse for this failure on the part of the President to do what the gentleman from Michigan refers to.

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

Mr. BYRNS. Yes.

Mr. BROWNING. Also, does not the Budget law charge him with the responsibility in direct language of reporting consolidations or recommendations for reorganization to Congress, in addition to his duties under the Constitution?

Mr. BYRNS. I thank the gentleman for that suggestion.

Mr. BROWNING. And his party was in power all the time when he was in the Cabinet.

Mr. BYRNS. The gentleman has correctly set forth what was expressly declared in the Budget law to be the duty of the President; and, as the gentleman from Tennessee says, during all these years the Republicans were in power, not only in the White House but in the Senate and in the House of Representatives, not a suggestion worthy of consideration came from the White House until after a Democratic

House began to cut expenditures, and last December a year ago appointed a committee for the purpose of looking into the matter of consolidation and determining where greater economies could be effected.

Mr. MAPES. I take it the gentleman does not want me to answer the question which I understand was directed to me.

Mr. BYRNS. Does the gentleman deny that the President could have submitted a message at any time he wanted to?

Mr. MAPES. I do not deny that the President has not submitted a message to Congress on the subject every day, but I presume it is fair to say that he has submitted at least a dozen messages since he was inaugurated as President asking for authority to consolidate and reorganize the executive departments, and some of the leading members of the gentleman's party have consistently opposed giving him such authority on the ground that it was unconstitutional to clothe the President with that power; but now, according to the public prints, the gentleman's party proposes to give the incoming President not only authority to reorganize and consolidate but to abolish activities which have been created by statute.

Mr. BYRNS. The gentleman from Michigan is one of the leaders on his side of the House.

Mr. MAPES. Oh, no; I am not.

Mr. BYRNS. During this time the gentleman's party has been in complete power, not by a margin of one or two, but by an overwhelming majority in most instances, and the gentleman from Michigan stands here defending the President of the United States as the leader of his party and says that the President during all those years has been urging consolidation in the interest of economy and efficiency, and yet with the gentleman's party in power, as it was, with the right to pass legislation and to act in conformity with the recommendations of the President, he sat still, as did his party, and failed to give him such authority, and that it was finally necessary for the Democratic Party to do what his party has failed to do. His statement and admission are as astounding as the message I have been discussing. [Applause on the Democratic side.]

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

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. JAMES, on account of illness.

To Mr. CARLEY, for an indefinite period, on account of illness.

ELECTORS FOR PRESIDENT AND VICE PRESIDENT

The SPEAKER laid before the House the following communication, which was read:

DEPARTMENT OF STATE,
Washington, January 17, 1933.

The Hon. JOHN NANCE GARNER,
Speaker of the House of Representatives.

SIR: I transmit herewith, in pursuance of the provisions of the act of Congress approved on May 29, 1928 (45 Stat. 945) a copy of the certificate of the final ascertainment of electors for President and Vice President appointed for the Commonwealth of Pennsylvania on November 8, 1932. A certified photostat copy of a certificate setting forth the names of the electors appointed for the Commonwealth of Pennsylvania which was received with the certificate mentioned above is also inclosed.

Very truly yours,

H. L. STIMSON.

Inclosures: Certificates furnished by the Governor of Pennsylvania.

The SPEAKER also laid before the House the following communication, which was read:

DEPARTMENT OF STATE,
Washington, January 16, 1933.

The Hon. JOHN N. GARNER,
Speaker of the House of Representatives.

SIR: I transmit herewith pursuant to the provisions of the act of Congress approved on May 29, 1928 (45 Stat. 945) copies of the certificates of final ascertainment of electors of President and Vice President of the United States appointed on November 8, 1932, in the States which are indicated below.

Very truly yours,

H. L. STIMSON.

Inclosures:
Certificate furnished by the Executive of the State of Colorado.
Authenticated photostat copies of certificates furnished by the Executives of the States of Nevada and Rhode Island.

CONSTITUTIONAL AMENDMENT FIXING THE TERMS OF PRESIDENT, ETC.

The SPEAKER laid before the House the following communication, which was read:

DEPARTMENT OF STATE,
Bismarck, N. Dak., January 14, 1933.

Hon. JOHN N. GARNER,
Speaker of the House of Representatives, Washington, D. C.

SIR: By direction of the Twenty-third Legislative Assembly of the State of North Dakota now in session, we transmit attached hereto a certified copy of a joint resolution ratifying an amendment to the Constitution of the United States of America, fixing the commencement of the terms of President, Vice President, and Members of Congress, and fixing the time of the assembly of Congress.

Very respectfully,

ROBERT BYRNE,
Secretary of State.
By CHARLES LIESSMAN, *Deputy.*

EFFECT OF THE ST. LAWRENCE TREATY ON THE LAKES TO THE GULF WATERWAY

Mr. WILLIAM E. HULL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the effect of the St. Lawrence waterway on the Lakes to the Gulf waterway.

The SPEAKER. Is there objection?

There was no objection.

Mr. WILLIAM E. HULL. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by myself before the national rivers and harbors convention, Washington, D. C., January 17, 1933:

The first bill I introduced in the Congress was H. R. 5475, a bill to deepen the channel of the Illinois River from Utica, Ill., to Grafton, Ill., to a 9-foot channel, which, with the Illinois waterway project authorized and under completion by the State of Illinois, would make a connection between Lake Michigan and the Mississippi River and thence on to the Gulf of Mexico, thus connecting Lake Michigan with the Gulf, giving to the great agricultural section of the United States an opportunity to ship their products throughout the world at a reduced freight rate.

This great "bread basket" of the Nation, which has been landlocked for these many years, to-day has the opportunity of reaching a goal that has been sought since the inauguration of the first President of the United States. George Washington had in his mind a waterway leading from the east coast to the great Mississippi River, and now, through different stages of legislation, the Congress of the United States has authorized a deep waterway connecting Lake Michigan with the Gulf of Mexico and added to that are the tributaries that run into the Mississippi River.

All of this is practically completed or under construction. Millions of dollars have been spent upon this great inland-waterway system, and now what do we find? A treaty with Canada that will prevent the waters from Lake Michigan, an inland lake not belonging to Canada, from being turned into this inland-waterway system.

Will the people of the Central West and the South allow another nation to defeat this great project as is proposed in the Canadian treaty dealing with the St. Lawrence navigation and power project?

I quote to-day a part of a speech that I made to the House of Representatives March 3, 1925, headed "Canadian Power Interests":

"Immediately upon the introduction of this bill the power interests of Canada and Niagara Falls bared their fangs and proceeded to burrow within. Some of our own States and the shipowners of the Great Lakes also entered protest, but apparently always under the generalship of the Canadian power interest.

"The Great Lakes lie principally upon the United States side, and still we have Great Britain, through the Canadian Government, dictating to us how much water shall be taken for power purposes when, with extreme greed, they have taken the lion's share of the water. Even after a treaty had been signed, giving Canada 36,000 cubic second-feet, against 20,000 cubic second-feet flow for the United States at Niagara Falls, and after Canada accepted in this treaty the diversion of 10,000 cubic second-feet at Chicago, she, with her unlimited gall, comes back to the United States Government and asks us to revoke the 10,000 cubic second-feet diversion at Chicago. Without doubt it is uppermost in

their minds to again ask for a new treaty that they may be given a part of this water."

Now, what do we find? The new treaty I predicted eight years ago is before us and the Canadians will get 41,000 second-feet, and at Chicago and Niagara Falls combined the United States will get 22,425 second-feet. I do not see any justice in that. They get more than they got before and we give up what we had to make a great American waterway from the Lakes to the Gulf, and we are not asking for 10,000 second-feet. All we are asking is enough water to make the great American waterway a success.

The Canadians are vitally interested in this treaty. Now, friends, do not fool yourself. They are more desirous of getting this treaty than the United States Government is.

Canada built the Welland Canal at a cost of $128,000,000. Their great wheat fields are up on the north shore of Lake Superior. Fort William and Port Arthur are the largest ports in the world and they are up on the north shore of Lake Superior. With the St. Lawrence completed, they can load ocean steamers near the great wheat fields of Canada and go direct to Liverpool.

They have 27-foot depth in the Welland Canal, but they only have a 14-foot depth down in the St. Lawrence. They can not use the 27 feet in the Welland Canal unless this new waterway is completed. If they are going into the world market with their wheat, they must have the St. Lawrence waterway and for that reason alone, they are anxious that the United States Government should furnish the money to build it, which will cost our Government nearly a billion dollars when it is completed. And still they say to us down in the Mississippi Valley that we are to be limited to 1,500 second-feet of water out of Lake Michigan which belongs to the United States itself and is not a boundary water. In addition to that, this treaty gives them jurisdiction over Lake Michigan.

How any Senator could afford to cast his vote for such a treaty is beyond my comprehension.

I want to quote in this connection from an editorial in the Toronto Mail showing another loss they will sustain if they fail to get this treaty:

"The treaty has its power side as well as its navigation side. The work in the international section and in the national section will develop about 5,000,000 horsepower. Of this 2,000,000 horsepower will be available in the international section and 3,000,000 in the national section. Canada is to obtain 1,000,000 of the 2,000,000 horsepower to be produced in the international section, but all of the 3,000,000 horsepower to be developed in the national section will belong to this country. This means that Canada is to obtain 4,000,000 horsepower and the United States 1,000,000 horsepower out of the whole St. Lawrence waterway development."

This editorial ought to be a warning to our people to lay off this treaty. It is evident some of the Senators of the Northwest are willing to sacrifice the whole transportation system of the inland waterway of this country paid for by the United States taxpayers to give the farmers an outlet for their grain, for a mere pottage the privilege of shipping over the Great Lakes, that mostly belong to the United States, the products of simply the Northwest, and allow the rest of the country to suffer thereby.

It seems to me that there should be an uprising of all of the Central West and the South against this treaty. We would be better off holding out and not surrendering everything for such an unfair and unjustifiable treaty.

I desire, at this point, to call your attention to another fact: We are all suffering in this country for the want of labor for our people. We have complained that we have used our tax system to the limit to raise money for public works to give them labor, and yet millions are still idle, but now we are willing to raise in the neighborhood of a billion dollars to be spent in Canada, and I quote from the Canadian editorial as follows:

"Most of the construction work will be done in Canada. All the construction work on the national section will, of course, be done here, but there is more than that. Though the United States is to provide the $57,718,000 for works situated on the Canadian side in the international rapids section, Canadian engineers, Canadian labor, and Canadian materials are to be used."

This analysis should be a warning to every American citizen, and I will quote a few lines from the same editor in which he says:

"With the deep-water channel to Great Britain and to other parts of the world, and with an abundance of cheap power for manufacturing purposes, a multiplication of industries along the Great Lakes and St. Lawrence River is certain to occur within the next few years. We believe, indeed, that the most highly industrialized section of the new world will bestride the international boundary."

Is it possible that our Senators are willing to barter away our labor and destroy the great inland waterway by taking away from it the water that it so richly deserves and give it all to Canada; take a billion dollars out of our Treasury and allow Canada to expend it upon its own labor, its own waterway interests, and the development of industry in that country? It seems to me that those of us who live in the Central West should rise in mighty wrath and develop a sentiment throughout the whole 28 States that are interested in an inland-waterway system and protest to the Senate of the United States against such an atrocious treaty as this is.

And once more let me quote what the Canadian papers say, which are justly proud of the Canadian minister, the Hon. W. D. Herridge, who negotiated this treaty:

"He has obtained a treaty which places the bulk of the cost on the United States and involves the Dominion treasury in an expenditure of less than $40,000,000. This and his success in obtaining a greatly increased number of air channels from the United States for radio purposes amply justify his appointment to the Washington post. He would not have accepted that position but for the prospect of doing these two jobs for Canada, and his double achievement marks him as an international diplomat of first-class order. In the language of the street, he has carried the message to Garcia, delivered the goods, and brought home the bacon."

There is no doubt but what he has brought home the bacon to Canada but he got the bacon out of our smokehouse. There is no reason to disqualify Mr. Herridge for his success, but I am wondering where our minister was at the time that was put through.

Gentlemen, you will never know how still the Canadians have been in the last 10 years, how forceful their argument has been against the deep waterway throughout the United States and how they have, at all times, apparently fought even the St. Lawrence waterway, but they were just exactly like a good fisherman sitting quietly with his hook well-baited until we nibbled on the bait and we have most certainly been well hooked in the negotiation of a treaty of this character.

