and inhuman acts unjustly committed against the people of the Jewish faith now residing in Germany; to the Committee on Foreign Affairs.

272. By Mr. RUDD: Petition of Amalgamated Paint Co., New York City, opposing the manufacture of paint and varnish in Government-owned navy yards; to the Committee on Expenditures in the Executive Departments.

273. Also, petition of Robert Gair Co., Inc., New York City, favoring the passage of House bill 3754, providing for the repeal of section 15–A of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

274. By Mr. SUTPHIN: Petition of Tecumseh Tribe, No. 60, Improved Order of Red Men, Asbury Park, N.J., pledging whole-hearted support to our President, Franklin D. Roosevelt; to the Committee on Foreign Affairs.

275. By Mr. WILLFORD: Memorial of the Legislature of the State of Iowa, favoring the passage of Senate bill 1197, for the liquidating and refinancing of agricultural indebtedness and providing for a reduced rate of interest for the same through the Federal farm loan system and the Federal Reserve Bank System; to the Committee on Banking and Currency.

276. Also, memorial of the Legislature of the State of Iowa, requesting the Iowa Representatives in Congress to uphold the President of the United States in action proposed by him for the solution of this emergency, particularly with regard to those measures which may apply to or affect agriculture; to the Committee on Agriculture.

277. Also, memorial of the Legislature of the State of Iowa, favoring legislation tending to promote and develop the production of grain or ethyl alcohol to be used as a blend with petroleum products for motor-vehicle fuel, and then an import duty be placed on blackstrap molasses entering the United States, etc.; to the Committee on Ways and Means.

278. By Mr. WITHROW: Memorial of the Legislature of the State of Wisconsin, relating to the importance of maintaining and developing the work of the United States Forest Products Laboratory; to the Committee on Labor.

# SENATE

## FRIDAY, MARCH 31, 1933

*(Legislative day of Monday, Mar. 13, 1933)*

The Senate met at 12 o'clock meridian, on the expiration of the recess.

BRONSON CUTTING, a Senator from the State of New Mexico, appeared in his seat today.

The VICE PRESIDENT. The Senate will receive a message from the President of the United States.

### MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States, submitting several nominations, were communicated to the Senate by Mr. Latta, one of his secretaries, who announced that on March 28, 1933, the President approved and signed the following acts:

S. 148. An act for the relief of Agnes M. Angle;

S. 149. An act for the relief of Daisy Anderson;

S. 150. An act for the relief of W. H. Hendrickson; and

S. 155. An act for the relief of A. Y. Martin.

### CALL OF THE ROLL

Mr. LEWIS. Mr. President, I note the absence of a quorum, and I move a roll call.

The VICE PRESIDENT. The clerk will call the roll.

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

| | | | |
|---|---|---|---|
| Adams | Bulkley | Costigan | George |
| Ashurst | Bulow | Couzens | Gore |
| Austin | Byrd | Cutting | Hale |
| Bachman | Byrnes | Dickinson | Harrison |
| Bailey | Capper | Dieterich | Hatfield |
| Bankhead | Caraway | Dill | Hayden |
| Barbour | Carey | Duffy | Hebert |
| Barkley | Clark | Erickson | Johnson |
| Black | Connally | Fess | Kean |
| Bone | Coolidge | Fletcher | Kendrick |
| Borah | Copeland | Frazier | Keyes |
| King | McNary | Robinson, Ark. | Thomas, Utah |
| La Follette | Murphy | Robinson, Ind. | Trammell |
| Lewis | Neely | Russell | Tydings |
| Logan | Norris | Schall | Vandenberg |
| Lonergan | Nye | Sheppard | Van Nuys |
| Long | Overton | Shipstead | Wagner |
| McAdoo | Patterson | Smith | Walcott |
| McCarran | Pittman | Steiwer | Walsh |
| McGill | Pope | Stephens | Wheeler |
| McKellar | Reynolds | Thomas, Okla. | White |

Mr. LEWIS. Mr. President, may I announce the necessary absence of the Senator from New Mexico [Mr. BRATTON] and of the Senator from New Hampshire [Mr. BROWN]. The announcement may stand for the day.

Mr. BYRD. I wish to announce that my colleague the senior Senator from Virginia [Mr. GLASS] *is* necessarily detained from the Senate.

Mr. HEBERT. I desire to announce that the junior Senator from Pennsylvania [Mr. DAVIS] is still detained from the Senate by illness.

I also wish to announce the necessary absence of the senior Senator from Pennsylvania [Mr. REED], the senior Senator from Vermont [Mr. DALE], the senior Senator from Delaware [Mr. HASTINGS], and the junior Senator from Delaware [Mr. TOWNSEND].

The VICE PRESIDENT. Eighty-four Senators having answered to their names, a quorum is present.

### THE JOURNAL

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent for the approval of the Journal for the calendar days of Tuesday, Wednesday, and Thursday, March 28, 29, and 30, 1933.

The VICE PRESIDENT. Is there objection? The Chair hears none.

### PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint memorial of the Legislature of the Territory of Alaska, which was referred to the Committee on Finance:

Senate Joint Memorial 1 (by Mr. Walker)

IN THE LEGISLATURE OF THE TERRITORY OF ALASKA, ELEVENTH SESSION.

*To the honorable the Congress of the United States:*

Your memorialist, the Legislature of the Territory of Alaska, in regular session assembled, respectfully reports that—

Whereas the inhabitants of the coastal regions of southeastern and southwestern Alaska have heretofore derived their livelihood almost solely from the taking and selling of salmon and halibut and the manufacture of fish products; and

Whereas the inhabitants of this region are suffering from severe adverse economic conditions to such an extent that want and destitution are common; and

Whereas the care and sustenance of the destitute and needy inhabitants of said regions has and is placing a staggering burden on the Territory of Alaska, the municipal governments, and the property owners of said region; and

Whereas want and destitution are particularly prevalent among the native wards of the United States inhabiting said regions; and

Whereas this condition of want and suffering is traceable directly to the unstable condition of the salmon- and halibut-fishing industry in said region; and

Whereas said industry is practically paralyzed and unable to operate, thereby creating unemployment among those dependent upon it; and

Whereas the chaotic condition of said halibut and salmon industry has been created by the demoralization of its market by reason of the importation of halibut and salmon products from foreign countries, now off the gold standard and whose currencies are greatly depreciated on the foreign exchange; and

Whereas by reason of such depreciated currencies Japanese importers can sell pink salmon at greatly reduced prices on the American market and realize a substantial profit from their operation, due to the fact that the value of the American funds received in payment of their product is greatly enhanced in Japan because of the great depreciation of Japanese currency; and

Whereas producers of canned salmon in the Territory of Alaska by use of the most modern methods and by payment of a low and insufficient wage scale and an extremely low and insufficient price for the raw product, have been placing their product on the wholesale market at a price below the cost of production; which said price leaves no margin or profit, and in some instances results in a substantial operating deficit, even when fixed charges such as interest payments, depreciation, etc., are disregarded; and

Whereas this same situation exists with reference to the halibut industry, Alaskan halibut fishermen being thrown in direct competition with Canadian halibut fishermen, who outfit their vessels and maintain their homes in the Province of British Columbia, where Canadian currency is accepted at face value and has a purchasing power equal to or greater than American currency expended in the Territory of Alaska; and

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Whereas said Canadian halibut fishermen import their catches into the United States and receive in payment therefor American funds, the value of which is enhanced greatly upon the same being transferred into the Province of British Columbia; and

Whereas not only the volume of Canadian and Japanese imports of halibut and salmon have demoralized the American market, but said market is further demoralized by the potential menace of imports in greatly increased volume; and

Whereas because of the condition above set forth, those interested in the halibut and salmon industry, particularly the latter, are unwilling and afraid to make the costly investments necessary to prepare for operation during the season of 1933; and

Whereas it appears certain that the salmon canneries of southeastern and southwestern Alaska, or a major portion of them, will not operate during the coming season, unless the owners of such plants receive some assurance of future protection from unfair competition by the importation of canned salmon from Japan or other countries operating with depreciated currency; and

Whereas in the event of failure of such plants to operate, want and destitution will be greatly increased and whole communities will be left to face a long and severe winter entirely without resources: Now, therefore,

Your memorialist, the Legislature of Alaska, respectfully prays that immediate steps be taken to enact emergency legislation along the lines set forth in the depreciated currency bill, sometimes called the Hill bill (H.R. 13999), to meet this condition, asking only that the competitive status prevailing prior to the injection of the depreciated-currency element, be restored.

And your memorialist will ever pray.

Passed by the senate March 9, 1933.

ALLEN SHATTUCK, *President of the Senate.*

Attest:

AGNES F. ADSIT, *Secretary of the Senate.*

Passed by the house March 15, 1933.

JOE MCDONALD, *Speaker of the House.*

Attest:

C. H. HELGESEN, *Chief Clerk of the House.*

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

STATE OF WISCONSIN.

Joint resolution relating to the importance of maintaining and developing the work of the United States Forest Products Laboratory

Whereas the Legislature of Wisconsin has just completed an inspection of the forest products laboratory of the Forest Service, United States Department of Agriculture; and

Whereas the work of this laboratory in helping to protect and enhance the value and marketability of forest products is of great significance to the economic returns from forestry expenditures and the amount of employment that can be extended to workers in the forest and wood-using industries; and

Whereas, to secure the largest self-liquidating values from President Roosevelt's plan for greatly enlarged reforestation, it is imperative that the uses and markets for forest products be strengthened and developed through such work as the forest products laboratory is conducting; and

Whereas Wisconsin is peculiarly interested in the United States Forest Products Laboratory not only because it is located within this State, but because so many of Wisconsin wage earners are dependent upon forest and wood-using industries, and nearly one third of the land area of the State is better suited for forestry than any other use: Therefore be it

*Resolved by the assembly (the senate concurring)*, That the Legislature of Wisconsin respectfully memorializes the Congress of the United States to maintain the present scope of the forest products laboratory and to extend its activities commensurate with any Federal program projected for emergency reforestation developments; be it further

*Resolved*, That properly attested copies of this resolution be sent to the President and to both Houses of the Congress of the United States, to the Secretary of the United States Department of Agriculure, and to each Wisconsin Member of Congress of the United States.

THOMAS J. O'MALLEY,
*President of the Senate.*
R. A. COBBAN,
*Chief Clerk of the Senate.*
CORNELIUS YOUNG,
*Speaker of the Assembly.*
JOHN J. SLOCUM,
*Chief Clerk of the Assembly.*

Mr. MURPHY presented the following concurrent resolutions of the Legislature of the State of Iowa, which were referred to the Committee on Agriculture and Forestry:

Senate Concurrent Resolution 16 (by senate committee on agriculture)

Concurrent resolution memorializing Congress that it is the sense of the members of the Iowa General Assembly, the senate and house concurring, that the Government of the United States should perform its solemn promise and place American agriculture on the basis of equality with other industries by providing an adequate system of credit, and that adequate legislation to that end should be adopted at the earliest possible date

Whereas unless immediate relief is given, hundreds of thousands of farmers will lose their farms and their homes and millions more will be forced into cities and villages, and the army of unemployed will necessarily increase to alarming proportions; and

Whereas the price of agricultural products during the past year has in fact been far below the cost of production; and

Whereas there is no adequate way of refinancing existing agricultural indebtedness and the farmers are at the mercy of their mortgagees and creditors throughout this State and Nation; and

Whereas Senate bill No. 1197, introduced in the Senate of the United States by Senator LYNN J. FRAZIER, of North Dakota, provides for the liquidating and refinancing of agricultural indebtedness and provides for a reduced rate of interest for the same through the Federal Farm Loan System and the Federal Reserve Bank System; and

Whereas the provisions of this bill will have a vital effect upon the agricultural industry of the State of Iowa; and

Whereas at the present time many loans relating to the agricultural industry should bear a reduced rate of interest; and

Whereas agriculture is the basic industry of this country and there can be no sound business prosperity until agriculture is put on an equality with other industries: Now, therefore, be it

*Resolved*, That it is the sense of your memorialists, the members of the Iowa General Assembly, the senate and house concurring, that the Congress of the United States should enact the provisions of the said Senate bill No. 1197; and be it further

*Resolved*, That a copy of this memorial, duly authenticated, be sent by the secretary of the Iowa Senate to the Senate and House of Representatives of the United States and to each of the Senators and Representatives of Iowa in Congress, and to United States Senator LYNN J. FRAZIER, the Senator who introduced the bill.

I hereby certify that this resolution was adopted by the Iowa State Senate March 15 and by the house of representatives March 21, 1933.

BYRON G. ALLEN,
*Secretary of the Senate.*

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Senate Concurrent Resolution 20

Whereas this Nation is confronted with an emergency, successfully to meet which requires the united and unselfish cooperation of every citizen without regard to political beliefs; and

Whereas the President of the United States, Franklin D. Roosevelt, has moved courageously to meet such emergency and offers the leadership to all citizens who are interested in the well-being of their country and the future happiness of its people: Therefore be it

*Resolved by the senate (the house concurring)*, That the Forty-fifth General Assembly of Iowa and its members pledge their full cooperation to the President of the United States in his efforts to meet this present emergency, insofar as they by their action may contribute to that end; and be it further

*Resolved*, That this general assembly, representing the people of Iowa, in their behalf and its behalf, call upon the members of the Iowa delegation in Congress unanimously to support and uphold the President of the United States in action proposed by him for the solution of this emergency, particularly with regard to those measures which may apply to or affect agriculture; and be it further

*Resolved*, That this resolution be transmitted to the President of the United States and to the United States Congress and the Members of the Congress from the State of Iowa.

I hereby certify that the foregoing resolution was duly adopted by the Forty-fifth General Assembly of Iowa on March 21, 1933.

BYRON G. ALLEN,
*Secretary of the Senate.*

Mr. MURPHY also presented the following concurrent resolution of the Legislature of the State of Iowa, which was referred to the Committee on Manufactures:

Senate Concurrent Resolution 21

Whereas we have from time to time existing surpluses of grain production throughout the various grain-production areas of the United States; and

Whereas such existing surpluses have always reacted to the disadvantage and direct loss of the producer; and

Whereas these surpluses have been created, at least in part, through the transition from horse-drawn vehicles and machinery to motor-propelled vehicles and machinery, and that said transition has displaced the consumption throughout the Nation of 30,000,000 acres of agricultural products; and

Whereas the solution of the grain-surplus situation can best be solved by devising new methods of consumption; and

Whereas the manufacture of grain alcohol as a blend for motor-vehicle fuel offers the best potential field for increased consumption of grain surpluses; and

Whereas practical tests have established the efficiency and superiority of alcohol-gasoline blends for motor-vehicle fuel; and

Whereas vast imports of blackstrap molasses are now permitted, duty-free, to enter into competition with domestic agricultural products in the manufacture of alcohol for industrial purposes; and

Whereas an emergency now exists wherein agricultural products are selling at a price below cost of production: Now, therefore, be it

*Resolved by the Senate of the State of Iowa (the house of representatives concurring)*, That we memorialize the Congress of the United States to give serious consideration to the enactment of legislation tending to promote and develop the production of grain or ethyl alcohol to be used as a blend with petroleum products for motor-vehicle fuel; and that an import duty be placed on blackstrap molasses entering the United States for the manufacture of ethyl or industrial alcohol in competition with agricultural products grown within the continental United States, said import duty to make the price of molasses comparable to a price of 55 cents per bushel on corn at Chicago and a relative value on other cereals; be it further

*Resolved*, That a copy of this resolution be forwarded by the secretary of the senate to the Secretary of the United States Senate and the Chief Clerk of the House of Representatives, and that copies be sent to each Iowa Member of Congress; be it further

*Resolved*, That copies of this resolution be sent to the secretary and chief clerk, respectively, of the General Assemblies of Minnesota, Illinois, Missouri, Kansas, South Dakota, and Nebraska, asking that similar action be taken by the general assemblies of the above-mentioned States.

I hereby certify that the foregoing resolution was duly adopted by the Forty-fifth General Assembly of Iowa on March 22, 1933.

BYRON J. ALLEN,
*Secretary of the Senate.*

Mr. COPELAND presented resolutions adopted by the Jamie Kelly Association and the People's Regular Democratic Organization, both of Brooklyn, and a meeting of Jews and non-Jews of Staten Island, in the State of New York, protesting against the intolerance directed against and the persecution of the Jews in Germany, which were referred to the Committee on Foreign Relations.

## UNIFORM BANKING SYSTEM

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred a newspaper article embodying resolutions adopted by the New York State Banking Board, of which Joseph A. Broderick, the State superintendent of banks, is chairman, memorializing Congress for the passage of legislation providing for a uniform banking system.

There being no objection, the matter was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

ASKS STATE BANKS BE PUT IN RESERVE—NEW YORK BOARD MEMORIALIZES CONGRESS, PRESSING FOR A UNIFORM SYSTEM—WANTS STEP COMPULSORY—BRODERICK GROUP ALSO MAKES SUGGESTION FOR NATIONALIZATION OF ALL FACILITIES

The New York State Banking Board, of which Joseph A. Broderick, State banking superintendent, is chairman, has memorialized Congress in favor of compulsory membership of all banks and trust companies in this State in the Federal Reserve System, it was learned yesterday.

The banking board adopted resolutions to that effect on March 23 and sent them to Washington, where they were read into the CONGRESSIONAL RECORD by one of the New York Representatives.

In adopting resolutions it is understood that members of the board held that a uniform banking system, to be brought about either through compulsory inclusions of all State banks and trust companies in the Federal Reserve System or through nationalization of all banking facilities was necessary; also that stable banking must be founded on uniformity.

### TEXT OF RESOLUTIONS

The resolutions were as follows:

"Whereas it is generally recognized that one of the principal weaknesses of the banking system of this country has been the over-establishment and the competitive establishment as between Federal and State authorities of unit banks; and

"Whereas the potential dangers of the overestablishment of branches in any system of branch banking which may be established is equally great; and

"Whereas it is desirable to have some degree of uniformity in banking practices and a further unification of our credit facilities; and

"Whereas Congress now has under consideration a general amendment of the Federal banking laws: Now, therefore, be it

"*Resolved*, That this board memorialize Congress to incorporate in any new legislation with respect to branch banking adequate safeguards against this evil; and further

"*Resolved*, That it is the sense of the board that such legislation should provide that no national bank or branch thereof shall be established in any community served by a State bank or trust company without the approval of the State authorities, if and provided the State will provide by law that no State bank or trust company or branch thereof shall be established in any community served by a national bank without the approval of the Federal authorities as well as of the proper State authority; and it is further

"*Resolved*, That we favor the requirement as soon as practicable of compulsory membership in the Federal Reserve System of all banks and trust companies of this State."

## INVESTIGATION OF SECURITY EXCHANGES—UNLISTED DEPARTMENTS

Mr. WALSH. Mr. President, I ask to have printed in the RECORD and referred to the Committee on Banking and Currency a communication from John C. Hull, director of the securities division of the Department of Public Utilities of the Commonwealth of Massachusetts and also a communication from Waldo S. Kendall, vice president of Minot, Kendall & Co., Inc., a leading broker in the city of Boston. Both of these communications urge that this committee attempt to deal with the most flagrant abuse on the part of stock exchanges against the public, namely, the unlisted department.

There being no objection, the letters were referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

THE COMMONWEALTH OF MASSACHUSETTS,
DEPARTMENT OF PUBLIC UTILITIES,
*Boston, March 29, 1933.*

Hon. DAVID I. WALSH,
*Senate Office Building, Washington, D.C.*

DEAR SENATOR WALSH: I hope that in considering the matter of protecting the public in its investments the Senate will turn its serious attention to the unlisted department of the various stock exchanges.

Probably no phase of the relations between these and their clientele is so much in need of reform. No work that Congress can do in this field would prove, in my opinion, more beneficial to the investing public than in formulating requirements that the unlisted department shall be done away with and that listing statements set up according to the best practice and then only at the request of the issuing company under an agreement to furnish periodical, independently audited reports to the exchange shall be a sine qua non of admission to or continuation of dealings on the stock exchanges.

The Senate, I believe, made an investigation of this matter either under the Pujo or Owens Committee in consequence of which the New York Stock Exchange did away with its unlisted department.

The (Charles E.) Hughes Committee on Speculation in Securities and Commodities reported on page 9, June 7, 1909, as follows:

"Listing requirements: Before securities can be bought and sold on the exchange they must be examined. The committee on stock list is one of the most important parts of the organization, since public confidence depends upon the honesty, impartiality, and thoroughness of its work. While the exchange does not guarantee the character of any securities, or affirm that the statements filed by the promoters are true, it certifies that due diligence and caution have been used by experienced men in examining them. Admission to list, therefore, establishes a presumption in favor of the soundness of the security so admitted. Any securities authorized to be bought and sold on the exchange which have not been subjected to such scrutiny are said to be in the unlisted department, and traders who deal in them do so at their own risk. We have given consideration to the subject of verifying the statements of fact contained in the papers filed with the application for listing, but we do not recommend that either the State or the exchange take such responsibility. Any attempts to do so would undoubtedly give the securities a standing in the eyes of the public which would not in all cases be justified. In our judgment, the exchange should, however, adopt methods to compel the filing of frequent statements of the financial condition of the companies whose securities are listed, including balance sheets, income and expense accounts, etc., and should notify the public that these are open to examination under proper rules and regulations. The exchange should also require that there be filed with future applications for listing a statement of what the capital stock of the company has been issued for, showing how much has been issued for cash, how much for property, with a description of the property, etc., and also showing what commissions, if any, have been paid to promoters or vendors. Furthermore, means should be adopted for holding those making the statements responsible for the truth thereof. The unlisted department, except for temporary issues, should be abolished."

Mr. Richard Whitney has this to say about listing in his recent annual report:

"Listing on this or any other stock exchange does not and cannot constitute any guaranty against the possibility of default, nor is it the function of a stock exchange to make predictions or guaranties of any sort in respect to the security issues which it lists. The stock exchange, however, can and does require that the facts relative to the actual and prospective value of the securities it lists be made available to the investing public. It remains for the individual investor to inform himself concerning the securities into which he will put his money. For such study and thought there is no mechanical or automatic substitute."

By implication he condemns the lack of such facts.

I notice that Mr. Frank Vanderlip, in his article on investments in the Saturday Evening Post of January 4, praises highly the safeguards afforded by listing statements, and that Mr. Samuel Untermyer in a recent speech spoke about abolishing "the vicious swindling practice of listing so-called 'unlisted' stocks with nothing more than an asterisk prefix to indicate that no statements of the accounts or affairs were made or required to be made by them." He added that such stocks had for years been the "pawns in a gambling game more crooked than that of any criminal den with stacked cards, by which the public had been swindled to the extent of hundreds upon hundreds of millions of dollars."