It is not necessary for me to go through all of the different agreements that we have had in Congress in reference to diversion but I will call your attention to the fact that for the past 30 years, Canada has been using extra water at Niagara even though 65 per cent of the lake surface and 59 per cent of the watershed are in our country. They have been collecting a heavy toll for the diversion at Chicago, but now you make a treaty in which you allow them to increase the amount of their diversion and even take it out of our own waterways.

In order that I may put before this convention the action of Congress on the diversion or the amount of water that we are to have in the Illinois and Mississippi waterway, I quote an act of Congress, authorizing the Illinois-waterway development which contains the following provision:

"As soon as practicable after the Illinois waterway shall have been completed in accordance with this act, the Secretary of War shall cause a study of the amount of water that will be required as an annual average flow to meet the needs of a commercially useful waterway as defined in said Senate document, and shall, on or before July 31, 1938, report to the Congress the results of such study."

And before the engineers have had a chance to make this study and the necessary amount of water needed determined by demonstration, we have a treaty that precludes the Congress and the courts from dealing with the question. Clearly Congress intended that the waterway authorized by this act should be operated.

I want to say to this organization which is interested in the affairs of the United States Government, if you adjourn this convention without taking some action against this treaty, then there will be no particular interest in having more of these conventions because you have turned our whole waterway system over to the dictation of Canada, and you know and I know that whenever they get what they want, from that time on we will get nothing. From time immemorial the Canadians have been so far ahead of our people from a diplomatic standpoint that the majority of the people of the United States do not know what has hit them. When Canada gets all she wants, she will then refuse to allow even enough water to operate the Illinois and Mississippi Canal from Lake Michigan to the Gulf of Mexico and it will be closed, and the hope for a revival of agriculture and industry in the Central West will be forever blasted.

BALANCING THE BUDGET

Mr. BACON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing the speech made yesterday by the Secretary of the Treasury.

The SPEAKER. Is there objection?

There was no objection.

Mr. BACON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

[From the New York Times, January 17, 1933]

TEXT OF SECRETARY MILLS'S ADDRESS ON BALANCING THE BUDGET

I have been asked to speak to you this evening on the subject of Federal finances. This sounds formidable. As a matter of fact, however, our fiscal problems can be simply stated and readily understood. Were it not for the political factors, even their solution would be comparatively simple. They become complicated only when dealt with in terms of accounting verbiage, or if we lose ourselves in a maze of unnecessary details.

While the carrying out of determined policies does require technical skill and detailed application, a few essential facts and a broad outline of our present financial situation are all that are necessary in order to enable us to grasp the character of the problem that confronts us and to make the necessary decisions.

Our total expenditures for this fiscal year which ends June 30 next, will aggregate $3,771,000,000, exclusive of public debt retirements.

NATURE OF THE EXPENDITURES

These expenditures will be devoted to the following purposes: $695,000,000 are required for interest on the public debt, $134,000,000 represent excess of postal expenses over receipts, $87,000,,000 customs drawbacks and internal-revenue refunds, $21,000,000 pay-

ments to the civil-service retirement fund, and $157,000,000 on trust-fund account, such as the Government life-insurance fund, trust funds for the benefit of Indian tribes, expenditures of the District of Columbia government, etc., or a total of $1,094,000,000 of unavoidable obligations.

We shall expend about $630,000,000 for national defense—an amount which, until greater progress is made in international disarmament, can not be safely reduced; about $920,000,000 on our veterans (both exclusive of construction items), and about $600,000,000 on public works in completion of the program already embarked on, making a total for these purposes of $2,150,000,000.

This leaves about $500,000,000 for the ordinary running expenses of the Government, including the legislative and judicial branches, fiscal administration and control of banking and currency, foreign relations, conservation, education, promotion of the public health, Indian affairs, aids to agriculture, labor, aviation, and industry.

ACTUAL OPERATING EXPENSES

In other words, if we exclude the unavoidable obligations such as public-debt expenditures, and exclude the Army, Navy, and veterans, the ordinary expenses of the Federal Government are approximately $500,000,000. I stress this point because of the misleading picture that has been painted of an immense and costly bureaucracy and of the vast savings to be effected through a reorganization of the Federal Government. Such reorganization is desirable in the interest of greater efficiency and greater economy, but substantial relief to the taxpayer must be sought elsewhere.

The President, in his Budget message, has indicated how and where economies can be effected.

The 1934 Budget, as supplemented, contemplates expenditures, exclusive of public-debt retirements, of $3,233,000,000 for the fiscal year 1934, after all reductions proposed by the President, as compared with $3,771,000,000 for the present fiscal year, or a saving of $538,000,000.

This would be accomplished in the main by curtailing expenditures for public works by about $260,000,000; by amending veterans' legislation to do away with certain unjustifiable payments resulting in a reduction of $127,000,000; by the application of the strictest economy in the various departments and bureaus of the Government; and a further reduction in salaries of $57,000,000.

SEES A REAL ACHIEVEMENT

Reducing the cost of Government by over half a billion dollars, following the substantial savings already effected this year, would constitute a real and fruitful achievement. It is the first essential step toward bringing the Budget into balance and laying a foundation for ultimate relief to the taxpayer.

I know of no reason why the country should not get the benefit of these reductions in expenditures. I am not talking of a vague and theoretical program. Every one of the economies that go to make up this saving of over half a billion dollars is set out in detail in the Budget message. It requires but the affirmative vote of the Congress to make these economies effective, and both parties are pledged to drastic economies and to a balanced Budget. The time to make good these pledges is now. The need is obvious. The plan is there. There is no excuse for further delay.

But this is only part of the story. Even if current expenditures are reduced to $3,233,000,000, the Budget will not be in balance. The total receipts, exclusive of foreign-debt payments, which recent events have made a highly uncertain item, are estimated at $2,620,000,000, leaving a gap of $613,000,000, which will have to be bridged by increased taxation.

$500,000,000 MORE NEEDED

Assuming that we shall collect something on foreign-debt account, we need, roughly speaking, a half billion dollars of additional receipts.

The situation thus may be summarized by saying that, exclusive of public-debt items, our Federal Budget may be brought into balance in the next fiscal year by reducing expenditures half a billion dollars and by providing half a billion dollars of new money. But this does not afford provision for sinking-fund obligations, and it presupposes that no new obligations of any kind will be incurred.

The savings, as I have said, are set out in detail in the Budget message. When I appeared before the Ways and Means Committee on December 14, when the so-called beer bill was under consideration, I pointed out that the beer bill alone, yielding say $125,000,000, or even coupled with the gasoline tax, yielding another $137,000,000, could not be expected to produce the necessary revenue—in fact, they would only produce about one-half—but that combined with a general manufacturers' excise tax they would furnish a base of taxation sufficiently broad to give adequate assurance of a balanced Budget.

NEED OF A SALES TAX STRESSED

Without the manufacturers' excise tax it will be extremely difficult to balance the Budget, since the field of new taxes has been well exhausted by the revenue act of 1932.

It should not be forgotten that we adopted income-tax rates that run as high as 63 per cent, which is an extraordinarily high peacetime rate, and an inheritance tax law with rates running as high as 45 per cent; that we have imposed sales taxes on a great variety of articles, including lubricating oils, brewers' wort, automobiles, trucks, parts and accessories, tires, gasoline, candy, chewing gum, soft drinks, jewelry, toilet preparations, furs, electricity, radios, mechanical refrigerators, sporting goods, and cameras, and that, in addition, new and increased stamp taxes were imposed; taxes on admissions were extended; a tax on telephones, telegraph, cable, and radio messages, checks, safety-deposit boxes, transportation of oil by pipe line, and the use of boats were adopted.

Many of these taxes are difficult of administration and not particularly productive. Some are inequitable and unjustifiable in their present form. The adoption of a general manufacturers' excise tax at a comparatively low rate would permit the elimination of a number of them.

CHANGED MIND ABOUT SALES TAX

There was a time when I did not favor a manufacturers' excise tax. But at a time when our normal sources of revenue from excises and customs, supplemented by income and inheritance taxes imposed at war-time rates on not more than 2,500,000 people out of a Nation of 120,000,000 are inadequate to supply the necessary revenue, the objections ordinarily urged against the manufacturers' excise tax do not seem to me to remain valid.

It appears preferable to a great variety of discriminatory sales taxes, which are just as much consumption taxes as a manufacturers' excise tax. It would be levied at a low rate and imposed on such a broad base as not to be truly burdensome to any class of taxpayers.

It is not a novel form of taxation, but one which has given satisfaction in Canada, where conditions are not fundamentally different from ours, and in Australia. The objections to it are theoretical rather than practical. It is the most promising source of new revenue that we can turn to at this time to assure the safeguarding of the public credit. But, as far as I am concerned, I would be glad to consider with an open mind any other forms of taxation that might be suggested to bring our Budget into balance.

That the Budget should be balanced is not open to dispute. No matter how good its credit, no government can afford to go on living beyond its means year after year. It is demoralizing. Such a practice runs counter to the fundamental principles that should govern the management of the public business. It is dangerous for public servants to acquire the habit of spending more than is currently available, for it is a habit easily acquired and, once acquired, not easily gotten rid of short of disaster.

TIME HAS COME TO BALANCE BUDGET

But June 30 next we will have closed three successive fiscal years with very large deficits. We will have more than exhausted the reserve which we set up in the days of plenty through the retirement of public debt from surplus funds. No one can claim that we have been hasty in imposing new taxes in a period of depression.

In fact, during the course of the campaign the Treasury was severely criticized for not resorting to additional taxes at the very beginning of the depression. I do not agree with that criticism. But I do think the time has now come to effect the necessary economies and to make available the necessary revenues to put the Government's finances in order and the Government credit on an unassailable basis. I believe that such a step would have a most wholesome effect on our national economy, and that the retirement of the Federal Government from the money market as a constant seeker for new funds would have a stimulating effect on the capital market, to which we must look for the initial impulse toward recovery.

The example of the Federal Government cutting expenses and living within its income would set a standard for governmental units all over this country struggling with the inevitable consequences of a decade of excessive borrowing and extravagant expenditures.

TO STIMULATE CAPITAL MARKET

From the standpoint of the Treasury a balanced Budget should permit a large saving in interest charges, not only through the prevention of a further increase in the public debt, but because it would enable the refunding on favorable terms of bonds bearing a high rate of interest, and which by October, 1933, will be callable in an amount not far from $7,000,000,000.

A lower interest charge on such a large volume of Government securities would affect long-time interest rates. Lower rates and increased bond prices would stimulate the capital market and create one of the conditions essential to business recovery. The goal is so definitely possible of attainment and the results will be so beneficial in many directions that one can not help but be impatient at the difficulties and delays and even more impatient at the uncertainty.

May I add one more word? I have been discussing a Budget balanced in the sense that current revenues will be adequate to cover current expenditures. Even so, the Budget would not be balanced in the strict sense of the word, since no provision would have been made for the $440,000,000 due the sinking fund. This is unsatisfactory, but must be tolerated under present conditions.

It would be intolerable, however, if on top of our failure to meet our sinking-fund requirements we should resort to such a bookkeeping device as withdrawing certain items of expenditure from the ordinary Budget and setting them up in the form of a special budget to be covered by borrowings.

ASSAILS CAPITAL BUDGET IDEA

Such program has been discussed. It has been suggested that public building expenditures, for instance, should be paid for not from current revenue but by borrowing, on the theory that they constitute more or less permanent improvements that can be amortized over a period of years. It is said that business corporations capitalize improvements of this character.

But there is this great difference between business corporations and the Government. Capital improvements by business corporations are productive in character, and are intended to produce enough revenue to pay for the indebtedness over a given period of years. Generally speaking, this is not true of capital improvements made by the Government.

With very few exceptions these new Government buildings represent liabilities rather than assets. They require additional funds for repairs and upkeep. The claim that has been so frequently made that the savings in rental would be enough to cover fixed charges, running expenses, repairs, and depreciation will not bear examination. Under the present building program, of the buildings completed up to January 1 last, replacing leased quarters, we are spending on running expenses alone $1,130,000, as compared with the rental for accommodations previously leased of $475,000.

Let me illustrate. In the town of X, let us say, we are paying $2,400 to rent the necessary accommodations for a post office. The Government erects a $100,000 building. Without figuring the cost of land and interest on the investment, the maintenance cost of that building amounts, together with depreciation, to $6,300 per annum. In other words, whatever the other charges may be in dollars and cents, the new post office in this particular town costs the United States Government $3,900 more a year than the rented quarters did.

PLAN IS HELD ILLOGICAL

To say that we should capitalize this new liability and issue bonds against it because it is analogous to what a manufacturing corporation does when it erects a new building, or a railroad when it builds a new connecting link, which are expected to pay for themselves, is, to say the least, illogical.

Moreover, it should be pointed out that in budgeting for Federal construction expenditures we are dealing primarily with relatively continuous operations and not with isolated and nonrecurring expenditures. This is more than a question of mere accounting. Inevitably it has an important bearing upon the effective control of expenditures, which clearly is one of the most pressing issues in the field of public finance to-day.

Ever since the war practically every State, every municipality, every county, every school district, and every other political subdivision in the United States has listened to the alluring plea that they were justified in capitalizing so-called permanent improvements, with a result that with a few shining examples of wise financial management such as are afforded by the States of Massachusetts and Connecticut, for instance, our States and municipalities have piled up a mountain of additional debt in the course of the last 12 years amounting to $10,000,000,000, under which the unfortunate taxpayer is struggling to-day, and which in many cases has brought the communities to the verge of bankruptcy.

In the face of that record the Federal Government is now being urged to abandon the policy which it has followed ever since the birth of our Government, and, instead of doing what we have always done in the past—reduce in peace time the debt piled up by the wars in which we have been compelled to engage—to adopt the practice of superimposing an unjustifiable peace-time debt on an enormous war debt; to remove all of the safeguards against extravagance which the "pay-as-you-go" policy affords, and to avoid our plain duty and the dictates of common sense by resorting to a tricky accounting device, the ruinous consequences of which are visible throughout the United States to-day.

THE ST. LAWRENCE WATERWAY

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in connection with the meeting of the National Rivers and Harbors Congress and with the pending St. Lawrence waterway treaty.

The SPEAKER. Is there objection?

There was no objection.

Mr. PITTENGER. Mr. Speaker, there is now pending in the Senate of the United States a treaty with Canada providing for the construction of the St. Lawrence Waterway. No more important matter has come before Congress in recent years, and the friends of waterway development are directly concerned with the ratification of this proposed treaty. It is one of the largest and most important projects of modern times.

Powerful and selfish interests are at work to delay and, if possible, defeat the treaty. Unfortunately, opposition has developed in some quarters of New York State; and, in other sections of our country, forces are at work, quietly but active nevertheless, to deprive the people of the North American continent of the economic and transportation benefits which would come about with the completion of the St. Lawrence waterway project. We may just as well admit frankly that railroad interests are hostile to the treaty. As a matter of fact, the railroad interests are opposed to all waterway development.

Friends of the St. Lawrence project have real work ahead of them to combat these powerful forces of opposition and delay.

I am glad to note, Mr. Speaker, that there is a meeting of the national rivers and harbors congress in the city of Washington, and the opening program of that group is held to-day. Its objects are worthy and most of us recognize the importance of river and harbor development in the United States, but this group of public-spirited men should not overlook the importance of the St. Lawrence waterway. They have an opportunity to declare in favor of that project.

I am not inclined to believe some reports which indicate that there are delegates to this national rivers and harbors congress who are unfriendly to the St. Lawrence waterway treaty. I hope those reports are untrue. It would be most unfortunate if the Rivers and Harbors Congress should lend itself to selfish interests which seek to defeat the St. Lawrence seaway project.

I want to warn the delegates to the rivers and harbors congress not to be misled by propaganda against the St. Lawrence waterway treaty with Canada. The development of the St. Lawrence is just as vital as the development of our inland rivers. The same forces that are opposing the St. Lawrence project are the ones that work actively against river and harbor development. I refer to the railroad interests. Now is the time for cooperation, and it is most opportune for the rivers and harbors congress to publicly declare its support for the St. Lawrence plan. The delegates to this convention can not expect cooperation and help from the friends of the St. Lawrence plan unless they indicate a friendly attitude on that matter.

If there be any powerful forces secretly at work in the rivers and harbors congress to pass any resolutions unfriendly to the St. Lawrence project, the delegates to this convention will do well to watch such maneuvers. They can not afford to lend aid to the railroad and transportation interests which are secretly fighting the waterway development in the St. Lawrence, and which will, in turn, oppose any program of the convention for inland-waterway development.

No selfish or sectional viewpoint should be permitted to interfere with active support for a treaty with Canada. The completion of this waterway project will give to the Northwest, with 40,000,000 people, an ocean port at Duluth, and the benefits of cheaper transportation, which will work to the direct advantage of the producer and the consumer all over the continent of North America.

RESOLUTIONS ADOPTED BY VETERANS OF FOREIGN WARS

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein four resolutions passed by the convention of the Veterans of Foreign Wars held at Sacramento, Calif., September 1, 1932.

The SPEAKER. The gentleman, I presume, knows of the rule established by the gentleman from Wisconsin [Mr. STAFFORD] and the gentleman from Massachusetts [Mr. UNDERHILL], which precludes this, and the Chair hesitates to recognize the gentleman at this hour.

Mr. WOLCOTT. I would be willing to withhold it until to-morrow, if the Chair should wish. In this connection might I say that my reason for so doing is the fact that when Mr. Ray, legislative representative of the Veterans of Foreign Wars, appeared before the subcommittee on the pending bill, his resolutions were inadvertently left out of the committee hearing, and it is for that reason that I offer them as an extension of my remarks.

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

There was no objection.

Mr. WOLCOTT. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following resolutions passed by the convention of the Veterans of Foreign Wars held at Sacramento, Calif., September 1, 1932:

RESOLUTION OPPOSING ANY REDUCTION OF ARMED FORCES OF THE UNITED STATES

Whereas at the present time the regular standing Army of the United States is composed of 118,000 enlisted men and 12,000 commissioned officers; and

Whereas many other countries, especially European countries, have standing armies numbering from 500,000 to three to four million: Therefore, be it

Resolved, That the Thirty-third National Encampment, Veterans of Foreign Wars of the United States, go on record as opposing any further reduction in the personnel of the Army of the United States.

Approved by the Thirty-third National Encampment, Veterans of Foreign Wars of the United States, Sacramento, Calif., September 1, 1932.

RESOLUTION—MILITARY TRAINING IN SCHOOLS AND COLLEGES

Be it resolved by the Thirty-third National Encampment of the Veterans of Foreign Wars of the United States, in convention assembled at Sacramento, Calif., That we reiterate our firm, unqualified support of the present program of our Government, providing for military training in schools and colleges, as well as officers' reserve and citizens' military training camps, and that our national representatives in Washington be directed to combat any misleading propaganda to the contrary.

Approved by the Thirty-third National Encampment, Veterans of Foreign Wars of the United States, Sacramento, Calif., September 1, 1932.

RESOLUTION—APPROPRIATIONS FOR NATIONAL DEFENSE

Be it resolved by the Thirty-third National Encampment, Veterans of Foreign Wars of the United States, assembled at Sacramento, Calif., That we urge adequate appropriations for national defense.

Approved by the Thirty-third National Encampment, Veterans of Foreign Wars of the United States, Sacramento, Calif., September 1, 1932.

RESOLUTION—DEFENSE ACT OF 1921

Whereas there is a steady and continued reduction in the armed forces of the United States of America, both military and naval; and

Whereas the paramount duty of organized government is the proper defense of our citizens and country; and

Whereas the national defense act of 1921 provided for an adequate land military force, consisting of the Regular Army and the various State militia organizations and the naval peace treaties of Washington and London guarantee us a naval force of the parity of 5–5–3; and

Whereas the nations of the world are rapidly adding to their naval and military forces and to their land fortifications; and

Whereas it is the policy of the Veterans of Foreign Wars of the United States to at all times uphold, defend, and preserve our great Republic: Now, therefore, be it

Resolved by the Thirty-third National Encampment, Veterans of Foreign Wars of the United States, That we go on record as condemning the recent acts of Congress for failure to provide the means and enact the necessary legislation for the proper maintenance of our Army and Navy in accordance with the national defense act of 1921 and in conformity with the London peace treaties on the 5–5–3 ratio as provided; and be it further

Resolved, That we do hereby petition the President of the United States and our Congress to immediately enact the necessary legislation for the fulfillment of the provisions of our defense act of 1921 and the Washington and London peace treaties.

EXTENSION OF REMARKS

Mr. LANKFORD of Georgia. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter written by me to the Governor, the president of the Senate, and the speaker of the House of Representatives of the State of Georgia.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, I object.

ADJUSTED-SERVICE CERTIFICATES

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks and to insert a radio speech that I delivered in New York on January 8.

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

There was no objection.

Mr. PATMAN. Mr. Speaker, the following speech was delivered over radio station WOR in New York City, January 8, 1933. It was in answer to a speech made by Mr. Charles M. Kinsolving, commander New York Chapter, American Veterans, over the same station. The debate was held under the auspices of the Women of the United States Naval Reserve Force, Miss Dorothy Frooks, national commander:

Ladies and gentlemen of the radio audience, it is my purpose to present the viewpoint of one who is in favor of the Government's paying the adjusted-service certificates in cash now by the issuance of currency. I favor the passage of the same kind of a bill that passed Congress June 15 last and which was later defeated in the Senate. Such a bill is now pending; it is H. R. 11992.

Since we have logic, reason, and justice to support this proposal, it will be unnecessary for me to make personal attacks or impugn the motives of anyone.

NOT A BONUS

This bill is often referred to as the bonus bill. An adjusted-service certificate does not represent a bonus; it represents a debt that has been acknowledged by Congress to a veteran of the World War for services rendered. Three million five hundred and fifty-five thousand and fifty-eight veterans hold these certificates; the average value is $1,000. About 75 per cent of the certificates have been pledged for loans; there is a remainder due at this time, after deducting prior loans, of about $2,200,000,000.

The term "soldier bonus" is a misnomer; it is a soldier debt.

IMMATERIAL ARGUMENTS

A discussion of other veteran legislation is not material in connection with a discussion of the merits of this proposal since we have assumed the burden of showing that each holder of a certificate is entitled at this time to receive an amount equal to the face value of his certificate and, further, that the payment of the debt at this time will benefit and not in any way be injurious to the general welfare of all the people. There is no reason for a discussion of the act of 1924. It has already been enacted into law. I will state, however, that many misstatements are being made about the relief extended to World War veterans. Exceptions are pictured as the general rule.

ALL DUE OCTOBER 1, 1931

In the present form of the certificate each veteran is deprived of seven years' interest. If the Government will change the obligation so as to give him the amount Congress confessed was due as of the time he rendered the service, with a reasonable rate of interest from that time, he was entitled to an amount equal to the maturity value of his certificate October 1, 1931. It is past due, although payable in 1945. If he has borrowed 50 per cent of the face value, he has borrowed the accumulated interest; the principal remains intact.

BANKRUPTCY, INFLATION, OR REVOLUTION

We may as well face the facts. This country faces either bankruptcy, expansion of the currency, or some sort of a revolution. The cotton and wheat farmers voted bonds against their property for building schoolhouses, highways, and making other improvements when wheat was worth $1 a bushel and cotton 20 cents a pound. Deflation has caused the price of wheat to decrease to 25 cents a bushel and cotton to 5 cents a pound, thereby forcing these farmers to pay the equivalent of $4 for every dollar borrowed; instead of paying 6 per cent interest on the bonds, they are now paying the equivalent of 24 per cent interest, based on the present price of farm products. The farmers' debts, interest, taxes, and other fixed charges are four times harder to pay than when the debts were contracted. The wage earner who has had his wages reduced 50 per cent is now paying the equivalent of $2 for every dollar he borrowed. Also by reason of the reduction in wages he has suffered, cost of his taxes, rent, electricity, gas, water, and other fixed charges have doubled. Based upon and by reason of the increased value of money, debts owed by the American people, aggregating $200,000,000,000 in 1929, have mounted to the equivalent of more than $400,000,000,000 in 1932. Do not be deceived, these debts can never be paid under present conditions. It will be better for a creditor to accept a dollar that will not purchase so much in a few commodities than not to be able to collect any dollar at all.

Our people must be permitted to pay their debts with approximately the same amount of labor, securities, or produce as were necessary when the debts were contracted.

DISHONEST DOLLARS

The dollar that is now collected on a 1929 debt is a dishonest dollar. It is worth from 50 per cent to 400 per cent more than it was worth then. It is an economic fact that deflation cheats the man in debt just as much as undue inflation cheats the creditor. We are not asking to cheat the creditors, but we are asking to give the debtor a square deal by restoring the value of the dollar to its 1928–29 purchasing power.

INCREASE WHEAT AND COTTON PRICES

The argument is made that an unbearable burden will be placed on the consumer if the price of cotton and wheat is increased. Let us see how much there is to this argument.