It may surprise you as, I must confess, it has surprised me, to learn that probably more than 90 percent of the entire business of the New York Curb Exchange is carried on in its unlisted department. About 99 percent of the bonds are unlisted and 1 percent listed. It would appear that about 20 percent of the dealings in stocks were in listed securities and about 80 percent, including practically all the well-known issues like Electric Bond & Share, Cities Service, Atlas Corporation, American Super-Power, and Aluminum Co. of America, were unlisted. I append an interesting tabulation.

This exchange is the second largest in size in America according to its own statements, and the existence of so huge a preponderance of trading in unlisted securities becomes therefore a matter of real public importance.

In the light of the above figures the practice of this exchange is extraordinarily at variance with its protestations in regard to "adequate and dependable information" which Mr. Sykes, president of the New York Curb Exchange, said in his recent annual report "must be the basis of sound investment policies."

The Norbeck Committee investigation, it seems to me, discloses a flagrant disregard of proper protection for the public in the revelations about the Boeing Air & Transport Co. In a paragraph in the New York Times of March 3, I notice that Mr. Saperstein, assistant of Mr. Pecora, pointed out that although the stock was considered by the National City Co. to be "too speculative" for public offering it was listed (admitted to trading privileges) on the New York Curb Exchange on October 29, 1928, the company having been incorporated on October 28. (Application for admission to trading privileges may be made only through a member of the exchange.)

In a statement as of December 31, 1928, brought out many months later, this company showed $4,879,268 assets represented by cash and call loans. At the market price of 57 on the outstanding common shares at the opening of trading on the curb the equity was selling for about $28,475,000. Deducting these cash items and their equivalent from the total assets given as $8,656,674.26 from this market value it appears that the public was paying for the balance, amounting to less than $4,000,000 in other assets than cash, at the rate of over $23,000,000.

I am impressed also with the Pennroad Corporation situation. This was incorporated in Delaware April 21, 1929. Admitted to "unlisted trading privileges" April 25, 1929. Voting trust certificates for not to exceed 5,800,000 shares common stock, no par, when, as, and if issued. The following proviso is interesting in the light of the above statements in Mr. Sykes' report in regard to "dependable and adequate information."

"ISSUANCE OF REPORTS

"Except as may be required by law, the corporation shall not be required to make public in any manner, to its stockholders or otherwise, any statement concerning its assets or liabilities or earnings; and any such statement which the corporation may elect to make may subject to any requirements of law, be in such form and contain such information as the board in its controlled discretion may determine." (Philadelphia Financial Journal, May 3, 1929, p. 1.)

I notice on page 47 of a voluminous pamphlet put out by the publicity department of this exchange the following: "The unlisted securities have, prior to admission, stood the test of experience. They represent interests in approved concerns. No security is admitted unless its financial condition and history are reported in Poor's or Moody's or the Standard Statistics Co., or an authoritative statement is before the committee." How can any such statement be true in the face of such examples as I have cited above?

Much more could be written in regard to many other phases, but I think that I have shown by what precedes sufficient to raise emphatically the question of the public policy involved—whether an exchange, be it the New York Curb Exchange or any other, shall continue to be allowed to throw open its facilities for public business with nothing in the way of substantial information coming directly from the issuing company itself available in the exchange's records; or whether the idea set forth in Mr. Hughes' report, and implicitly approved in Mr. Whitney's in regard to the rigid examination by discriminating investigators and the binding of the issuing company to furnish to the exchange adequate information from time to time should not be made a condition precedent to public trading.

I should appreciate, if you so will, your transmitting my views set forth in this letter to Senator FLETCHER or to whomever it may appear proper.

Very truly yours,

JOHN C. HULL.

P.S.—On March 21 the Chicago Stock Exchange voted new and drastic requirements for security listings under which application must be signed and sworn to by a duly authorized officer of the corporation issuing the securities. The statement says further that the exchange has for many years had no so-called "unlisted department" and that it does not list securities upon data or application filed by its own members or any persons other than the company itself. (New York Times, Mar. 21.)

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[New York Curb Exchange, publicity department, fifth edition, Dec. 2, 1929]

"To provide a market for carefully investigated securities is a service rendered corporations and the investing public alike by the New York Curb Exchange, the second largest stock exchange in America" (p. 1).

"Records established on New York Curb Exchange in 1929:

"Daily record, October 29, 7,096,300 shares.

"Weekly record, October 21–26, 17,450,730 shares.

"Monthly record, October, 62,658,100 shares.

"Record of volume dealings in one security, October 24, 1,151,910 shares, viz, Cities Service, unlisted.

"June 14, 1,032,400 shares Commonwealth & Southern.

"Estimated total transactions, 1929, 500,000,000 shares.

"Par value, $20,000,000,000.

"Plus 700,000,000 shares, no par.

"Total, 1928, 236,043,682 shares.

"Number of securities admitted to trading privileges, 2,100 issues.

"Total number of domestic bonds as of December 2, 350 issues.

"Total number of foreign stocks, 98 issues.

"Total number of foreign bonds, 102 issues" (p. 5).

QUOTATIONS

"The New York Curb Exchange is the second largest stock market in America" (p. 7).

"Within a comparatively short time the ticker system of the New York Curb Exchange will extend the length and breadth of the land" (p. 20).

"Referring to sales—October 24, 1929, 1,151,910 shares Cities Service; June 14, 1929, 1,032,400 shares Commonwealth & Southern, both unlisted—it says: 'So far as the records go, no other securities dealt in on any stock exchange in this country ever presented such tremendous turnover during a full day's trading'" (p. 23).

*Total volume*

| Years | New York Stock Exchange bonds | New York curb bonds | New York Stock Exchange stocks | New York curb stocks |
|---|---|---|---|---|
| | | | *Shares* | *Shares* |
| 1931 | $3,050,608,850 | $979,895,000 | 576,818,359 | 110,349,385 |
| 1932 | 2,710,608,800 | 952,630,100 | 425,228,894 | 56,975,777 |

Of the curb volume in bonds, 1932, about $8,100,000 were listed, about nine tenths of 1 percent. They comprised 17 issues only, of which 1 issue, Pacific Gas & Electric 4½'s, afforded about $3,500,000.

The following figures were taken from the Wall Street Journal. The first column below represents sales of listed stocks on the New York curb on respective dates. The second column the total volume for the corresponding days which were taken by mere chance to find out what percentage of stocks were listed to the total volume. It works out almost exactly 20 percent listed.

| | Sales of listed stocks | Total volume |
|---|---|---|
| Feb. 25, 1933 | 200,000 | 36,800 |
| Feb. 28, 1933 | 160,000 | 27,350 |
| Mar. 3, 1933 | 160,000 | 24,000 |
| Mar. 18, 1933 | 220,000 | 46,764 |
| Mar. 21, 1933 | 100,000 | 29,025 |
| | 840,000 | 163,939 |

MINOT, KENDALL & CO., INC.,
*Boston, Mass., March 24, 1933.*

Hon. ROBERT LUCE,
*House Office Building, Washington, D.C.*

DEAR MR. LUCE: It is to be hoped that the Senate in its consideration of stock exchanges will not neglect to take up the source of the most flagrant abuse on the part of stock exchanges against the public, namely, the unlisted department.

It is an astonishing thing that the New York Curb Exchange does about 99 percent of its bond trading in the unlisted department. In looking up this matter I find that of the approximately $950,000,000 of bonds traded in there in the year 1932, only about $8,000,000 were actually listed, or less than 1 percent. My attention was drawn to this remarkable discrepancy by my reading of the Wall Street Journal, which differentiates between the listed and the unlisted departments. A typical copy is enclosed.

On examining further I found that in the stock department the percentage of listed stocks ran somewhere between 18 percent and 25 percent.

Now, it should be appreciated that this is the second largest stock exchange in the country. The potential damage to the investing public through lack of proper listing requirements is

almost incalculable. The Curb Exchange itself says with reference to sales of 1,151,910 shares of Cities Service (unlisted), "So far as the records go no other security dealt in on any stock exchange in this country ever presented such tremendous turn-over during a full day's trading" (Oct. 29, 1929).

On that same day they state that 7,096,300 shares were traded in; and that of 2,100 issues of securities admitted to trading privileges, there was a par value of $20,000,000,000, plus 700,000,000 shares of no par value.

I am enclosing herewith clipping from the New York Times of March 21, which recites what they have done and what everywhere thinking persons believe should be done to protect the public. Please note under heading 1 that it says, "The Chicago Stock Exchange for many years had had no so-called 'unlisted department', nor does it list securities upon data or application filed by its own members or any person other than the company itself."

The New York curb requirements for admission to unlisted trading privileges simply amount to this—an application by one of the curb members who must be a shareholder (one share?) and a payment of $100, and such information as is contained in Moody's or Poor's or some other authoritative (?) source.

I wonder how all of these conditions were covered in the case of Pennroad Corporation?

This was incorporated in Delaware on April 12, 1929, admitted to unlisted trading privileges when, as, and if issued on April 25, 1929, voting trust certificates for not to exceed 5,800,000 shares, no par. One of the provisions of which I find in Poor's Cumulative Index, second volume, 1929, to have been as follows:

"Issuance of reports: Except as may be required by law, the corporation shall not be required to make public in any manner, to its stockholders or otherwise, any statement concerning its assets or liabilities or earnings; and any such statement which the corporation may elect to make may subject to any requirements of law, be in such form and contain such information as the board in its controlled discretion may determine."

If all the exchanges which invite public trading could be made to accord with the standards set up by the New York Stock Exchange and the new requirements of the Chicago Stock Exchange, there would be a great big wall of protection thrown about the investing public which is now sorely lacking.

I should be pleased to have you present this viewpoint to proper authorities for their serious consideration.

Very truly yours,

WALDO KENDALL.

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[From the Chicago American, Mar. 20, 1933]

NEW YORK CURB TABLES—THE UNLISTED DEPARTMENTS—NO PLACE UNDER NEW DEAL—AMERICAN READERS WILL KNOW

By R. P. Vanderpoel, financial editor

The Chicago American today takes one more forward step in furtherance of its determination that its financial pages shall be the best in the city and in its efforts to guard the interests of security-holders.

Beginning today the tables of stocks and bonds traded on the New York Curb Exchange printed in the Chicago American will clearly indicate which of such securities are actually listed.

The New York Stock Exchange has adopted many rules and regulations in connection with the listing of securities for the protection of the owners of same. Almost invariably the New York Curb Exchange announces that it has taken similar action.

A MISCONCEPTION

It is not surprising, therefore, that the public should believe that it has this type of protection on securities dealt in on the curb exchange.

A large part of the public does not appreciate that the greater portion of the securities which are dealt in on the curb exchange has not been formally listed and consequently that the many rules of the exchange do not apply in any way to the corporations which have issued such securities.

The New York Curb Exchange, for example, announced—following similar action by the New York Stock Exchange—that it would require all corporations listing securities with it to furnish periodic, independently audited financial statements. We called attention in this column to the "joker" in such action, but elsewhere the ruling was accepted at its face value.

SHOULD GO

We are of the opinion that as part of the "new deal" there should be no more unlisted departments of stock exchanges. For a long period of years the New York Stock Exchange has required that all securities traded thereon be formally listed. For many years the Chicago Stock Exchange has had the same requirements.

The New York Curb Exchange, on the other hand, has had the very loosest sort of policy. A member has merely to state that he owns a given security and wishes to make a market in it to have it admitted to unlisted trading privileges.

It is clear that the public should know this, know that the corporations issuing such securities have not complied with the listing requirements of the exchange and that the exchange may know nothing about the financial condition of such corporation and makes no effort to enforce the rules promulgated (by the New York Stock Exchange and later announced as having been adopted also by the curb exchange) for the protection of security holders.