In a 5-cent package of crackers there is wheat worth ⅛ cent and the retail price of 5 cents for this article is the same now as when wheat sold for over $1.65 a bushel. In a loaf of bread, at the present starvation price of wheat, there is wheat worth ⅜ cent. How about cotton? For the cotton in a $1 shirt the farmer only receives three-fourths of a cent at the present price. We simply ask that the planter get 2 cents to 2½ cents for the cotton that is in a $1 shirt and the wheat grower from 1¼ cents to 1½ cents for the wheat that is in a loaf of bread.

DEPLORABLE CONDITIONS

The conditions disclosed by many letters I receive would pull at the heartstrings of any decent man or woman. One of the letters I received this week stated:

"Heart-rending things happen right here in our community. Old people who owe a little mortgage on their homes are being pushed out for the reason they can not meet interest and taxes, and the poor old things have produced twice enough farm products to meet their obligations if they could get a decent price."

POOR PEOPLE ARE THE MARKET

The farmers, wage earners, and people who work for salaries are purchasers of 80 per cent of all goods and services. They still have the consuming power, but do not have the purchasing power on account of low prices of certain commodities, which has resulted in unemployment and reduced wages. As the price of gold increases, the price of commodities and everything else decreases in price, except taxes, debts, and certain fixed charges. Gold is not scarce; we have a reserve of $4,505,000,000, which is sufficient to authorize the issuance of more than $5,000,000,000 of additional money; it is high because of the scarcity of paper money. The price level may be raised by putting more money in circulation. Government bonds do not circulate and do not affect the price level. Currency, another form of Government obligation, circulates and affects the price level.

WOODEN MONEY

It is a crime for people to be suffering as they are because of the lack of a sufficient circulating medium; they do not have sufficient money to do business on. A large part of the money presumed to be in circulation is hoarded by banks and individuals. A nation-wide barter system has already been projected. Scrip money plans are being used in many cities. In Tenino, Wash., money made of wood has been used as a medium of exchange. Money is the blood of business.

FAIR-WEATHER FRIEND

The Federal reserve system has proven itself to be only a fair-weather friend of the people. When times are good, a rising market, steady employment, ample credit facilities are at the command of the people through this system. But when there is a declining market, unemployment, reduced valuations, and reduced earnings, this system will not furnish the credit necessary to restore the country. More money must be placed in circulation so as to start a rising market in order that people may have the security to get Federal reserve notes.

RECENT CONVERTS

A large number of people are now enthusiastically advocating the passage of this bill who were opposing its passage a few months ago. We believe that it is the only plan yet proposed that will bring immediate relief to every section of the country. It is the only way that the currency can be expanded without causing people to get further in debt, pay more interest, or by giving a dole.

NEW MONEY

In substance, the bill provides that a veteran can deliver his certificate to the Administrator of Veterans' Affairs and receive in return therefor new money for the amount that is due on it after prior loans are deducted. The new money will be United States notes—the same kind of money that is in circulation to-day.

IDLE GOLD

The gold standard act, passed by Congress, March 14, 1900, and Federal reserve act, passed in 1913, adopted the policy for our Government of backing our paper money with 40 per cent gold. It is known that paper money can be safely issued on the Nation's credit as long as we have 40 per cent in gold as a reserve to back each dollar. We have sufficient idle gold to authorize the issuance of the money to pay the adjusted-service certificates without reducing our gold reserve to as low as 60 per cent. No money is fiat money that is redeemable in gold as this money will be.

PAYMENT WITHOUT TAXES

Therefore, the debt can be paid with good, safe, sound money that will be worth 100 cents on the dollar, without a bond issue, without increasing taxes, without unbalancing the Budget, without increasing our national debt, and without endangering the gold standard.

OWEN AMENDMENT

The bill contains an amendment suggested by Ex-Senator Robert L. Owen, a former national banker and framer of the Federal reserve act, which gives the Federal Reserve Board the power to exchange Government bonds for any part of this money, in the event there should be danger of inflation, the money so obtained to be returned to the Secretary of the Treasury for cancellation. The power to control the volume of money under this amendment will at all times be subject to the control of the Federal Reserve Board. Therefore, instead of the bill providing for uncontrolled inflation, or even a step in the direction of the kind of inflation experienced by Germany and Russia, it provides for controlled expansion of the currency.

BLOOD OF BUSINESS

The effect of this distribution of new money will be to give the people $2,200,000,000 more circulating medium upon which no one will be paying interest. The veterans of New York will receive $245,970,000 after deducting prior loans. The debt must be paid some time, because it has already been confessed by Congress. It can be paid in advance of the time it is made payable without cost to the Government, and its payment will be of immense benefit to all the people. I do not believe this money will ever have to be retired, as the increase in our population, national wealth, national income, and monetary gold stock causes a necessity for this much permanent addition to our circulating medium. If we do not expect to retire it in the near future, Congress can eliminate from its annual Budget the $112,000,000 payment each year, which now goes into a sinking fund to retire the certificates in 1945.

SPEED UP MONEY AND CREDITS

It has been contended heretofore that we did not need so much money in circulation, since credit was available through 30,000 banking institutions. Recently, however, 10,000 of these banking institutions have closed their doors, causing the people to lose billions of dollars in deposits. The bankers have decreased their loans until credit facilities are practically frozen. Deposits have been reduced $13,000,000,000. Money and credits are now turning over ten times a year, whereas in 1929 they were turning over twenty-five times a year. There is only one way, to my mind, that we can make up for this lack of credit and lack of velocity of money, and that is by adding more money—volume.

EVERYBODY BENEFITED

The money will go into every nook and corner of the Nation. It will increase the per capita circulation of money about $18. Every community will get a share. It will go to every class, race, and creed; every occupation, avocation, and trade will be benefited; it will be deposited in the banks, which will increase the reserves of the banks, make the depositors' money safer and credit easier to obtain. This money will be spent, thereby causing an expansion of consumption; it will not be hoarded, but will immediately go into the channels of trade and production. It will benefit the general welfare as well as the veterans. It will provide buying power for the people.

NOTHING IN 1945

If the veterans are not paid now, by 1945 practically all the remainder of their certificates will be consumed by compound interest, which they are forced to pay the banks and the Government on prior loans.

BANKERS' BONDS VERSUS VETERANS' BONDS

The last 62 years the Government has permitted national banks to deposit Government bonds with the Secretary of the Treasury as collateral security for the issuance to them of new money (greenbacks). The banks not only get the use of the new money, which is issued on the credit of the Nation and is a mortgage on all homes and other property of all the people, but they also get interest on the bonds deposited with the Secretary of the Treasury. The people are not getting the money from the banks because they do not have the required security. The veterans have Government bonds, why should not they be allowed the same privilege? Let us compare the difference in the plan to pay the veterans and the present plan of issuing money to national banks in return for a deposit of Government bonds:

1. In each case a Government noncirculating obligation (bond) is exchanged for a Government circulating obligation (money).

2. In each case the Government obligation that is deposited with the Secretary of the Treasury is payable in 1945 or in the future.

3. In neither case will the total indebtedness of the Nation be increased.

4. In neither case will there be a specific gold reserve set aside as fractional coverage to redeem the paper money. We have, however, sufficient idle gold to establish such a coverage, and the gold parity act of March 14, 1900, in itself provides that all money issued is legally redeemable in gold.

5. The bankers hoard the money. The veterans will put it in circulation.

If good money is issued to the banks under the present system, good money will be issued to the veterans under this plan. This same principle was indorsed by Congress in the Glass-Steagall bill and the home loan bank bill.

THE BANKS BONUS

The home loan bank bill which was enacted by Congress in July, 1932, contains a provision that authorizes the National City Bank of New York and the Chase National Bank of New York to deposit $272,000,000 in Government bonds bearing 3½ per cent interest with the Secretary of the Treasury and receive $272,000,000 in new money—greenbacks. These banks do not need and will not use this money and the country will not be helped because this privilege has been extended to them. If the 366,236 holders of adjusted-service certificates in New York State had been given this same privilege business would have been helped because of the $245,948,177 increase in buying power which the veterans would have received, and the Government would have saved money. The banks collect interest on the bonds deposited, while they are using the new money. The veterans, if the same privilege is extended to them, will not collect interest on the Government obligations deposited.

CONCLUSION

Do not forget that this debt must be paid anyway; it has already been acknowledged by Congress, and the general welfare of the Nation will be promoted if it is paid now, as suggested, without additional cost to the Government.

Remember, too, the chief cause of this depression is lack of buying power. Consequently any additional buying power put in the hands of the public would tend to ameliorate the depression.

Let us make a long step in the direction of restoring this country by paying the adjusted-service certificates.

MORTGAGE AND OTHER LIEN FORECLOSURES

Mr. LANKFORD of Georgia. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LANKFORD of Georgia. Mr. Speaker there is no other legislative matter of such vital importance as that contained in the bills, amendments to bills, resolutions, and so forth, wherein it is sought to save the homes of our farmers from foreclosure and yet there are those in Congress who not only ignore such proposals but are ready to block in every way possible every effort of those of us who are making the fight of our lives along these lines.

It is time for Congress to put forth every possible effort to save the homes of our people and saving these save our Nation. The present orgy of loan foreclosures is nationwide and should be combated by our State authorities and legislatures as well as by Congress and all the citizens of our Nation. The State legislatures alone can not solve it. The Congress can not solve it. The holders of loans are not altogether to blame. In fact the entire problem is one of the greatest ever confronted by our people.

At this time I do not wish to go into detail as to the awful dangers which I see lurking in the present awful situation which is being so rapidly made worse by the foreclosures of liens on home property. I do wish though to mention one feature of this problem which can be more readily handled by the legislatures of the respective States than by Congress.

I am doing every thing I possibly can here but found some time ago that it would be best for me to secure some help from the general assembly of my State which is now in session. Of course action may be taken here which would eventually make unnecessary the action I am now seeking through the Legislature of Georgia. In that event the law I am now attempting to secure would not injure my people and if the general assembly decided that this law had served the people long enough it could be easily repealed.

I have unbounded faith in the ability, patriotism, and fairness of the governor, president of the Senate, and speaker of the House of Representatives of Georgia and know that they are most desirous of serving the people of my State. I am glad to submit to them a legislative proposal which I firmly believe—if enacted into law—would be most beneficial to all the people of Georgia.

In order to properly get my views before the General Assembly of Georgia, I to-day addressed a letter to Hon. Eugene Talmadge, Governor, Hon. Hamilton McWhorter, president of the senate, and Hon. E. D. Rivers, speaker of the house of representatives, in which letter I am seeking to secure the amendment of the foreclosure laws of Georgia, so as to provide for a statutory period of redemption.

The law, the enactment of which I am thus seeking, would provide that the defendant owner may redeem any real property sold under execution, special execution, order of sale, by exercise of power of attorney in a loan deed, mortgage, or other evidence of indebtedness or any order of a court of equity or law at the amount sold for, together with interest and cost as provided in this act, at any time within two years from day of sale as provided in the act and shall in the meantime be entitled to the possession of the property; but where the court shall find that the lands and tenements have been abandoned, or are not occupied in good faith, the period of redemption for defendant owner shall be six months from date of sale.

The law would further provide that during the period allowed for the redemption of real property from sale under execution, special execution, exercise of power of attorney in loan deed or mortgage, or other written evidence of indebtedness or any order of a court of law or equity, as therein provided, the holder of the certificate of purchase may pay the taxes on the land sold, insurance premiums on the buildings thereon, and interest or sums due on any prior lien or encumbrance thereon; and upon redemption of the premises from such sale the holder of the certificate shall be entitled to repayment of all sums thus paid by him, together with interest thereon.

I would also have the act provide that the terms of redemption shall be in all cases the reimbursement of the amount paid by the then holder of the certificate of purchase, including all sums paid by him for taxes, insurance premiums, and interest, as shown by receipts or vouchers to be filed and recorded in the office of the clerk of the superior court, with interest and with cost.

Mr. Speaker, the purpose of this proposal is evident. I feel that in this way an act can be passed giving a much-needed relief without danger of encountering constitutional obstacles.

I know that this kind of legislation is considered by many as being drastic. The time is here for something of a so-called drastic nature to be done. In times like these our people ofttimes stampede and do injustices to each other that would not at all be done in ordinary times. I venture the assertion that if there was some way to stop every loan foreclosure and every suit for collection of money by the selling of the property of the farmers of this country, not a single loan company would lose by the process, all our people would be benefited, and a national disaster would be averted. I wish I had the power to put such a decree into effect. I would do it, firmly believing that I was rendering the greatest possible service to my people and Nation.

If I may be pardoned for a personal reference, let me say that I had the power and did this kind of a thing, in a small way, while I was judge of the city court of Douglas, in my State, several years ago, and also then had the opportunity of observing the effect of a moratorium of this kind.

One year during January and February hundreds of suits were filed against the farmers and people generally in my county over which my court had civil jurisdiction, and my people came to my office and to see me on the streets and plead with me to help them. They had no defense to the suits; they wanted to pay their debts and only wanted a chance. If I held court, judgments would be rendered against them and many of them would not be able to make a crop to pay with, for their lands and homes and everything they possessed would be sold under the hammer. The only way for me to help them was by adjourning my court over from that time until the following November—a period of nearly a year. This I did. I was severely criticized for doing what was called a very drastic thing. I remember very distinctly though that when I did hold court in November—after the farmers and people had made another crop—every one of the cases which I had been criticized for not letting go to judgment had been settled in full, and I had the delightful privilege of marking every one of them "settled and the cost paid."

Nobody had been hurt, unless it was some one who wanted to get the people's property for nothing. Everybody was benefited.

One of the very happiest experiences of my life came to me in the fall of this year when I stood on the streets of Douglas during a county fair and saw thousands of the children of my county and their fathers and mothers join in a parade and realized that I had been able to help them save their homes and be able to buy the neat wearing apparel they then wore, and enjoy that day, knowing that they had an abundance of food for the year stored in their barns and smokehouses at the old home place.

I would to God I had had this same power over the whole Nation many months ago; our people's property would never have been sacrificed and our fathers and mothers and their children would all still have their homes. Everybody would have been benefited and our Nation would have been much more secure than it is at this moment.

I am praying that everybody everywhere may realize the awful responsibility that has come to us as a people and use every ounce of his strength to avert the awful disaster that is so fast approaching.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speakers' table and, under the rule, referred as follows:

S. 4578. An act conferring jurisdiction on the Court of Claims to adjudicate the rights of the Otoe and Missouria

Tribes of Indians to compensation on a basis of guardian and ward; to the Committee on Indian Affairs.

S. 5357. An act to extend the times for commencing and completing the construction of a bridge across the Columbia River at or near Astoria, Oreg.; to the Committee on Interstate and Foreign Commerce.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 4340. An act authorizing the District Court of the United States for the Eastern District of Oklahoma to hear and determine certain claims of the Seminole Nation or Tribe of Indians;

S. 4791. An act to amend the United States mining laws applicable to the city of Prescott municipal watershed in the Prescott National Forest within the State of Arizona;

S. 5183. An act granting the consent of Congress to the Board of County Commissioners of Allegheny County, Pa., to construct, maintain, and operate a toll bridge across the Monongahela River between the city of Pittsburgh and the borough of Homestead, Pa.;

S. 5231. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Randolph, Mo.; and

S. 5252. An act providing for payment of $25 to each enrolled Chippewa Indian of Minnesota from the funds standing to their credit in the Treasury of the United States.

EXTENSION OF REMARKS

WHICH COURSE WILL WE TAKE, LIQUIDATION WITH ITS ATTENDANT MISERY; CURRENCY INFLATION WITH INEVITABLE MONETARY INSTABILITY AND ITS ATTENDANT ECONOMIC AND SOCIAL CHAOS; THE SILVER ADVENTURE; OR AN HONEST, FRANK REDUCTION OF THE GOLD DOLLAR? LIKE IT OR NOT, WE MUST TAKE OUR CHOICE

Mr. McGUGIN. Mr. Speaker, every day it is becoming more and more evident that the private and public debt of the United States and of the world can not be paid on the basis of gold dollars with 22.23 grains of gold. It is evident that there is going to be no way to escape reducing the private and public debts below their face value in gold dollars of 22.23 grains. Everywhere we hear a demand for a moratorium in private debts. We hear a demand for reducing the private debts. Any scaling of debts must of necessity be by voluntary agreement. Congress can not force the scaling of debts existing between creditors and debtors who are citizens of the country. If Congress should enact a law requiring a certain reduction of all debts it would doubtless be a violation of the Constitution as being an impairing of the obligation of contract existing between citizens, and would not be within the constitutional requirement of due process of law. The same constitutional provisions apply with equal force to a congressional moratorium on private debts. Congress could grant a moratorium on the foreign debts because the debts were due the Government of the United States. It is surely a different situation when Congress says to Citizen A, you can not collect a debt from Citizen B which is due.

The creditors of the country can not scale them if they wanted to. No creditor can scale the debts due him unless, in turn, he can have scaled the debts which he owes to others. Let us take the case of the mortgage company which has obtained money by the sale of its bonds to loan on real estate. If it scales the mortgage debt due to it from the real-estate owner, it, in turn, must default on its bonds unless its bondholders will scale the face value of the bonds. Let us take the case of an insurance company which has invested its proceeds in real-estate mortgages. It can not voluntarily scale the amount of these mortgages unless it, in turn, can scale the face value of every outstanding insurance policy. Let us take the case of a bank. The principal funds of a bank are the deposits of its depositors. The bank can not scale its outstanding notes without, in turn, scaling its deposits. If the bank voluntarily scales its outstanding notes, it is inevitable that it is going to default in paying its depositors. It is simply a childish illusion to assume that mortgage companies can obtain a voluntary agreement with their bondholders to reduce the face value of their bonds, that insurance companies can obtain a voluntary agreement with their policyholders to scale their policies, and that the banks can obtain a voluntary agreement with their depositors to scale their deposits.

There is only one way that the Government could scale these debts and that would be for the Government to buy up the debts. The Government can not do that. There is an estimated total of $197,000,000,000 of debts in this country. To scale these debts 25 per cent would mean a cost of $49,250,000,000. It is utterly impossible for this Government to stand a $49,000,000,000 loss. The Government is now staggering under a $20,000,000,000 national debt and an annual Budget which is running a deficit of around 50 per cent. The Government can not get this money except that it takes it away from the people of this country. For the Government to collect $49,000,000,000 and absorb the loss of shaving the debts 25 per cent it would mean the levying of an additional per capita tax of $409 upon every man, woman, and child in the country. This is utterly and absolutely impossible.

Through the Reconstruction Finance Corporation we are trying to place the burden of the debts of a part of the institutions of the country on the Government. Now, this is not going to work for two reasons: First, the people of this country are not going to permit any such special privilege for a limited number of people; and, second, the taking care of such a limited amount of the debts is not a drop in the bucket.

The authorized borrowings and in turn lendings of the Reconstruction Finance Corporation are $4,000,000,000. The ultimate $4,000,000,000 for the Reconstruction Finance Corporation represents 2 per cent of the total private and public debts of the Nation. We are not going to succeed with this program. The insistent demand of every debtor of the country for equal protection means that we are going to continue to extend and extend the activities of the Reconstruction Finance Corporation until the Government is hopelessly insolvent. It simply means that our debts are going to carry us individually down to bankruptcy and, following out the principle of the Reconstruction Finance Corporation, we are going to carry the Government down with us. It is no idle dream that Congress is going to be irresistibly forced to throw on to the Government these additional obligations. Every day Congressmen are receiving letters from debtors in distress demanding that the Government give them relief.

We only fool ourselves if we say that these express only the thoughts of a few citizens. They are the thoughts which are running through the minds of millions of people. Such thoughts are not alone confined to a few individuals. The joint-stock land banks, through a well thought out plan of their officers and boards of directors, are starting a crusade upon the Congress to force advancements to them from the Federal Treasury. These joint-stock land banks have sent out letters to their stockholders and mortgagors requesting that they start a letter barrage on Congress demanding that they be given money from the Federal Treasury. Any time Congress takes care of the approximately 20 per cent of the farm mortgages which are held by the Federal land banks and the joint-stock land banks public pressure will force Congress to take care of the remaining 80 per cent of the farm mortgages.

As further proof of the possibility of this burden being placed upon the Government, the President-elect in more than one speech said that something had to be done for the farm mortgages. The farm people have accepted him at his word and they expect the Government to take care of them. As further proof that such a possibility is no idle dream, the present President has said that something has to be done about the farm mortgages. As still further proof that this is a question squarely before Congress, backed by a most powerful influence in a democracy, we find in the United States Senate the so-called Frazier bill. It demands that the Government take up farm mortgages by the use of printed money. This bill is sponsored by one of the strongest farm organizations in the country and now sup-

ported by other farm organizations. As still further proof of the seriousness of this question, the executive committees of all of the farm organizations met in Washington and as a part of their program, they demanded that Congress do something about the farm mortgages. These farm mortgages represent $9,000,000,000. In the nature of things, we know that city real-estate owners will demand equal relief for city real-estate mortgages; that will be billions more heaped upon the Government.

As further proof that there is an arising and inescapable demand for Government to take up private debts, I cite the instance of the Speaker of the House and Vice President-elect demanding that any person be eligible to a loan from an additional $2,000,000,000 which Congress was authorizing the Reconstruction Finance Corporation to obtain by an additional borrowing. This attempt to take $2,000,000,000 and underwrite any and all of the debts of this country was an attempt to take $2,000,000,000 and underwrite the $197,000,000,000 of debts in the country. Arithmetic declares that this demand of the Speaker and Vice President-elect was a hopeless demand. It was just as hopeless as it would be for one to try to pay $197 with $2.

It is a self-evident fact that the people can not pay these debts. Going on under present conditions simply means panic and bankruptcy such as we have not yet experienced the beginning. Wholesale foreclosures and liquidation mean the loss of property and homes by the debtors, and then, in turn, they mean the bankruptcy of the creditors, because the creditors will have something on their hands which will be nonremunerative and upon which they can not even pay the taxes. That will mean the bankruptcy of the creditors. For instance, if the banks, the mortgage companies, and the insurance companies all foreclosed their debts and acquired property which is nonremunerative, it simply means that the banks are going to default to their depositors, the insurance companies to their policyholders, and the mortgage companies to their stockholders. In carrying out our present policy we are not going to get off so easily as only the home owners and creditors and debtors, individually, going broke, but they are going to carry their Government down with them, because before they go broke through the process of liquidation and foreclosure, creditors and debtors alike, who constitute the overwhelming majority of the country, will require that the Government take over these loans and liabilities and carry on until the Government can go no further.

This liquidation means scaling the debts. However, they are scaled through the process of the law of the jungle.

Every thoughtful person knows that there is just no way to liquidate the private and personal debts of this country unless agriculture and mining can pay their debts. Agriculture and mining can not liquidate on present prices, so we have the demand for Government control of agriculture and mining, the theory being that such control can artificially force an increase in the price of these raw products. We have the demand for the allotment plan for agriculture, the Davis-Kelly bill for coal mining to regulate the production of coal, State proration laws for oil, and the demand for the interstate oil compact. These are all allotment plans; one is for coal, another for agriculture, and another for oil. So far as these plans being able to increase present commodity prices so that the debts can be paid, they are doomed for failure from the beginning. Let us take the case of agriculture. Agriculture debts were contracted on the basis of $1 wheat as a minimum. Now the debts can not be paid except that all agricultural products are sold on the basis of $1 for wheat. It is hopeless for the allotment plan or any other Government farm program to increase the price of wheat to $1. On the basis of the present world price wheat is bringing the producer about 25 cents. It is just out of all sense of reason to assume that any governmental agency can artificially force the American price level to a level of four times the world price level. If the allotment plan would force the price of wheat to $1, it would mean that out of every dollar received by the farmer 75 cents was a result of artificial means and 25 cents as a result of the economic law.

Assuming that some governmental plan can work in keeping with the fondest expectations of its advocates, it can not possibly do more than maybe increase the receipts of the farmer to a point barely above the cost of production. What is here said of the farm-relief programs is equally true of governmental relief programs for coal, oil, and other mineral products. So far as paying the debts are concerned there has been no program suggested, and I am quite certain that none can be produced, no matter how willing the Congress may be to enact such legislation, which will increase the commodity prices for agriculture products, oil, coal, lead, copper, and silver so as to pay the debts incurred by these industries at a time of higher commodity prices. In the light of these facts, it seems to me that it is an inevitable fact that the debts of the country can not be paid in gold dollars of 22.23 grains each.

Government can not shave the debts. Government can shave the dollar which pays the debts. There are various ways of shaving the dollar. Some of the ways are crude, disastrous, and cowardly. There are ways which are honest, frank, and courageous. Whether we want to or not, we are confronted with the proposition that we must either choose between the course of scaling the debts by the process of scaling the value of the dollar which pays the debts or scaling the debts through the process of insolvency with all of its attendant financial chaos and social despair.