LISTED ISSUES MARKED

The Chicago American proposes that its readers shall have this knowledge. Consequently its New York curb tables will carry the little prefix before such issues as have been actually listed thereon. It will be noted that particularly among the bonds the listed issues are greatly in the minority.

We are told that very often unscrupulous distributors of securities use the New York Curb Exchange as a means of aiding them in their sales campaign. They will take a security which does not enjoy a real market on the curb, arrange a sale at a price well above the market, and then point to this quotation in their efforts to sell the security to the unwary.

AN INSULL TRICK

The curb, of course, does not have a monopoly of such tactics. The old Insull organization did the same thing with an inactive stock listed on the New York Stock Exchange—People's Gas. But the very fact that the curb does not have any control over so many issuing corporations and does not look into even the distribution of securities in its unlisted department makes this practice relatively easy and more common in connection with curb securities.

We hope the readers of the Chicago American will be glad of the innovation in the New York curb tables. We hope, too, that it will mark the beginning of a movement that will lead eventually to the discontinuance of unlisted departments. If the New York Curb Exchange does not take action in this respect, its failure to do so will be a powerful argument in the hands of those who are working for public control of stock exchanges.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that that committee presented to the President of the United States the following enrolled bills:

On March 30, 1933:

S. 598. An act for the relief of unemployment through the performance of useful public work, and for other purposes.

On March 31, 1933:

S. 562. An act relating to the prescribing of medicinal liquors.

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. NEELY:

A bill (S. 1092) granting a pension to James C. Neff; to the Committee on Pensions.

By Mr. DILL:

A bill (S. 1093) to provide for the refunding of farm and home mortgages, making loans to farmers, issuance of agricultural bonds, the deposit of Government funds, and for other purposes; to the Committee on Agriculture and Forestry.

(Mr. FLETCHER introduced Senate bill 1094, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. KEYES:

A bill (S. 1095) for the refund of customs duty paid by Salvatore Lascari on an importation of mosaic paintings for the Moody Currier Art Gallery in Manchester, N.H.; to the Committee on Finance.

By Mr. OVERTON:

A bill (S. 1096) to provide for the erection of a memorial to James B. Eads at New Orleans, La.; to the Committee on the Library.

By Mr. ROBINSON of Indiana:

A bill (S. 1097) for the relief of Joseph P. Boyle; to the Committee on Military Affairs.

A bill (S. 1098) granting a pension to Christena Aikin (with accompanying papers); and

A bill (S. 1099) for the relief of William Jennings Coon; to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 1100) to require the furnishing of heat in living quarters in the District of Columbia; to the Committee on the District of Columbia.

By Mr. BYRD:

A bill (S. 1101) for the relief of the Virginia Engineering Co., Inc.; to the Committee on Claims.

By Mr. TRAMMELL:

A bill (S. 1102) to authorize the Secretary of the Navy to proceed with certain public works at the Naval Radio Compass Station, Jupiter, Fla.;

A bill (S. 1103) to authorize the Secretary of the Navy to proceed with certain public works at the Naval Air Station, Pensacola, Fla.; and

A bill (S. 1104) to authorize the Secretary of the Navy to proceed with certain public works at the Naval Air Station, Pensacola (Corry Field), Fla.; to the Committee on Naval Affairs.

By Mr. THOMAS of Oklahoma:

A bill (S. 1105) to provide for a further extension of the time for the payment of certain income-tax deficiencies; to the Committee on Finance.

By Mr. BONE:

A bill (S. 1106) to restore the 2-cent postage rate on first-class mail matter; to the Committee on Finance.

By Mr. ROBINSON of Indiana:

A joint resolution (S.J.Res. 36) directing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

PURCHASE OF STOCK, BONDS, ETC., OF INSURANCE COMPANIES

Mr. FLETCHER. I desire to introduce a bill to provide for the purchase by the Reconstruction Finance Corporation of preferred stock, bonds, and debentures of insurance companies, and ask its reference to the Banking and Currency Committee. I will add that I expect to have the bill taken up by the committee and reported by tomorrow.

The VICE PRESIDENT. The bill will be received and referred, as requested.

The bill (S. 1094) to provide for the purchase by the Reconstruction Finance Corporation of preferred stock and/or bonds and/or debentures of insurance companies, was read twice by its title and referred to the Committee on Banking and Currency.

THE HARRIMAN NATIONAL BANK OF NEW YORK

Mr. COSTIGAN. Mr. President, I send to the desk and ask to have printed in the RECORD and referred to the Committee on the Judiciary a resolution which calls for an investigation by that committee of the reported failure of the Department of Justice under a previous Attorney General to prosecute one or more officers or directors of the Harriman National Bank in New York for alleged violations of the law.

The resolution (S.Res. 55) was read and referred to the Committee on the Judiciary, as follows:

*Resolved*, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized and directed to investigate the reported failure on the part of the Department of Justice to prosecute promptly alleged violations of law by the Harriman National Bank, New York City, or the officers or directors thereof. The committee shall report to the Senate, at the earliest practicable date, the result of its investigations, together with its recommendations.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-third Congress, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $———, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

INVESTIGATION OF BANKING BUSINESS AND SECURITY EXCHANGES

Mr. FLETCHER submitted the following resolution (S.Res. 56), which was referred to the Committee on Banking and Currency:

*Resolved*, That the Committee on Banking and Currency, or any duly authorized subcommittee thereof, in addition to the authority granted under Senate Resolution 84, Seventy-second Congress, agreed to March 4, 1932, and continued in force by Senate Resolution 239, Seventy-second Congress, agreed to June 21, 1932, and further continued by Senate Resolution 371, Seventy-second Congress, agreed to February 28, 1933, shall have authority and hereby is directed—

1. To make a thorough and complete investigation of the operation by any person, firm, copartnership, company, association, corporation, or other entity, of the business of banking, financing, and extending credit; and of the business of issuing, offering, or selling securities;

2. To make a thorough and complete investigation of the business conduct and practices of security exchanges and of the members thereof;

3. To make a thorough and complete investigation of the practices with respect to the buying and selling and the borrowing and lending of securities which are traded in upon the various security exchanges, or on the over-the-counter market, or on any other market, and of the values of such securities; and

4. To make a thorough and complete investigation of the effect of all such business operations and practices upon interstate and foreign commerce, upon the industrial and commercial credit structure of the United States, upon the operation of the national banking system and the Federal Reserve System, and upon the market for securities of the United States Government, and the desirability of the exercise of the taxing power of the United States with respect to any such business and any such securities, and the desirability of limiting or prohibiting the use of the mails, the telegraph, the telephone, and any other facilities of interstate commerce or communication with respect to any such operations and practices deemed fraudulent or contrary to the public interest.

For the purpose of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places, either in the District of Columbia or elsewhere, during the first session of the Seventy-third Congress or any recess thereof, and until the beginning of the second session thereof; to employ such experts and clerical, stenographic, and other assistants; to require by subpena or otherwise the attendance of such witnesses and the production and impounding of such books, papers, and documents; to administer such oaths and to take such testimony and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 562) relating to the prescribing of medicinal liquors, and it was signed by the President pro tempore.

HOLYOKE (MASS.) MUNICIPAL GAS AND ELECTRIC PLANTS

Mr. DILL. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in Public Ownership of the issue of March 1933 in regard to the municipal gas and electric light and power plant of Holyoke, Mass., the article being by John J. Kirkpatrick, manager.

There being no objection, the article was ordered printed in the RECORD, as follows:

[From the Holyoke Daily Transcript and Telegram, Dec. 15, 1932]

HOLYOKE'S PRIDE AND POWER—MUNICIPAL GAS AND ELECTRIC PLANTS CELEBRATE THIRTIETH BIRTHDAY—$5,300,000 PROJECTS WITH LOWEST RATES IN EAST WHOLLY PAID FOR OUT OF EARNINGS—NOT A SINGLE DOLLAR OF TAXES—EARNING $1,190,000 ANNUALLY

By John J. Kirkpatrick, manager

Thirty years ago today, on December 15, 1902, the city of Holyoke began the operation of the municipal gas and electric department by taking over the gas and electric business of the Holyoke Water Power Co. To finance the undertaking the department borrowed $720,000 on bonds payable in 30 years and bearing interest at the rate of 3½ percent.

PAID FOR OUT OF EARNINGS

On December 1 of this year the final payment of these original gas and electric department bonds was made, vindicating the courage and the vision of those citizens of Holyoke who 30 years ago undertook this municipal venture. Every dollar of this original investment has been paid out of the earnings of the department, together with several bond issues in the meantime, thus providing groundless the fears held by some in the beginning that public ownership of the gas and electric business in the city would be a great burden on the taxpayers.

The record at the date of maturity of the first purchase bonds discloses that the operation of the gas and electric department has not cost the taxpayers of Holyoke a single dollar. The department has paid its own way all the time, and sells light and power to its customers at the lowest rates obtainable not only in New England but throughout the East.

LOANS CITY $227,000—WITHOUT INTEREST

The cost of the gas and electric plants as of December 15, 1902, was $815,458. There has been invested in the plants since that date, to meet increased demands for service, $3,302,935.30 out of earnings; $2,271,000 additional has been invested in the plants from loans, and of this last sum $1,927,000 has been repaid from earnings, leaving a balance of unpaid bonds at $1,054,000. As of today, the statement of the department shows assets of $4,309,185.82, and after deducting the liabilities the department has a surplus of $1,253,198.47. Of this surplus, there is approximately $227,000 in cash. This $227,000 has been in the hands of the city treasurer for use in the general operations of the city government

as a loan without interest during the past year, when other loans from banks, corporations, and individuals have been made at 6 percent.

HOW PLANT HAS GROWN

The number of electric customers in the first year of operation (1903) was 273, as against 15,933 in 1932; there were but 44 electric meters in 1903 and now there are 16,731; in 1903 there were 72 miles of wires in the streets, today there are 544 miles of wires in the streets and 58 miles of wire underground; there were 263 arc street lamps in 1903, today there are 939 incandescent street lamps, 17 traffic lights, and 661 lamps of other description. The annual gas consumption has increased from 99,000,000 cubic feet in 1903 to more than 376,000,000 cubic feet in 1931; the output of electricity has increased from 1¼ million kilowatts in 1903 to 25½ million kilowatts in 1932. The capacity of the electric station has been increased from 500 horsepower to 18,666 horsepower.

FROM OIL LAMP TO POWER

Above, in figures, is a story of the birth, the growth, and the present status of the municipal gas and electric department of the city of Holyoke. But, of course, it is not the whole story.

When, at the turn of the century, the people of Holyoke were establishing their own municipal lighting department, electricity was not in general use, nor was there such a demand for gas. The oil lamp was then doing service, and the kitchen coal stove was the heating and cooking plant in the home. Such devices as the electric iron, the vacuum cleaner, the washing machine, and other gas and electric utensils too numerous to mention that now relieve the drudgery of housework were then unknown. The mills obtained their power by the direct fall of water, and there was no such demand for electric power as exists today.

PRIVATE OWNERSHIP FAILS

In 1896 such gas and electricity as was used in Holyoke was furnished by the Holyoke Water Power Co. and the city was the largest customer of the private company, for street lighting. It was in that year that a dispute arose between the city and the company relative to the price of electricity, and out of that dispute there came a determination on the part of many citizens to sever negotiations with the company and to operate the gas and electric utilities under public management.

CITY BUILDS A RAILROAD

The city already owned and operated its own water system. Some years before, because the manufacturers of the community were at the mercy of a single railroad line, the citizens built, at public expense, a municipal railroad from this city to Westfield to connect at that point with another line and leased the municipal railroad, thereby obtaining the advantages of competitive rates and service. So it was not an altogether revolutionary step the citizens took in securing public management of such additional public utilities as gas and electricity.