The cowardly and dishonest way to shave the value of the dollar is to follow the policy which is usually followed by governments which are forced to extremities. That policy is to start out with a program of inflation through the printing of money until there is so much paper money in circulation that the government can no longer redeem it in gold and is forced to repudiate its obligation to redeem its money in gold. Then such a government permits its inflation to go on until it finally stabilizes its unit of money by agreeing to redeem it in gold with a lesser amount of gold content in its coin.

France found that she could no longer pay her debts in francs, something like five of which were worth a gold dollar. She tried the inflation scheme until she decided to revalue her franc, reducing its gold content to a weight where the value was about 20 francs to the gold dollar.

England found that she could no longer pay her debts on the established gold value of the British pound so she went off the gold standard. In doing so, she is permitting her pound to go down in value until the pound is to-day worth about 3.30 gold dollars, while the established value was 4.86 gold dollars. In the end, England will probably be able to stabilize her pound by agreeing to redeem it in an amount of gold equal to about 3 American gold dollars of 22.23 grains per gold dollar.

In carrying out our present course, we are going to find that the public debt of the United States is going to continue to increase. We can economize in our operating expenses but for every dollar which we economize in our operating expenses there is going to be heaped upon the Government many dollars of public liability in following out the plan of the Government undertaking to underwrite the private debts of the country and carrying on various relief measures. These public expenditures will continue to increase until there is no hope for balancing the Budget. That is until there is no way that the Government can collect in enough 22.23 grain gold dollars to meet its expenditures. It is only a matter of time until, in desperation, we shall try to meet public obligations by printing money. Such is now the demand in the Patman bill to pay the soldier bonus with printed currency. Such is the demand in the Rankin bill to meet Government obligations with printed currency. As we print this money the public will become panicky, lose confidence in paper money, and begin hoarding gold by calling upon the Government to redeem this paper money in gold. Then the Government will one day realize that it will be only a matter of time until its entire gold reserve

will be gone. When this time comes, there will be only one course for the Government, and that is to refuse to redeem its currency in gold. That will be going off the gold standard. Then the American dollar will have no stable value. We will probably land some place where England is now with her depreciated pound, where France was with her depreciated franc, and possibly where Germany was with her depreciated mark. With so many of our debts by contract payable in gold, there will be greater chaos in this country than there was in Germany, France, or in England with their going off the gold standard.

The manly, honest, and courageous way to meet the situation is to face conditions as they are, realize here and now that the debts, private and public, can not be paid on the basis of gold dollars of 22.23 grains per dollar, also realize that we must not permit wholesale liquidation through the process of foreclosure. It is better to reduce the content of the gold dollar at this time by open, frank legislation than it is to carry on the program of printing fiat money, forcing ourselves off the gold standard, then in the end reduce the gold content of the dollar. In other words, it is better for us to realize our situation and now deliberately and intelligently reduce the gold content of the gold dollar than it is to wait and be forced to do it through the process of a cruel economic law.

In 1929 the debts of the country were $234,000,000,000. In 1932 this debt has been reduced to $197,000,000,000. The mistaken thought which is often expressed is that the gold dollar has gone up since 1929. It has done nothing of the kind. It was worth 22.23 grains of gold in 1929 and it is worth 22.23 grains now. What has happened is that commodity prices have gone down. The amount of present commodities required to pay the 1932 debt of $197,000,000,000, which is $37,000,000,000 less than the 1929 debt, would, if selling for 1929 prices, bring $302,000,000,000. Now, if the debts are to be paid one of two things must happen, either the present price level must come up to the 1929 price level or the value of the gold dollar must be reduced as much proportionately as commodities have dropped below the 1929 price of these commodities. From the best figures available the same commodities which brought $1.62 in 1929 will today bring $1. For the reasons here before stated it seems beyond the power of man or government to increase the commodity prices in keeping with 1929 prices so that debts may be paid with commodities on equal terms with the payment of debts in 1929. Since we can not increase the price of commodities, the only alternative left is to reduce the value of the dollar.

Congress can reduce the value of the gold dollar. It is by act of Congress that the gold dollar is worth 22.23 grains of gold. Congress can reduce the value of the gold dollar by providing that the dollar shall be worth a fewer number of grains of gold. This can be done by providing by law that currency of the United States shall be redeemed in gold on the basis of a fewer number of grains to the gold dollar. On the basis of commodity prices and figures as herebefore stated, a reduction of 38 to 40 per cent of the number of grains in the gold dollar would just about reduce the value of the gold dollar in keeping with the reduction in commodity prices. There has been a request from farm organizations that the gold content of the dollar be reduced to 15 grains. This basis of reduction would still leave a substantial advantage in favor of the creditor over the debtor on the basis of paying 1929 debts with commodities on the 1932 value instead of the 1929 value of commodities.

The reduction of the gold content of the gold dollar to 15 grains is a reduction of slightly over 32 per cent. This action should mean the shaving of every debt by approximately 32 per cent. At the same time it would mean the increasing of our commodity prices. However, so far as the buying power of the money is concerned, it would not be shaving the value of any debt in the country to the buying power of the money when it was loaned in 1929. Reducing the gold dollar and thereby indirectly reducing the debts is not only fair and equitable as between the debtor and creditor but it is the only program in sight which can possibly save the creditor from a greater loss, because when the creditor takes the property he is going to take something which is worth far less than 68 per cent of the face value of the present indebtedness. In addition to this, we have the chance of saving the Government.

Before England went off the gold standard the British pound was worth 4.86 of gold dollars on the basis of 22.23 grains per gold dollar. To-day the pound is worth 3.30 of gold dollars on the basis of 22.23 grains per dollar. The pound has depreciated in value $1.56, or a 32 per cent depreciation. If we were to reduce the gold content of the gold dollar to 15 grains, the British pound would again be worth approximately $4.86, but it would be of American gold dollars of 15 grains per dollar. There is no way Great Britain can bring the British pound back up to the value of the American gold dollar of 22.23 grains so that the British pound would be worth $4.86. We can bring the value of the gold dollar down by reducing the gold content so that the British pound will be worth $4.86.

Would this be only a benefit to England? No; it will be of an immeasurable benefit to the United States. The first day it will benefit every producer of cotton and wheat. It will increase the price of every bushel of wheat and every bale of cotton. This is one way in which the reducing of the number of grains in the gold dollar will directly and instantly increase the commodity prices. As wheat and cotton increase in price the millions of cotton and wheat producers will be able to buy more of other commodities. This increased demand for other commodities is bound to increase their price. This increased demand for other commodities means the gradual return to work of the unemployed. This return of men back to work means more and more people going back to a consuming basis, thus increasing the demand for all commodities and a following increase of commodity prices. The American prices of wheat and cotton are based upon the Liverpool price. Our wheat and cotton are sold in Liverpool for British pounds. Now we are bringing those pounds back to the United States and converting them into $3.30. With this reduction of the gold dollar we would bring those pounds back to the United States and convert them into $4.86. This will immediately give the cotton and wheat farmers a better chance to pay their debts. This program will inevitably increase the price of cotton and wheat. No man knows whether or not it is possible to use any form of farm legislation which will permanently increase the price of these farm commodities. What is here said of wheat and cotton is applicable to all exportable commodities of the farm, mine, and factory.

Bringing the British pound and the American dollar together on the old established exchange basis by reducing the value of the gold dollar will immediately benefit every American manufacturer and every American laboring man. It will make it possible for American manufacturers to compete with British factories. It will immediately remove a condition which is causing our markets to be flooded with British products manufactured with labor paid with the depreciated British money. What is said of England is equally true of France, Japan, China, and other countries which are operating with depreciated currency or depreciated silver money.

Coming now to our foreign debts which are due the Government of the United States, they are payable in gold dollars of 22.23 grains per gold dollar. It is generally assumed that France can pay her debt to the United States in gold on the basis of 22.23 grains per gold dollar. I believe that it is safe to say that anyone who has fully studied the foreign debt situation believes that it is utterly impossible for practically all of the rest of our debtor countries to pay their debts to the United States Government in gold on the basis of 22.23 grains to the gold dollar. Their inability to pay simply means that this country must either take the loss through legal scaling of these debts or through an ultimate repudiation on the part of these countries. In either event, this Nation loses and the burden upon the American taxpayer is increased. If the foreign countries are forced to repudiation, that means future ill will between this country and the foreign countries and a destruction of our foreign market. We shall probably try the process of leveling

the boycott against our defaulting debtors. We shall probably suffer more by that than will the foreign countries. What we need is increased commerce; not a program of our deliberately stopping commerce.

If we reduce the number of grains in the gold dollar, we thereby automatically reduce the foreign debts in the same proportion. The British debt is to-day, for all intents and purposes, 32 per cent more than when England went off the gold standard. At that time, when the British taxpayers paid into the British treasury one British pound for the purpose of paying on the American debt, that pound paid $4.86 of the debt. To-day when the British taxpayers pay into the British treasury one British pound to be applied on the American debt it pays $3.30 of the debt. Now, if we shave the British debt by reducing the number of dollars paid to this country, it simply means that the American taxpayers must in turn pay in that many more dollars of taxes to be applied on the outstanding bonds of the Government of the United States, which bonds were issued for the purpose of obtaining money to loan to England. It only increases an intolerable tax burden on the people of this country, a burden which they are now unable to bear. Instead of reducing the number of dollars paid to this country by foreign countries, and thereby increasing the tax burden and the debt of this country, we might better reduce the amount of gold in the gold dollar, permitting England to be given credit for $1 on her debt every time she sends 15 grains of gold to the United States instead of when she sends 22.23 grains of gold to the United States. Reducing the gold content of the gold dollar reduces the foreign debt and at the same time reduces the debt burden, private and public, in the United States. Reducing the number of dollars to be paid to the United States by England only increases correspondingly the tax burden in the United States.

There is so much of the commerce of the world based upon the American dollar and the British pound that any dislocation in the normal exchange value of these two moneys means economic chaos. The living standards of the world, the debts of the world, and the markets of the world are very largely established and based upon the British pound and the American dollar with an exchange rate of $4.86 for the British pound.

At this time with the British pound worth $3.30 practically every farmer, every banker, every wage earner, and every dollar of debt, private and public, throughout the world are suffering from the monetary dislocation growing out of the depreciated British pound. The truth is, neither the British pound nor the American dollar are able to stand alone without causing untold misery in the world. Great Britain and the United States may each boast of their monetary independence, yet the fact remains the economic and social welfare of the world demands that the yardstick by which the American dollar is to be measured is the British pound and the yardstick by which the British pound must be measured is the American dollar. In order to maintain the established and created economic and social order of the world, $4.86 in American money must measure one British pound and one British pound must measure $4.86 of American money.

We hear it said that there are many private and public debts payable in gold of the present weight and fineness. That it would still be necessary to pay these debts with 22.23 grains of gold to the dollar. I can not believe that the Supreme Court of this country will hold that a gold dollar of the weight prescribed by Congress will not pay a dollar of contracted debt. Under the Constitution Congress has the power to coin money and regulate the value thereof. Under this section of the Constitution Congress coins money and regulates the value thereof by prescribing the amount of metal in the coin. Whenever, under this section of the Constitution, Congress declares that there shall be 15 grains of gold to the dollar, such a dollar should pay a dollar of contracted debt. Let me illustrate: If in 1930, A borrowed $1,000 of B and agreed to pay it in gold of the then weight and fineness, and Congress should now reduce the gold content of the gold dollar one-third, that would mean that A would either pay B $1,000 in gold dollars of approximately 15 grains or approximately 1,333 gold dollars of the gold content of the dollar prescribed by Congress of approximately 15 grains to the dollar. I do not believe that the court would ever hold that a man would be obliged to pay more gold dollars than he borrowed. After Congress had changed the content of the gold dollar there would be no such thing as a gold dollar of the weight and fineness of 22.23 grains to the dollar. I do not believe that the courts will ever hold that a creditor can make a debtor pay a gold dollar other than the gold dollar which is prescribed by Congress and coined by the Congress of the United States pursuant to the constitutional power vested in Congress to coin money and regulate the value thereof.

Even if the courts should hold that by contract a different gold dollar could be required for repayment than the gold dollar coined by Congress under the Constitution this would only leave a minor part of the people in their present distress. Because a minor part of our citizens must suffer under the terms of their contracts, that can not justify Government's refusing to protect itself and to protect the major portion of its citizens who made no such contracts.

A monetary reform through a greater use of silver might accomplish the same ultimate result. A greater use of silver money will mean an increased demand for silver and a corresponding increase in the value of silver. Any increase in the value of silver would mean that the countries on a silver standard would have a money which is worth more when used to buy American commodities or when exchanged for American gold money. As the matter now stands, silver countries can not buy more from us because their money is too cheap when used to buy our products produced from materials and with labor paid for with gold dollars of 22.23 grains of gold. Products made from materials and with labor paid for with cheap silver are not only able to drive us from the competitive markets of the world but are climbing over our tariff walls and taking over our American markets.