THE PEOPLE VOTE

The law provided that a city could not acquire a lighting plant until the city government voted in favor of the acquisition in 2 successive years, and the action was ratified by a majority of the voters at an annual or special election. On January 15, 1897, the second favorable vote was passed by the board of aldermen, and on December 14, 1897, the voters ratified the action of the city government.

The law further provided that in the event of a favorable vote the city must purchase the existing private plants if the private company elected to sell. The Holyoke Water Power Co. elected to sell and set its price at $1,000,000. This price was rejected and a commission was appointed by the Supreme Judicial Court of Massachusetts to determine the value of the property. After a lengthy trial of the case the purchase price was set at $805,547.40, of which $432,295.38 was for the gas plant and $377,252.02 for the electric plant. There were additional litigation expenses, bringing the total to $815,458.

FIVE YEARS' DELAY

Five years had elapsed from the time the purchase of the plants was authorized until the city began operations. During those 5 years several attempts were made on the part of the company to have the citizens reconsider their action, but to no avail.

The purchase of the gas and electric plants included certain water rights, known as "mill powers", and also the franchises of the Holyoke Water Power Co. By the transfer of the franchises the Holyoke Water Power Co. was excluded from the business of selling gas and electricity in this city.

TREACHERY OF THE COMPANY

Within 5 months from the time of the sale of its plants and franchises the Holyoke Water Power Co. went to the legislature and asked for a renewal of its franchise, and a bill was drafted and passed which gave the power company authority to manufacture electricity for power (but not light) in quantities of not less than 100 horsepower, and to sell such power in any of the cities and towns of Hampden or Hampshire Counties. The city officials of that time did not object to the reentry of the power company into the power field. There were but few users of more than 100 horsepower of electricity. In fact, according to a statement signed by President Robert E. Barrett, of the company, on September 20, 1922, with reference to the franchise of the company, "it was impossible to procure takers of said power in Holyoke, although the amendment to the charter provided that unless the company should install a plant and furnish electricity under the provisions of said act within 3 years after its passage all rights granted therein should cease."

"At the very last moment," continued Mr. Barrett's statement, "a few days before the expiration of said time, J. L. Perkins agreed to take electricity for the operation of 2 miles in South Hadley and the current was turned on and the charter saved through his friendly cooperation."

Thus, although the city paid over $800,000 for the gas and electric business, which purchase excluded the Holyoke Water Power Co. from the field, the act of 1903 nullified the city's purchase of an exclusive power field.

CITY OWNERSHIP SUCCEEDS

At first the business of the municipal department was small, but as the years went by the demands for gas and electricity increased, gradually for a time, and later more rapidly. Oil lamps gave way to gas jets and gas jets gave way to electric lights. The coal stove was replaced by the gas range and more recently the electric range. Electrical household appliances for ironing, cooking, washing, and refrigeration, to mention but the most important items, came into general use. Manufacturers turned more and more to electrical power; and all the time the municipal gas and electric department kept pace with the increased demands. The plants were expanded and improved and lines were extended to the limits of the city. Every demand for power, light, and heat was and is met.

A service branch was established, not the least valuable of the department's assets. Twenty-four hours every day service men are on call to take care of any kind of trouble.

RECENT EXTENSIONS

The most recent acquisition of the department has been the old Hadley division property. This property adjoins the gas works and the purchase enables the department to expand the gas plant. Further plans include the building of a gas container on the site. The purchase included the mill buildings, which had been idle for some time. Due to the enterprise of the gas and electric department management there are now several tenants in the mill buildings, paying rent, buying gas and power and light, and, more important, employing 500 to 600 men and women. The investment is proving a profitable one.

COMPANY KEEPS UP THE FIGHT

There has been some controversy, particularly of late years, between the gas and electric department and the Holyoke Water Power Co. Such disputes as have arisen, or are likely to arise in the future, date back to 1903, when the Water Power Co., after selling its business, obtained the privilege of reentering the power field. Although there were few, if any, customers for 100 horsepower or more in 1903, there are many today.

In spite of the fact that the city made all the necessary extensions to supply all industrial demands that might arise, the private company made a plea for an extension of its power franchise on the ground that it would be able to attract industries to the city. This appealed to the citizens and the franchise was extended.

However, the promised industries did not come and 4 of the 5 customers the company had discontinued operations.

CITY LOSES $180,000 ANNUALLY

Having failed to build up a market for its power under the plan proposed, the Water Power Co. has been seeking the customers of the municipal plant, and since 1922 the city has lost to the power company 29 power customers, using over 9,000,000 kilowatt-hours of electricity, representing a loss to the municipal department of $180,000 annually.

It is the apparent aim of the Holyoke Water Power Co. to obtain all of the power business in the city, leaving the municipal department only the lighting business, with the further desire on the part of the company to sell to the municipal department the electricity needed for lighting current; in other words, to make the municipal department only a distribution agent, as in South Hadley, Chicopee, and other cities and towns.

CITY MUST GENERATE ITS OWN POWER

As long as the city maintains its own electricity-generating plant, just so long will it be able to continue its high standard of service and its extremely low rates. If the manufacture of electricity should be discontinued, then the city department would be dependent upon private power companies for its supply, and would be compelled to bargain for it. It would mean a return to the situation in which the citizens of Holyoke found themselves in 1896, when they could not strike a satisfactory bargain, and decided to own and operate their own plant.

Whether the city of Holyoke shall continue to manufacture and sell its own electricity, or be driven to a position where it must buy electricity from private sources is the fundamental issue at stake in all the controversies between the municipal gas and electric department and the Holyoke Water Power Co. It was the issue in 1896, and in 1902, and now after 30 years it remains the issue. The manufacture and sale of electricity by the city as a municipal business was only an experiment in Holyoke in 1902 when the plants began operations. Now, after 30 years, there is sufficient proof that so far as Holyoke is concerned the municipal manufacture and sale of electricity is the successful method.

THE FALLACY OF BUYING CURRENT

It is claimed that the municipal department could buy power from the Holyoke Water Power Co. cheaper than it costs to manu-

facture it. It costs the municipal department now about 1 cent a kilowatt to produce power. Lately there has been an offer from the power company to sell certain power to the city for 4 mills a kilowatt, or less than half a cent. But this offer is not for permanent power, that is, a certain guaranteed quantity from day to day. It is what is known as "dump power", or power that would go to waste when not used by the Water Power Co. And the Water Power Co. can shut off its "dump power" at short notice. Therefore, the price charged the city by the company for "dump power" is not such a bargain. Furthermore, the records of the department of public utilities disclose that this "dump power" has been sold by the Holyoke Water Power Co. to another private company at less than 2 mills a kilowatt, or less than half of what it would charge the municipal department.

COSTS MORE TO BUY THAN TO GENERATE

If further proof is necessary that it is more advantageous to the city to manufacture its own power than to purchase it, a reference to the records will show that the town of South Hadley purchasing its entire supply from the Holyoke Water Power Co., pays more per kilowatt than it costs the municipal department of Holyoke to manufacture it. Moreover, there are several cities and towns in Massachusetts having distribution systems only, that purchase power from private sources, and in none of these places are they able to sell electricity as cheaply as the municipal department sells its own manufactured electricity.

WHY TAX OUR UTILITIES?

Some criticism is made because the gas and electric department does not pay taxes. The statutes of the Commonwealth provide that the city cannot tax its municipal plant; instead, the department must furnish electricity to the city at cost. On its real estate, apart from the plants, the gas and electric department does pay taxes to the city.

It is pointed out that the water department pays taxes by special legislation. Prior to this legislation the water department was in the same position as the gas and electric department; it paid no taxes and sold water to the city at cost. Now, it pays taxes but charges the city the same rate for water as other customers in the same classification.

The gas and electric management feels that its present arrangement, which is the general law of the Commonwealth, is the more equitable one, and that the city obtains a greater benefit thereby. However, the management has expressed a willingness to study both plans, and to accept whichever is beneficial to the city government. But the proponents of direct taxation of the gas and electric department have always suggested confiscatory taxation, aimed to destroy the department's financial stability, and this the management refuses to consider.

The operation of a municipal electric station is the yardstick by which the cost of the electricity and its selling price can be measured against the cost of electricity and the selling price of private companies.

LOWEST RATES IN STATE

In Holyoke the price charged for electricity for lighting is 4 cents a kilowatt. No private company in Massachusetts has a price as low. In some places the rate is as high as 16 cents a kilowatt. The average price throughout the State is 7½ cents a kilowatt, nearly twice the price in Holyoke. Our top rate is 4 cents for the first 100 kilowatt-hours and 3½ cents thereafter. Our power rates run from 2½ cents down to 1 cent per kilowatt-hour.

Because we have this successful municipal department in Holyoke, local power users obtain uniformly low rates from public or private sources. That alone proves the value of the municipal department. But, strip it of its power customers entirely, and force it to discontinue its electric station, and this value will be lost.

Anyone who reads the record cannot doubt that it was the intention of the people, when they established this department, to obtain for themselves the exclusive business of furnishing gas and electricity for power, light, and heat. No one can deny that the courts accepted this intention in fixing the value of the properties and franchises sold to the city by the Holyoke Water Power Co. The investment price has been fully paid. Other millions of dollars of earnings have been put into the plants and equipment. The consumers of power and light have saved several millions of dollars in 30 years of consistently low rates. Surely no one can expect more; some dared not hope for as much.

On its thirtieth birthday the Holyoke gas and electric department is physically and financially healthy. The people of Holyoke, from the smallest user of light, to the largest users of power, will benefit only so long as this municipal department retains its physical and financial strength.

PROSPECTING, EXPLORATION, AND DEVELOPMENT ARMY

Mr. DILL. Mr. President, I ask unanimous consent to have printed in the RECORD a letter addressed to me by Prof. Albert L. Seeman, of the University of Washington, proposing a prospecting, exploration, and development army to search for gold, together with a summary attached to the letter.

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

UNIVERSITY OF WASHINGTON,
*Seattle, Wash., March 27, 1933.*

Senator C. C. DILL,
*Washington, D.C.*

DEAR SENATOR DILL: Members of Congress have been advised through President Franklin D. Roosevelt that employment must be found for 200,000 men within a short time and that twice that number will be put to work within 6 months. It is with the hope of aiding the administration and the Members of Congress in this gigantic task of securing employment for these men that the following program is presented for your consideration. The plan that we are here suggesting is one of rehabilitation rather than mere relief and is not in conflict with any of the plans already suggested by Congress or the administration.

This program for rehabilitation is the prospecting of Alaska for gold by an organized army to be known as the "prospecting, exploration, and development army." The purposes back of this program of rehabilitation are, first, to give aid to the unemployed of the entire Nation; second, to increase the gold supply of the Nation and thereby stabilize industry in general and the banking and monetary system in particular; and, third, as a result of this exploration to colonize Alaska. Any one of these aims is sufficient to demand the attention of all those who are interested in rehabilitation.

The Territory of Alaska is about one fifth the size of the United States of America. This Territory contains large unprospected auriferous deposits, as well as large areas which contain mineralized gold-bearing quartz. These areas have been partially mapped by the United States Geological Survey. Such areas offer a great field for a profitable noncompetitive industry. The Territory of Alaska would be today the greatest producer of gold in the world were it not for its inaccessibility except along the coasts and navigable streams. High wages in the States in recent years and the cost and difficulty of transportation in Alaska have checked gold production. The development of the airplane has made it possible to reach places in 2 or 3 hours that would have required months under previous conditions. Actual practice has shown that flying conditions are ideal in the entire Territory and landing safe and practical in winter and in summer. Yet there are thousands of square miles in the more accessible regions that have never been prospected because of the difficulty and cost of transportation.

Prospectors are usually men of small means, and they cannot afford to buy supplies and pay for air transportation to places they wish to prospect, to say nothing of their lack of means to assure being picked up and taken to the place from which they started if they find nothing. The result is that only a very few go out.

Modern prospecting equipment is too expensive for men of small means, so that many who go out are confronted by conditions they cannot overcome, and they give up, when they might be very near to a large gold deposit. In spite of this fact, gold is at the present time the only outstanding product that comes out of Alaska, with the exception of fish caught along the coasts. Prospecting and development is not a poor man's game, and while there are always a few courageous men scattered throughout the Territory, real developments will not come to Alaska until sufficient capital is furnished.

Many other countries have already carried out the suggestion that is being made here. Canada at the present time is increasing her gold supply tremendously by giving aid to the prospectors and by furnishing them airplane transportation.

Many of the rehabilitation programs involving construction work are meritorious and will accomplish much, but they provide only a temporary livelihood for the men employed. When the project is completed the employment ends. The plan here presented provides the men not only with a livelihood but also a working interest as a shareholder, which we believe will pay large dividends.

All who are familiar with Alaska will realize that just one new discovery such as Iditarod, Nome, Circle, Forty Mile, or Fairbanks would not only pay the entire cost of an army of many thousand men but would provide a good start for every member of that army. There is no reason to doubt that the vast sections as yet unprospected will produce many such camps as above named.

Nothing could be of more benefit to the entire country than the discovery and development of new and extensive gold fields in the Territory.

An organized army in Alaska, competently officered by men from the United States Geological Survey and financed by the Federal Government and furnished airplane transportation, will no doubt accomplish the results indicated above.

The "prospecting, exploration, and development army" is to be recruited from unemployed American citizens between the ages of 18 and 40. The number shall consist of from 20,000 to 50,000 men. Enlistment will be upon what is known in mining circles as a "grubstake" basis. The usual grubstake basis is 50–50. This would mean that the army personnel would own 50 percent (or a percentage of the same figured on a certain number of years as a basis) and the Government, or grubstake, would own the other 50 percent. The Government's 50 percent could be used as a revolving fund to carry on and enlarge the scope of the enterprise or it could be used to retire the money invested. Enlistments would be for a period of at least 2 years. Advancements of $5 to $15 per month could be made as and when dividends are declared from the operations. These advancements are to be deductions from the dividends when finally paid. While most of the enlisted men will be prospecting, there will be those men who will be assigned to hunting and fishing to provide a portion of the maintenance required. Others will be enlisted as cooks, clerks, and such other aids as will be necessary to maintain the army. These men not engaged in prospecting will share in the returns the same as the others.

This army will be officered by competent miners. The United States Geological Survey, Alaska Division, would have the supervision of this work. The Alaska Division of the United States Geological Survey already have first-hand information relative to Alaska, and since they are interested in the field work of mining they are the logical department to head this enterprise.

The Federal Government would detail for this "army" all of the airplanes necessary to carry on this work. Airplane transportation is the crux of this entire plan, for unless they can be detailed from the Army and Navy forces this plan cannot be carried out. At the present time only a few of the military or naval aviators know flying conditions in Alaska, which is our nearest approach to the Orient. The present conditions in the Orient make it feasible for the United States to know flying conditions in Alaska and to establish airplane stations. The aviators while assigned to this task would still remain as part of their respective military or naval corps. They would coordinate with the "prospecting army" by providing the required transportation of the men and equipment. Maintenance of a portion of its flying corps in Alaska would cost the Federal Government no more than maintaining them in the States and would increase the scope of its military program.

As an emergency measure the President of these United States can use funds already appropriated for relief measures, or sufficient money shall be appropriated by Congress to enlist, transport, and maintain these men in Alaska. Since the season in Alaska in which work should be started is short, it is urged that Congress take immediate steps to bring about this additional means of employment.

Very truly yours,

ALBERT L. SEEMAN.

SUMMARY OF "PROSPECTING, EXPLORATION, AND DEVELOPMENT ARMY"

1. This "army" is to be composed of from 20,000 to 50,000 men.

2. This "army" is to be recruited from unemployed American citizens who can pass the physical examination and for a period of 2 years.

3. Members of the "army" shall be fed, clothed, and housed.

4. There shall be at least one recruiting station in each State for enlistments. These recruiting stations shall be at designated places.

5. These recruits are to be placed on a 50–50 grubstake basis. The Federal Government—the grubstake—is to receive 50 percent of the returns. The other 50 percent is to be given to the "army." A certificate of participation will be issued to each member of the "army" showing his proportional share of the proceeds. These certificates will be honored by any national bank, and shall become payable upon the expiration of enlistment. From $5 to $15 per month can be borrowed on these certificates and up to 75 percent of the face value of the certificates. These certificates of participation shall be proportionate to the number of men in the "army" and to the length of service of the individual at the time the certificate is issued.

6. If a member of the "army" does not serve his full period of the enlistment, he cannot mine in Alaska for a period of 10 years and he cannot be interested in mining in Alaska for a similar period.

7. Leaving the "army" without permission shall be considered the same as not serving his entire enlistment.

8. Transportation shall be furnished all members of the "army" from the place of enlistment to the mobilization camp at Seattle, Wash. They shall be furnished transportation to their place of enlistment upon the termination of their enlistment. Those who do not complete their enlistments shall not be furnished with the return transportation.

9. The officers of this "army" shall be under the jurisdiction of the Alaska Division, United States Geological Survey. They shall be competent miners capable of directing the work in the field. These officers shall be detailed by the United States Geological Survey.

10. The officer in charge shall be the Chief of the Alaska Division, United States Geological Survey. He shall be assisted by practical miners.

11. The officers of the "army" shall receive certificates of participation on the same basis as the enlisted men.

12. Officers shall keep a record of all prospecting squads and all development as it takes place.

13. Each district shall be inspected by a superior officer before any area is abandoned as nonproductive. The abandonment can take place only after such inspection.

14. All records kept by the officers of the various districts shall be inspected periodically by a superior officer.

15. Transportation from the mobilization camp at Seattle, Wash., shall be by commercial steamers at reasonable rates or by military transports.

16. The determination of adequate planes for prospecting shall be determined by the officer in charge. He shall designate the number of planes needed.

17. A medical corps shall be attached to the "army" to be composed of volunteers from accepted surgeons and physicians or from the Medical Corps of the Army. They shall be classed as officers assigned to special duty.

18. Cooks, clerks, hunters, and fishermen and special duties of this class shall be from the enlisted personnel and assigned to special duty.

19. The various States, as governmental limits, may organize and finance units on the same basis as the Federal Government.

20. It is estimated that the cost of maintaining a man per year, exclusive of mining equipment and transportation, is $350.

IDEALS OF PRESIDENT WILSON—ADDRESS BY HON. JOSEPHUS DANIELS

Mr. BAILEY. Mr. President, I send to the desk an address delivered by the Honorable Josephus Daniels, now Ambassador to Mexico, at the tomb of Woodrow Wilson, Washington Cathedral, Washington, D.C., March 5, 1933, on the subject of Woodrow Wilson's Ideals, and request its publication in the RECORD.

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

[From the News and Observer, Raleigh, N.C., Mar. 6, 1933]

WILSON'S IDEALS NEEDED TODAY

Under this stone lies all that is mortal of Woodrow Wilson. It is dust. But there is more than dust here. There is the eternal life of an ideal. Not the man but the spirit that the man was has brought us here. We have come up to this hilltop and to this quiet chamber to capture again if we can something of his teaching, something of his courage and faith, to guide us in a period of uncertain drifting and certain doubt. We come here hungry for some portion of the high vision of Woodrow Wilson.

Here in this room of shadow and quietness we may stand for a little while apart from the crisis that faces the world at the foot of this hill and at the same time take new strength from the spirit of the man who in every crisis—and he met the greatest which shook the world—never hesitated to propose the way of solution nor in every period of distress to offer the remedy essential to restoration.

Does America stand today looking for the safe path to follow to regain the heights of the days of Woodrow Wilson? Do its people grope in darkness for a light for their feet? Do they yearn for confidence and a return to security? Do they look through a glass darkly for light? Do they come distracted from distracted councils? If so, here at the tomb of the greatest prophet of our times and the supreme optimist of our history, they can find the way by following in the footsteps of the noble war President, himself the greatest casualty of that conflict.

First of all we must rid ourselves of the notion that all the calamities that have befallen us have grown from the war in which he led us. Certainly it was a struggle, entered with consideration of its consequences, which took its toll of our best manhood and levied money burdens grievous to bear. But war had little to do with the debacle that has since broken our hopes and destroyed our prosperity. It was not America's consecrated use of the sword that brought us to the ills we bear today. It was the failure after the war to keep faith with the "indomitable spirit and ungrudging sacrifice of our incomparable soldiers" which lies at the bottom of our troubles.

When Mr. Wilson returned from Paris with the covenant of peace the Nation was weary of war and ready not only to put down the sword but also to be lulled into laying aside the high conscience with which the sword had been lifted. It was more pleasant to listen to the promises that if this country would refrain from alliance or association with other nations we could stand apart and reap unheard-of material gain. This Midas touch to the American heart made us for a time oblivious "to the proud recollection that it was our precept and example which had in those early days of the never-to-be-forgotten November lifted the nations of the world to the lofty levels of vision and achievement upon which the great war for democracy and right was fought and won."

In the growth of this material spirit he saw not only the immediate defeat of his own ideals. He looked forward like a prophet to the catastrophe it must certainly bring even upon the material-minded world. Ten years ago he wrote and pointed The Road Away from Revolution, the road away from the economic collapse which now engulfs us. The world he said had been made safe from the assault upon democracy of an insolent and ignorant Hohenzollern, but democracy remained to be made safe from the insolent and ignorant capitalists who "seemed to regard the men whom they used as mere instruments of profit."

"The nature of men and of organized society," he said, 10 years ago, "dictates the maintenance in every field of action of justice and of right dealing; and it is essential to efficacious thinking in this critical matter that we should not entertain a narrow or technical conception of justice. By justice the lawyer generally means the prompt, fair, and open application of impartial rules; but we call ours a Christian civilization, and a Christian conception of justice must be much higher. It must include sympathy and helpfulness and a willingness to forego self-interest in order to promote the welfare, happiness, and contentment of others and of the community as a whole. This is what our age is blindly feeling in its reaction against what it deems the too great selfishness of the capitalistic system."

We can look back today and see that here was prophecy, and we can look back and see, too, that it was received by a world bent upon material gain with no more consideration than is usually accorded to prophets. The blind, the insolent, and ignorant selfishness which had succeeded the idealism of the war rushed on without hesitation to its own ruin.

Is it surprising that the great man who lies here should have cried on the eve of Armistice Day, 1923, when he saw this dark

future that "the stimulating memories of that happy time of triumph are marred and embittered for us by the shameful fact that when the victory was won we turned our backs on our associates, refused to bear any responsible part in the administration of peace on the firm and permament establishment of the results of war won at so fearful a cost of life and treasure, and withdrew into a sullen and selfish isolation which is deeply ignoble because manifestly dishonorable."