I am fearful that the United States alone can not use enough more silver to increase materially the world value of silver. I am fearful that we can no more successfully peg the world price of silver than we could peg the price of wheat and cotton through the Farm Board. Most of the advocates of silver concede that silver monetary reform must come from an international conference. I am skeptical of the success of the United States in international conferences. If we try the use of silver and use enough of it to increase materially the world price for silver, I am fearful that we shall have inflated so much that our gold reserve will be impaired and we shall probably be driven from the gold standard. We must remember the unvarying law that cheap money will drive good money into hiding. If my position is well founded, that we can not meet the silver problem except through an international conference and that an international conference may prove unsuccessful, then we can well remember that the United States can reduce the value of the gold dollar without the advice or consent of any of the other countries.

It appears to me that silver will enjoy a great benefit from the reduced value of the gold dollar. Measured in gold dollars of the present gold content of 22.23 grains, silver in bar or coin will increase in value as we reduce the gold content of the gold dollar. Let me illustrate this: The silver in the silver dollar is worth approximately 21 cents. In other words, it is now worth 21 per cent of the value of our present gold dollar. The gold dollar now contains 22.23 grains of gold. The silver in the silver dollar is now worth 4.66 grains of gold, which is 21 per cent of the 22.23 grains in the present gold dollar. If the grains of gold in the gold dollar should be reduced to 15 grains, then the 4.66 grains of gold, which is the present value in gold of the silver in the present silver dollar, would be 31 per cent of the amount of gold in the new gold dollar of 15 grains. This means that the silver in the silver dollar measured by a gold dollar of 15 grains will be worth 31 cents, while silver in the silver

dollar measured by the present gold dollar of 22.23 grains is worth 21 cents. Let us reduce the gold content of the gold dollar to 15 grains and measured in gold dollars we shall have increased the value of every silver coin of this and every country in the world at the ratio of 21 to 31. This will go a long way toward the removing of the present bar against American commerce as a result of depreciated foreign silver and currencies.

We will have, likewise, measured in dollars, increased the value of every ounce of silver in the world at the ratio of 21 to 31. This will go a long way toward starting a revival of the silver industry. This means measured in gold dollars a 47 per cent increase in the value of silver. Remember silver is only a commodity. Measured in dollars we will have likewise increased the value of every other commodity. Remember debts are paid with commodities. As the price of commodities is increased the ability of debtors to pay debts is correspondingly increased.

Let me illustrate how this works out as to wheat. The present value of wheat measured in gold dollars of 22.23 grains is 25 cents, or 25 per cent of the dollar which in grains of gold is 5.56 grains of gold. For all intents and purposes, instead of saying the present value of wheat is 25 cents, or one-fourth of a dollar per bushel, we might better say that a bushel of wheat is to-day worth 5.56 grains of gold. This amount of gold is one-fourth of the present dollar of 22.23 grains of gold. If we reduce the gold content of the gold dollar to 15 grains, this 5.56 grains of gold, the present value of a bushel of wheat, is 37 per cent of the new dollar of 15 grains of gold. Like in the case of silver, this reduction of the gold dollar means a 47 per cent increase in the value of wheat measured in dollars.

We must remember that the currencies of foreign countries and the money of foreign silver countries have depreciated. Our American gold money has remained stationary. Until their currency and silver go up or our gold money goes down, there can be no normal exchange. Without a normal international monetary exchange we have no normal international trade. Foreign countries can not restore their currencies and silver countries can not restore the value of their silver. We can decrease our gold dollar. We can depreciate our present gold dollar. We will depreciate it. Necessity will force us. Conservatism and fear may stand in the way of any orderly reduction of the gold dollar. If they do, they will force a situation where we will be buried beneath an avalanche of fiat paper money. We have reached the point where we can not escape having more and cheaper money. The question is how can we get it.

A new gold strike would solve the question. It would give us more gold dollars. A greater supply of gold dollars would mean cheaper gold dollars measured in commodities. We do not have the gold strike and there is no promise of one. On the contrary, we are not producing enough gold to meet the annual needs of the mechanical arts. The world's monetary supply of gold is diminishing. At the same time our commerce due to improved methods of production should be increasing. Commerce would not be stagnant and would be increasing except for a shortage of money. Commerce is only the exchange of commodities, or, put in another way, commerce is the carrying of products from producer to consumer. This exchange of commodities is done through money as a medium of exchange. Now, if we are going to base our money on gold then it follows as night follows day, the gold must increase in proportion to the increase in commerce. We all know that the supply of gold has not increased with the means of production during the last 15 years. Now, what are we doing? We have not increased our gold money sufficiently to carry on our increased commerce, and we are deliberately trying to check our commerce. We are virtually playing the rôle of heathens trying to bury our scientific gifts from God in order to discourage production.

In actual practice we are practically trying to go back to the propelling of a boat by galley oarsmen. This is exemplified by trying to care for the unemployed with public works on the highways with pick and shovel while modern highway machinery lies idle. Such is the way that civilizations are lost. Such a program will only lead to the day when our present scientific inventions will be lost arts. We are trying to allot and restrict production at a time when the consuming public is in despair for the want of commodities. The farm allotment bill, trying to solve the agriculture problem by reducing agriculture productions to the present American starvation consumption, is a fair example.

If the world's gold monetary supply has not increased in keeping with the increased production of commodities so as to have enough dollars of 22.23 grains of gold to carry on the necessary commerce to exchange these commodities, let us not give up our commerce. On the contrary, let us slice the gold a little thinner, let us spread it a little further by slicing it into dollars of about 15 grains. I do not want to give up the gold standard. I will not give up our commerce. As a fair compromise, let us give up the present gold standard of 22.23 grains to the dollar for a gold standard of about 15 grains to the gold dollar. If we go on with our present gold dollar of 22.23 grains, we will give up the gold standard. We will be forced to do it; it will come through paper-money inflation.

I am willing to concede that there are plenty of other human errors which have contributed toward bringing us to our present sad plight but if we reason for a moment we know that we do not have enough gold to carry on the commerce of our modern world. We have little if any more monetary gold in the world than we had 15 years ago while our commodity production has multiplied. Therefore, if we have enough gold now we had too much 15 years ago. We did not have too much gold then. Not even the money lenders of that day suggested that we had too much gold. Money was not created for the primary interest of money lenders but rather for the purpose of carrying on commerce. Commerce can not function on worthless fiat paper money. It must function on sound metal money or currency based on sound metal money but not on money "so sound" that money is too scarce to meet the needs of commerce. The time has come for thinking Americans to arise and make alike the supersound money hardshells and the printing-press money enthusiasts stand back while a moderate balance between 22.23-grain gold dollars and fiat paper money is being struck. A 15-grain gold dollar is probably about right. Our commerce is now stagnant for the want of money. We must not permit this to go on, for as we lose our commerce we lose our civilization. If they will, let the Chinese worship their josh god, to their deterioration and destruction. Let not Christian civilized Americans worship a 22.23-grain gold dollar, to their deterioration and destruction.

It is not printing-money inflation, which will inevitably lead to fiat money, which we need; it is deflation of the gold dollar which we need. Inflation through printed money will not reduce the value of the gold dollar. It will only drive the gold dollar into hiding, which means driving us off the gold standard. That will leave us without an anchor. We will drift for an indefinite period of time upon an economic sea of chaos and disaster. The way to reduce the gold dollar is to reduce the amount of gold in the gold dollar. When that is done we can proportionately issue more currency. That currency can be anchored to the new gold dollar of 15 grains. There will be some control in the amount of currency printed under that program, while when we start inflation through the process of just printing money let no man hazard his reputation by prophesying when we will stop.

I do not claim that reducing the content of the gold dollar will solve all of our present ills. The agriculture problem will not be fully solved so long as we produce a greater supply of agricultural commodities than the demand for them under normal conditions. Unemployment will not be solved as long as we use modern machinery for the purpose of reducing the number of employed rather than reducing the hours of labor. Reducing the content of the gold dollar can not make it wise or possible to have a public pay roll comprised of thousands of people performing un-

productive service and not required as an actual governmental need.

Monopoly laws must be enforced so that the opportunity to earn and accumulate is not centralized in the hands of a few. Credit of the country must be operated so that the individual and the small business concern will have the same chance to obtain credit as is enjoyed by his or its larger competitor. Centralized wealth must be curbed if this is to remain a nation of individual opportunity.

H. R. 14138

Mr. AYRES. Mr. Speaker, with farm mortgage indebtedness at this time amounting to about $10,000,000,000, about one billion and a quarter of which is an annual fixed charge such as interest and taxes, much of which is past due, it is necessary for something to be done to give immediate relief to the farmer to enable him to exist.

With defaults and foreclosures of mortgages on farms amounting, in round numbers, to $500,000,000 within the past year or so, and with this condition rapidly growing worse, it goes without saying that this is no time for further experiments. By the time an experiment like the allotment plan is tried out, even though it should succeed, it will be altogether too late to save thousands of farmers throughout the country.

What the sorely distressed farmer needs—in fact, what he must have to save him—is a moratorium, so to speak, for at least two years as to interest payments and taxes which he is unable to meet. The bill I introduced on the 10th of this month, H. R. 14138, and which appears in the RECORD of January 13, page 1778, would do this. It is an emergency measure and provides that the Reconstruction Finance Corporation be authorized and directed to make loans or advances through the agency of its regional agricultural-credit corporations in amount of $1,000,000,000, or so much thereof as may be deemed necessary, to farm mortgagors to enable them for a period of two years from the date of the enactment of such act to make payment of interest on loans made to them and secured by their mortgages in an amount equal to the difference between the rate of interest agreed upon at the time such mortgage loans were made and 2 per cent per annum. That is to say, if the mortgage provides for 6 per cent interest, the difference, or 4 per cent, is to be advanced to the borrower or farmer. It also provides for sufficient advances to enable him to pay past-due interest and delinquent taxes accrued against his mortgaged premises. While there are other provisions carried in the bill, the essential part, as already stated, is to enable the farmer who is losing his farm to be given a chance for two years. That is what he wants and needs and must have at once to save him from foreclosure and the sheriff's sale. This is where we can do something by legislation to assist the farmer, and that at once.

It must be borne in mind that agriculture is the only industry that is not being assisted financially by the Federal Government at this time, either by loans or subsidies. While it is a fact that Congress, in the last session, did appropriate $125,000,000 for the purpose of enabling the Federal farm-loan banks to grant a moratorium to the farmers on mortgages due those institutions, we are now informed, whether correctly or not I can not say, that most of that amount has been used by such banks to buy bonds. I hope this is not a fact, because it was intended by Congress that this amount of $125,000,000 should be used to relieve those farmers, for the time being, who were indebted to the Federal land banks.

It might not be amiss to call attention to the fact that in the last session of Congress it took less than two weeks not only to consider but to pass a measure refinancing hard-pressed banks and railroads and other large financial institutions and industries. At that time I felt that if the Federal Government was going into the refinancing business, that it should include the most essential and the most depressed industry of all, that of agriculture. In my opinion, if it had been done at that time, it would have gone far not only to revive and rehabilitate agriculture, but also would have accomplished much more than has been accomplished in relieving the depressed condition generally. However, I am hoping that it is not too late to save agriculture.

As stated at the beginning, this is only a temporary or emergency undertaking; but I am convinced that if it is enacted it will prove to be so beneficial to agriculture and consequently to all industry, that eventually there will be passed permanent legislation that will enable agriculture to be properly financed at a low rate of interest and thus place this industry on a basis of equality with other industries. But the question of permanent legislation is a matter that can be considered later. Just now we must give temporary relief, and that at once, or it will be too late.

While there are many reasons which I could give why in my opinion the so-called allotment plan, recently passed by this House, is not workable, I do not care to discuss them at this time. If it becomes necessary, however, I shall do so. As already stated, it is another experiment; and even if successful in any degree, it would be too late to meet the emergency we are now facing. I can see no good reason why the bill I have introduced should not receive early consideration and be passed with the same expedition as was the measure passed in the last session for the relief of banks and railroads, to which I have already referred. If we will provide for the refinancing of farm mortgages, as provided in this measure, we will largely solve the present farm problem.

ADJOURNMENT

Mr. RAINEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 12 minutes p. m.) the House adjourned until to-morrow, Wednesday, January 18, 1933, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Wednesday, January 18, 1933, as reported to the floor leader:

MERCHANT MARINE, RADIO, AND FISHERIES

(10 a. m.)