He would not have been the Woodrow Wilson we honor if he had not cried out his indignation at this betrayal of the world. But his was not a spirit long to be fettered by bitterness and hopelessness. From them he came to a serene faith in the victory of his ideals. To the crowd of friends gathered on the same Armistice Day before his residence, he said: "I am not one of those that have the least anxiety about the triumph of the principles I have stood for. That we shall prevail is as sure as that God reigns." That assurance gave him joy in his last days.

On the occasion of my last visit to my beloved chief, I spoke my own bitterness that the American people had forgotten the sacred promises of 1917 and 1918. Mr. Wilson laid his good hand on my arm and said: "Do not trouble about the things we have fought for. They are sure to prevail. They are only delayed." Then, with the quaintness of expression which gave charm to all he said, he added: "And I will make this concession to Providence—it may come in a better way than we proposed."

He who saw so very clearly never lost his faith. He beheld as few men are ever forced to see his ideals torn down. He looked ahead along the dark road to revolution. Yet he never lost his faith. If we who gather here today to do him honor may find a little of his noble confidence we can go back from the quietness of this tomb more able to serve our country and our countrymen. We who followed him when he led us into war can fight today for peace and security under the standards of justice and unselfishness which he never let fall. Today for all America and for all the world hope lies in the ideals of Woodrow Wilson, which were never more alive nor more needed than today.

### REVENUE FROM BEVERAGES IN THE DISTRICT

Mr. TYDINGS. Mr. President, I move that the Senate proceed to the consideration of H.R. 3342, the beer bill for the District of Columbia.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 3342) to provide revenue for the District of Columbia by the taxation of beverages, and for other purposes, which had been reported from the Committee on the District of Columbia with an amendment to strike out all after the enacting clause and to insert:

*Be it enacted, etc.*, That the term "beverage" as used in this act means beer, lager beer, ale, porter, wine, similar fermented malt or vinous liquor, and fruit juice, containing one half of 1 percent or more of alcohol by volume, and not more than 3.2 percent of alcohol by weight.

SEC. 2. (a) No individual, partnership, association, or corporation shall within the District of Columbia manufacture for sale or sell any beverage without having first obtained a permit under this act for such manufacture or sale.

(b) No individual shall within the District of Columbia offer for sale, or solicit any order for the sale of, within the District of Columbia, any beverage unless—

(1) Such individual has first obtained a permit of the character described in section 4(a)(5); and

(2) The vendor is the holder of a permit issued under this act authorizing such sale.

Nothing in this subsection shall apply to any offer for sale or solicitation made upon the premises designated in the permit of the vendor.

SEC. 3. The Commissioners of the District of Columbia are authorized to issue permits to individuals, partnerships, or corporations, but not to unincorporated associations, on application duly made therefor for the manufacture, sale, offer for sale, or solicitation of orders for sale, of beverages within the District of Columbia, subject, however, to the limitations and restrictions imposed by this act. The Commissioners shall keep a full record of all applications for permits, of all recommendations for and remonstrances against the granting of permits, and of the action taken thereon.

SEC. 4. (a) Permits issued under authority of this act shall be of 5 kinds.

(1) "On sale" permits, which shall be issued only for bona fide restaurants or hotels, or for bona fide incorporated clubs with annual dues of at least $6. Such permits shall authorize the permittee to sell beverages for consumption on the premises designated in the permit, (A) in the case of restaurants, at public tables or in vehicles parked entirely upon the premises designated in the permit, but no beverage shall be sold or served in any room not used primarily for the serving and consumption of food; except that beverages may be sold or served to assemblages of more than 6 individuals in private rooms or at private tables when expressly authorized by the Commissioners, or (B) in the case of hotels or clubs, at tables or in the rooms of guests or members. No such permit shall be issued for any restaurant which has not been established and doing business for at least six months immediately prior to the application for such permit;

(2) "Off sale" permits, which shall authorize the permittee to sell beverages for consumption only off the premises designated in the permit, and not to other permittees for resale, but such sale shall be made only in the immediate container in which the beverage was received by the "off sale" permittee, except that in the case of an "off sale" permit held by the holder of a manufacturer's or wholesaler's permit beverages may be sold only in such barrels, bottles, or other closed containers as the Commissioners may by regulation prescribe; but no "off sale" permit shall be issued or remain in force in respect of any premises for which an "on sale" permit is in force;

(3) Manufacturers' permits, which shall authorize the permittee to manufacture beverages and to sell the same in barrels, bottles, or other closed containers to other permittees for resale only;

(4) Wholesalers' permits, which shall authorize the permittee to sell beverages in barrels, bottles, or other closed containers to other permittees for resale only; and

(5) Solicitors' permits, which shall authorize the permittee within the District of Columbia to offer for sale, or solicit orders for the sale of, within the District of Columbia, any beverage if the vendor of such beverage is the holder of a permit issued under this act authorizing such sale. Solicitor's permits shall not be issued without the recommendation of the vendor whom the solicitor represents. Nothing in this act shall be construed as repealing any portion of section 7 of the District of Columbia Appropriation Act for the fiscal year ending June 30, 1903, approved July 1, 1902, as amended.

(b) The holder of a manufacturer's or wholesaler's permit shall not be entitled to hold an "on sale" permit and may hold only one "off sale" permit, which shall be issued only in respect of the premises designated in his permit as a manufacturer or wholesaler.

SEC. 5. (a) Any individual, partnership, or corporation desiring a permit under this act shall file with the commissioners an application therefor in such form as the commissioners may prescribe, and such application shall contain such information as the commissioners may require, and (except in the case of an application for a solicitor's permit) shall contain a statement setting forth the name and address of the true and actual owner of the premises upon which the business to be permitted is to be conducted. Before a permit is issued the commissioners shall satisfy themselves (1) that the applicant is financially responsible and generally fit for the trust to be in him reposed; (2) that the applicant, if an individual, or if a partnership, each of the members of the partnership, or if a corporation, each of its principal officers and directors, is of good moral character; (3) that the applicant, if an individual, or if a partnership, each of the members of the partnership, or if a corporation, each of its principal officers, is a citizen of the United States not less than 21 years of age, and has never been convicted of a felony; (4) except in the case of an application for a solicitor's permit, that the applicant intends to carry on the business authorized by the permit for himself and not as the agent of any individual, partnership, association, or corporation, and that he intends to superintend in person the management of the business permitted, or intends to have some other person to be approved by the commissioners manage the business for him; (6) that, in the case of an applicant for an "on sale" or an "off sale" permit, no manufacturer or wholesaler of beverages (other than the applicant) has a substantial financial interest, direct or indirect, in the business for which the permit is requested or in the premises in respect of which such permit is to be issued, and that such business will not be conducted with any money, equipment, furniture, fixtures, or property rented from or loaned or given by any manufacturer or wholesaler; and (6) except in the case of an application for a solicitor's permit, that the proposed location of the business is an appropriate one, taking into consideration its surroundings and the number of similar permits already issued in the neighborhood where the applicant's business is to be conducted. Not more than five "on sale" permits shall be issued to any one individual, partnership, or corporation, and a separate application shall be filed with respect to each place of business.

(b) Any such application shall be verified by the affidavit of the applicant, if an individual, or by all the members of a partnership, or by the proper officer of a corporation. If any false statement is knowingly made in such application or in any accompanying statements under oath which may be required by the Commissioners, the person making the same shall be deemed guilty of perjury. The making of a false statement in any such application or in any such accompanying statements, whether made with or without the knowledge or consent of the applicant, shall, in the discretion of the Commissioners, constitute sufficient cause for the revocation of the permit.

SEC. 6. The fees required for permits issued pursuant to the provisions of this act shall be as follows: For each "on sale" permit, $100 per annum; for each "off sale" permit, $50 per annum; for each manufacturer's permit, $1,000 per annum; for each wholesaler's permit, $250 per annum; and for each solicitor's permit, $1 per annum. The required permit fee shall accompany the application required by section 5 of this act. A permit shall be good for 1 year from the date of its issue, unless sooner revoked for cause by the Commissioners, and may, with the approval of the Commissioners, be renewed upon payment of the required fee. Permits shall not be transferred except with the consent of the Commissioners, and each permit (except a solicitor's permit) shall designate the place of business for which it is issued.

SEC. 7. In the event a permittee has designated a person to manage the business for him, and the employment of such man-

ager shall terminate, such permittee shall forthwith notify the Commissioners of such termination, and shall within a reasonable time thereafter designate a new manager, and such new manager shall be subject to the approval of the Commissioners. If no manager acceptable to the Commissioners is designated within a reasonable time after the employment of the former manager has terminated, the permit shall, in the discretion of the Commissioners, be revoked.

SEC. 8. If any manufacturer or wholesaler of beverages shall have any substantial financial interest, either direct or indirect, in the business of any other "on sale" or "off sale" permittee, or in the premises on which said business is conducted, the Commissioners shall, in their discretion, revoke the permit issued in respect of the business in which such manufacturer or wholesaler is so interested. No manufacturer or wholesaler of beverages shall rent, lend, or give to any "on sale" or "off sale" permittee or to the owner of the premises on which the business of any "on sale" or "off sale" permittee is to be conducted any money, equipment, fixtures, or property with which the business of said permittee is to be conducted.

SEC. 9. Each manufacturer and wholesaler of beverages within the District of Columbia shall, on or before the 10th day of each month, furnish to the assessor of the District of Columbia, on a form to be prescribed by the Commissioners, a statement under oath showing the quantity of beverages sold for resale during the preceding calendar month to each "on sale" and "off sale" permittee within the District of Columbia. Each "on sale" and "off sale" permittee shall, on or before the 10th day of each month, furnish to the assessor of the District of Columbia, on a form to be prescribed by the Commissioners, a statement under oath showing the quantity of all beverages sold by him during the preceding calendar month.

SEC. 10. No "on sale" or "off sale" permittee shall purchase any beverage from any manufacturer or wholesaler doing business outside of the District of Columbia and not holding a permit issued under the provisions of this act, and transport or cause the same to be transported into the District of Columbia for resale, unless such manufacturer or wholesaler has obtained from the Commissioners a certificate of approval, which certificate shall not be granted unless and until such manufacturer or wholesaler shall have agreed with the Commissioners to furnish to the assessor of the District of Columbia, on or before the 10th day of each month, a report under oath, on a form to be prescribed by the Commissioners, showing the quantity of beverages sold or delivered to each "on sale" or "off sale" permittee during the preceding calendar month. If any such manufacturer or wholesaler shall, after obtaining such certificate, fail to submit any such report, the Commissioners shall, in their discretion, revoke such certificate.

SEC. 11. There shall be levied and collected by the District of Columbia on all beverages sold by any "on sale" or "off sale" permittee within the District of Columbia a tax of $1 for every barrel of beverages containing not more than 31 gallons, and at a like rate for any other quantity, or for the fractional parts thereof. The tax imposed by this section shall be paid by the "on sale" or "off sale" permittee to the collector of taxes of the District of Columbia on or before the 10th day of each month for beverages sold by the permittee during the preceding calendar month.

SEC. 12. The act entitled "An act to prohibit the manufacture and sale of alcoholic liquors in the District of Columbia, and for other purposes", approved March 3, 1917, with the exception of sections 11 and 20 thereof, is hereby repealed; except that the term "alcoholic liquor" used in said section 11 of such act shall not be construed to include beverages authorized to be manufactured and sold by this act.

SEC. 13. No "off sale" permittee shall give or sell, and no "on sale" permittee shall give, sell, or serve, any beverage to any person under 18 years of age. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined not more than $100, or be imprisoned not longer than 6 months, or be subject to both such fine and imprisonment.