Continue hearings on S. 4491, to regulate intercoastal carriers.

INTERSTATE AND FOREIGN COMMERCE

(10 a. m.)

Hearings on H. R. 7432, authorizing Interstate Commerce Commission to delegate certain of its powers.

PUBLIC BUILDINGS AND GROUNDS

(10 a. m.)

Hearings on H. R. 12887, to establish a commercial airport for the District of Columbia.

LABOR

(10 a. m.)

Continue hearings on 5-day week and 6-hour day proposal.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

867. A letter from the Secretary of War, transmitting a report from the Chief of Engineers, pursuant to the rivers and harbors act approved September 22, 1922, on preliminary examination of St. Lucie, Fla., together with accompanying papers; to the Committee on Rivers and Harbors.

868. A letter from the Secretary of War, transmitting a report from the Chief of Engineers, pursuant to the rivers and harbors act approved July 3, 1930, on preliminary examination and survey of Lafayette River, Va., together with accompanying papers and illustrations; to the Committee on Rivers and Harbors.

869. A letter from the Secretary of War, transmitting a report from the Chief of Engineers, pursuant to the rivers and harbors act approved July 3, 1930, on preliminary examination and survey of Coos Bay (Oreg.) inner harbor, from the entrance to Smith's Mill, together with accompanying

papers and illustrations; to the Committee on Rivers and Harbors.

870. A letter from the Secretary of War, transmitting a report of the Chief of Engineers, pursuant to the rivers and harbors act approved July 3, 1930, on preliminary examination and survey of Yaquina Bay, River, and entrance, Oreg., together with accompanying papers; to the Committee on Rivers and Harbors.

871. A letter from the Secretary of War, transmitting draft of a proposed bill to authorize the settlement of certain claims against the War Department; to the Committee on Claims.

872. A letter from the Secretary of the Navy, transmitting draft of a bill to amend section 109 of the United States Criminal Code so as to except officers of the United States Naval and Marine Corps Reserve not on active duty from certain of its provisions; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. GILBERT: Committee on the Library. H. R. 14228. A bill to change the name of "Roosevelt Island" to "Theodore Roosevelt Island"; without amendment (Rept. No. 1876). Referred to the House Calendar.

Mrs. PRATT: Committee on the Library. H. R. 13817. A bill to amend section 1 of the act entitled "An act to provide books for the adult blind," approved March 3, 1931; with amendment (Rept. No. 1877). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WEST: Committee on Foreign Affairs. H. R. 13845. A bill authorizing Paul H. Goss, immigration inspector; Roy B. Newport, Ralph V. Armstrong, and R. H. Wells, patrol inspectors in the Immigration Service of the United States, to each accept a gold watch presented to them by the governor of the northern district of Lower California, Mexico; without amendment (Rept. No. 1878). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JOHNSON of Washington: A bill (H. R. 14279) authorizing the Secretary of the Navy to make available to the municipality of Aberdeen, Wash., the U. S. S. *Newport;* to the Committee on Naval Affairs.

By Mr. McSWAIN: A bill (H. R. 14280) to authorize the Secretary of War to sell or dispose of the remaining portion of the Pensacola Military Reservation, Fla., and for other purposes; to the Committee on Military Affairs.

By Mr. STEAGALL: A bill (H. R. 14281) to authorize the Secretary of the Treasury to purchase silver by issuance of silver certificates and for the redemption of the same, and for other purposes; to the Committee on Coinage, Weights, and Measures.

By Mr. KNUTSON: A bill (H. R. 14282) to confer the degree of bachelor of science upon graduates of the Naval, the Military, and Coast Guard Academies; to the Committee on Military Affairs.

By Mr. MEAD: Joint resolution (H. J. Res. 560) to provide for a change of site of the Federal building to be constructed in Binghamton, N. Y.; to the Committee on Public Buildings and Grounds.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of Philippine Legislature, congratulating Franklin D. Roosevelt and John N. Garner upon their recent victories as President and Vice President, respectively, of the United States; to the Committee on Insular Affairs.

By Mr. MOREHEAD: Memorial of State Senate of the State of Nebraska, memorializing Congress to act favorably on the Wheeler bill (S. 2487); to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM: A bill (H. R. 14283) for the relief of William Cunningham; to the Committee on Claims.

By Mr. BOEHNE: A bill (H. R. 14284) granting an increase of pension to Dora Alice Lee; to the Committee on Invalid Pensions.

By Mr. EVANS of California: A bill (H. R. 14285) for the relief of Physicians and Surgeons Hospital (Ltd.); to the Committee on Claims.

By Mr. FIESINGER: A bill (H. R. 14286) for the relief of Myrtle Campbell; to the Committee on Claims.

By Mr. FINLEY: A bill (H. R. 14287) to authorize the presentation to William H. Finley of a distinguished-service cross; to the Committee on Military Affairs.

By Mr. HOLLISTER: A bill (H. R. 14288) granting an increase of pension to Rebecca D. Stewart; to the Committee on Invalid Pensions.

By Mr. LEWIS: A bill (H. R. 14289) granting an increase of pension to Barbara Wiley; to the Committee on Invalid Pensions.

By Mr. LUDLOW: A bill (H. R. 14290) for the relief of Margaret Dunn; to the Committee on Claims.

By Mr. McKEOWN: A bill (H. R. 14291) for the relief of George W. Baker; to the Committee on Military Affairs.

By Mrs. NORTON: A bill (H. R. 14292) granting compensation to Philip R. Roby; to the Committee on War Claims.

By Mr. RUDD: A bill (H. R. 14293) for the relief of Lieut. Chester Chesterfield Groff; to the Committee on Naval Affairs.

By Mr. SOMERS of New York: A bill (H. R. 14294) to correct the naval record of Francis T. Cavanagh; to the Committee on Naval Affairs.

By Mr. WITHROW: A bill (H. R. 14295) granting a pension to Josephine D. M. Nelson; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9624. By Mr. BACON: Petition of sundry citizens of Long Island, urging the elimination of the count of aliens for apportionment purposes; to the Committee on the Judiciary.

9625. Also, petition of sundry residents of Long Island, opposing the relegalization of alcoholic liquors; to the Committee on the Judiciary.

9626. By Mr. CONDON: Petition of John F. Riggley, Mae B. Villeneuve, and Michael A. Sullivan, and 160 other citizens of Rhode Island, protesting against any repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, and dependents; to the Committee on World War Veterans' Legislation.

9627. Also, petition of Emilio Maricone, George P. Moore, John H. Lebeau, and 379 other citizens of Rhode Island, protesting against repeal or modification of any existing legislation beneficial to Spanish War veterans, their widows, or dependents; to the Committee on World War Veterans' Legislation.

9628. By Mr. CRAIL: Petition of Inglewood City Club, Los Angeles County, Calif., urging the adoption of the stop-alien representation amendment to the Constitution to cut out the 6,280,000 aliens in this country, and count only American citizens, when making future apportionments for congressional districts; to the Committee on Immigration and Naturalization.

9629. By Mr. ESTEP: Memorial of Revs. Frank J. Bryson, W. Sproule Boyd, Samuel M. Laing, C. G. Morrow, R. E. Snodgrass, and J. Alvin Orr, representing six churches of North Side, Pittsburgh, Pa., protesting against the repeal of the eighteenth amendment or modification of the Volstead Act; to the Committee on Ways and Means.

9630. By Mr. KERR: Resolution adopted by the North Carolina State Veterinary Medical Association; to the Committee on Agriculture.

9631. By Mr. KVALE: Petition of Joe Paul Post, No. 334, American Legion, Redby-Red Lake, Minn., protesting against any cut in hospital and compensation benefits to our disabled war veterans; to the Committee on Expenditures in the Executive Departments.

9632. Also, petition of board of directors of the Minnesota Council for National Defense, urging appropriations sufficient to provide adequate national defense; to the Committee on Appropriations.

9633. Also, petition of Munnell-Case Post, No. 2701, Veterans of Foreign Wars, Walker, Minn., protesting against any reductions of compensations, pensions, or disability allowances; to the Committee on World War Veterans' Legislation.

9634. By Mr. LUDLOW: Petition of citizens of Indianapolis, Ind., urging the passage of the stop-alien representation amendment to the Constitution; to the Committee on the Judiciary.

9635. By Mr. RICH: Resolution from the Woman's Christian Temperance Union of Williamsport, Pa., protesting against the repeal of the eighteenth amendment; to the Committee on the Judiciary.

9636. By Mr. ROBINSON: Resolution passed by the board of directors of the Waterloo Chamber of Commerce, Waterloo, Iowa, and sent in by their secretary, C. A. Hanson, urging reduction in governmental expenditures and taxes; to the Committee on Ways and Means.

9637. Also, petition of the stockholders of the Black Hawk County National Farm Loan Association, signed by George Mathes, president, and George S. Mornin, secretary-treasurer, Cedar Falls, Iowa, inclosing the following resolution, introduced by Mr. Peter Beck, and passed at their annual meeting at Cedar Falls, Iowa, January 10, 1933: "Be it resolved as the sense of the Black Hawk County National Farm Loan Association that a request be made of Congress for a moratorium of interest for a period of one year, said intervening time to be added to the due date of the mortgage contract"; to the Committee on Banking and Currency.

9638. By Mr. RUDD: Petition of Navy Post, No. 16, American Legion, 93 Park Avenue, New York City, opposing reduction of the number of the personnel of the United States Marine Corps and by curtailment of the drills and training cruise authorized for the United States Naval Reserve personnel; to the Committee on Appropriations.

9639. By Mr. SMITH of West Virginia: Resolution of the Chamber of Commerce, of Beckley, W. Va., favoring legislation providing that the first-class postage rate be returned to 2 cents; to the Committee on Ways and Means.

9640. By Mr. SPARKS: Petition of the citizens of Woodston, Kans., submitted by Mrs. Azel Van Dyke and Mrs. Alice Grimes, and signed by 52 others favoring the retention of the eighteenth amendment; to the Committee on the Judiciary.

9641. By Mr. SWICK: Petition of Rev. C. R. Thayer, pastor, and 52 members of the Jefferson Center Presbyterian Church, R. F. D. 4, Butler, Butler County, Pa., requesting Congress to keep, maintain, and preserve the eighteenth amendment to the Federal Constitution and the Volstead enforcement act as they are, and the adoption of the proposed amendment to the Constitution to exclude aliens from the count in apportioning representation in the House of Representatives; to the Committee on the Judiciary.

9642. By Mr. WHITLEY: Petition of citizens of Rochester, N. Y., favoring support of our Navy and Naval Reserve in the appropriation bill; to the Committee on Appropriations.

SENATE

WEDNESDAY, JANUARY 18, 1933

(Legislative day of Tuesday, January 10, 1933)

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

BANKING ACT

The Senate resumed the consideration of the bill (S. 4412) to provide for the safer and more effective use of the assets of Federal reserve banks and of national banking associations, to regulate interbank control, to prevent the undue diversion of funds into speculative operations, and for other purposes.

The VICE PRESIDENT. The Senator from Virginia [Mr. GLASS] has the floor.

Mr. FESS. Mr. President, will the Senator yield to enable me to suggest the absence of a quorum?

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

Mr. GLASS. I do.

The VICE PRESIDENT. The clerk will call the roll.

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

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

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

Mr. WATSON. Mr. President, will the Senator from Virginia yield to me? I want to submit a request.

Mr. GLASS. I yield to the Senator from Indiana.

Mr. WATSON. A week ago I prepared a speech and gave it to the press for release on yesterday, but yesterday I was not able to secure recognition to deliver the address. The matter, of course, is more or less embarrassing. The Senator from Virginia occupied the floor yesterday, entirely within his rights. He has taken the floor again this morning and I understand is to speak during a part of the day, at all events. Therefore, I do not see much chance for me to secure recognition except I ask unanimous consent for the privilege of making the speech, which is not a long one, without displacing the Senator from Virginia or taking him from the floor.

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

Mr. GLASS. I do.

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

Mr. WHEELER. Mr. President, reserving the right to object, I desire to make this statement. I myself desire to make a speech, as do numerous other Senators, with reference to branch banking. A petition for cloture has been presented by the leader on this side signed by 29 different Senators, including the Senator from Virginia [Mr. GLASS]. Practically only three Senators have had an opportunity to discuss the question up to this time, the Senator from Virginia, the Senator from Louisiana [Mr. LONG], and the Senator from Oklahoma [Mr. THOMAS]. Now, we find that the Senator from Virginia has again taken the floor to-day, and he desires to yield to the Senator from Indiana [Mr. WATSON] to make a speech. Ap-