SEC. 14. The Commissioners are hereby authorized to prescribe such rules and regulations not inconsistent with law, as they may deem necessary, for the issuance of permits, and for the manufacture, sale, offer for sale, or solicitation of orders for sale, of beverages, and the operation of the business of permittees. Such regulations may be altered or amended from time to time as the Commissioners may deem desirable.

SEC. 15. It shall be the duty of the Commissioners to cause frequent inspections to be made of all premises with respect to which any permit shall have been issued under this act. If any permittee violates any of the provisions of this act or any of the rules and regulations of the Commissioners promulgated pursuant thereto, or fails to superintend in person or through a manager approved by the Commissioners the business for which the permit was issued, or allows the premises with respect to which the permit of such permittee was issued to be used for any unlawful, disorderly, or immoral purposes, or knowingly employs in the sale or distribution of beverages any person who has been convicted of a felony, or otherwise fails to carry out in good faith the purposes of this act, the permit of such permittee may be revoked by the Commissioners after the permittee has been given an opportunity to be heard in his defense.

SEC. 16. Whoever violates any of the provisions of this act (except sec. 13 thereof) or any of the rules and regulations promulgated pursuant thereto shall, upon conviction thereof by a court of competent jurisdiction, be punished by a fine of not more than $500 or by imprisonment for not longer than 6 months, or by both such fine and imprisonment, in the discretion of the court. If any permittee is convicted of a violation of the provisions of this act or any of the rules and regulations promulgated pursuant thereto, the court shall immediately declare his permit revoked and notify the Commissioners accordingly, and no permit shall thereafter be granted to him within the period of 3 years thereafter. Any permittee who shall sell or permit the sale on his premises or in connection with his business or otherwise, of any alcoholic beverages not authorized under the terms of this act, unless otherwise permitted by law, shall, upon conviction thereof, forfeit his permit in addition to any punishment imposed by law for such offense.

SEC. 17. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act, and the application of such provisions to other persons or circumstances, shall not be affected thereby.

SEC. 18. It shall be unlawful to sell or offer for sale any beverage within the District of Columbia prior to April 7, 1933.

The VICE PRESIDENT. Without objection, the committee amendment is agreed to, and, without objection, the bill will be considered ordered engrossed for a third reading, read the third time, and passed.

Mr. ROBINSON of Arkansas. Mr. President, I think the Senator in charge of the bill should make an explanation of its provisions.

Mr. TYDINGS. I shall be glad to do so.

Mr. COUZENS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Michigan will state it.

Mr. COUZENS. Did I understand the Chair to say that the District beer bill had been passed?

The VICE PRESIDENT. Yes. The Chair stated that, without objection, the committee amendment would be agreed to. There was no objection. Then the Chair said——

Mr. ROBINSON of Arkansas. Mr. President, this is a bill of importance, and there is not the slightest occasion to take snap judgment in the matter. If the committee amendment has been agreed to and the bill has been passed, I ask unanimous consent that the votes whereby the amendment was agreed to and the bill was passed may be reconsidered.

The VICE PRESIDENT. Without objection, the votes whereby the bill was ordered to be engrossed for a third reading, read the third time, and passed will be reconsidered, and, without objection, the vote whereby the committee amendment was agreed to will be reconsidered. The amendment reported by the Senate committee is now pending, and the Senator from Maryland [Mr. TYDINGS] is entitled to the floor.

Mr. ROBINSON of Arkansas. Mr. President, before the Senator begins his remarks let me say that I should like to have, during the course of his discussion of the bill, an analysis of the distinction between the bill as passed by the House and the Senate committee bill. Probably the Senator would give such an analysis anyway; but it seems to me there should be an explanation of the differences between the two bills.

Mr. TYDINGS. Mr. President, the Senate Committee on the District of Columbia, in considering the bill passed by the House, sought as far as possible to keep the general philosophy of the House bill. That was to permit the sale of 3.2-percent beer by weight and to throw around its sale all the restrictions which good sense and good judgment seemed to indicate were necessary.

In reading over the House bill we found that there were some ambiguities and some contradictions and some omissions. Primarily, the Senate amendments seek to cure these defects in the House bill.

The bill provides for five kinds of licenses, or permits, as they are called in the Senate bill. They are called licenses in the House bill. Those five kinds of licenses are as follows:

First, a brewer's license, which authorizes the brewer to make beer; but he cannot sell it for consumption on the premises, nor to anyone except the holder of an off-sale or an on-sale permit.

The second permit is that which we call an on-sale permit. That means that a man can sell this beer to be consumed on the premises designated in the permit.

An off-sale permit is also made available under this bill; and the permittee can sell beverages in original containers, not to be consumed on the premises where the beverages are sold. That would apply to delivering a case of beer to the house of an individual, or to a club, or to a restaurant, or to anyone else.

Then the bill provides for wholesale permits, because many of the brewers will not make beer in the District, and they will have wholesale houses through which their product will be dispensed; but the holder of a wholesale permit cannot sell beer for the purpose of having it consumed on the premises of the permittee. He can sell it to other permittees—that is, to on-sale and off-sale permittees.

Finally, there is a solicitor's permit. That provision was added by the Senate committee—it was not in the House bill—for the reason that it was thought that those who solicit from door to door for the sale of the beverages provided for in this bill should register with the District of Columbia Commissioners, so that only authorized persons holding permits might make these solicitations. Otherwise, the public might be subjected to fraudulent solicitations, and might be mulcted through paying solicitors for beer which the purchasers would never get.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER (Mr. McADOO in the chair). Does the Senator from Maryland yield to the Senator from Nebraska?

Mr. TYDINGS. I yield to the Senator.

Mr. NORRIS. When the Senator reached the subject of solicitors' permits I was just reading the report, which, so far as I have read it, seems to me to be a very illuminating, fair statement; but I do not understand why there should be such a thing as a solicitor's permit. Is it the theory that the solicitors who will get these permits will go from house to house trying to sell beer?

Mr. TYDINGS. Let me explain to the Senator why we put in that provision.

As the Senator will see in the bill, neither a brewer nor a wholesaler can sell except to other permittees. That means that if the Senator wanted to buy a case of beer he would be unable to get it except through an off-sale permittee. Now, suppose one of the brewing companies of America should want to do business in the District of Columbia. They would get, I suppose, a wholesale permit. That wholesale permit would allow them to bottle their beer within the District of Columbia. They might ship it in barrels and transfer it to bottles here, but there would be no provision as to sale between the wholesale permit holder and the individual who wanted to purchase the beer.

For example, I might go to that wholesale permit holder and say, "I should like to represent your concern here." He would say, "All right; you can go ahead and push the sale of my product." Then when I knocked on a man's door he would not know whether I was an authorized representative of the wholesaler or an unauthorized representative. We thought that every person connected with every phase of the sale and delivery of beer should be licensed by the governing authorities of the District of Columbia.

Mr. NORRIS. Mr. President, will the Senator permit a further interruption?

Mr. TYDINGS. Will the Senator let me go on for just a second more?

Mr. NORRIS. Yes.

Mr. TYDINGS. We were afraid that there might be some part of the general control over the sale of beer which would not be under the District Commissioners; and we therefore authorized the solicitor's permit, more for the purpose of knowing who was furnishing the outlet for the beer than from any desire for revenue, or for any other purpose.

Mr. NORRIS. Why would it not meet the situation to have an individual who wanted to buy beer go to a place where there was a legal licensee who had authority to sell it, and buy it of him?

Mr. TYDINGS. He can do that, may I say to the Senator.

Mr. NORRIS. I cannot see the use of adding to that a provision that it seems to me would result in a wholesale number of people going around from house to house trying to sell beer.

Mr. TYDINGS. That was the thing we had in mind. May I point out to the Senator that if we strike out of the bill the solicitor's-permit provision, then anybody can go and solicit for the sale of beer. They could knock on the Senator's door and say, "I represent such and such a company, and would like to sell you some beer."

Mr. NORRIS. In "the good old days" we did not have anything of that kind, when it was free to anybody. No permits of this kind were issued then. I have never heard, at least, of a complaint being made of people canvassing, like a lot of book agents, the people of the community for the purpose of selling beer. There were certain persons who had a legal right to sell beer, and were licensed to sell it; and purchasers had to go there.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Arkansas?

Mr. TYDINGS. I yield to the Senator.

Mr. ROBINSON of Arkansas. I imagine that one of the purposes of the provision is to safeguard against the bootlegging of beer having an alcoholic content in excess of that authorized by law. It is readily conceivable to my mind that with no person permitted to solicit for beer manufacturers or beer sellers except those who are authorized or permitted by law to do so, responsibility for violations of the law can much more easily be located and violations prevented.

Mr. TYDINGS. The Senator is exactly right, because, having put the permit system in this bill, the consumer knows that the beverage which he is buying, is, first of all, a legal beverage; secondly, that it has been cleanly manufactured under the rules which govern the manufacture of beverages. Without the permit I might be solicited, but I would not know whether I was getting the real beer from the company from which I wished to purchase it or whether it was some home-manufactured beer.

May I say to the Senator from Nebraska that we were afraid that if we did not provide for the issuance of these solicitors' permits to those who wanted to sell beer directly to the consumer, but not to be consumed on the premises where sold, there would be a hiatus between the manufacturer of the beer and the ultimate consumer which would lead to violations by bootleggers, by fraudulent solicitors, and that many people who were entitled to protection might be taken in. We did not have this provision in the bill at our first committee meeting. It came up subsequently; and I think, after looking into the matter, the committee were unanimous—both those opposed to the bill, as a matter of principle, and those who were for it—in believing that the public would be safeguarded rather than hurt by this provision.

I myself think that without the provision solicitations will go on, and they will be for products which are not authorized by this bill. I believe that the public welfare will be served by this provision.

Mr. NORRIS. Of course, I want the Senator to understand that I am not questioning the good faith of the Senator or of the committee.

Mr. TYDINGS. I understand.

Mr. NORRIS. I do not yet see, however, why such a provision should be made. Would it not be just as possible and just as easy with this provision as without it for someone who did not have a permit to go around and canvass and sell beer?

Mr. TYDINGS. If there were no permit provision, what the Senator says is true.

Mr. NORRIS. In the operation under the license system that prevailed prior to prohibition, there never has been,

so far as I know, a claim anywhere that the business was such that we ought to authorize these dealers to send agents around to sell their products.

Mr. TYDINGS. Yes; I think I can say to the Senator with substantial accuracy that that was the case, even in the days when saloons were plentiful—that agents did go around to clubs and to homes and solicit business.

Mr. NORRIS. To private individuals?

Mr. TYDINGS. Yes, sir.

Mr. NORRIS. I never knew that there was such a thing.

Mr. TYDINGS. I think it is only fair to add that there was not much of it, however; because in the "wet" communities there were so many outlets that it was unnecessary.

Mr. NORRIS. I cannot see the necessity of it. These solicitors have to pay a license fee of only $1.

Mr. TYDINGS. That is all.

Mr. NORRIS. So that it would be mostly a matter of form to become an agent for some permittee or licensee to go around and canvass the people of the community.

Mr. TYDINGS. That is right; but a permit could not be obtained without the approval of a man who held some other license.

Mr. NORRIS. The person who issued the permit would be a licensee, would he not?

Mr. TYDINGS. No; it would be the District Commissioners who would issue the permit, but upon the approval of the principal for whom the solicitor was to work. The idea was that in this bill we sought to keep track of all beer from the brewer to the ultimate consumer, so that every phase of the business could be controlled. We were afraid that if we did not have these permits for solicitors there might be one phase of the matter which would be uncontrolled which had best be controlled.

Mr. NORRIS. Is there any reason to think that if this part of the bill were stricken out, people would come in and bootleg, as the Senator says, some product, and ship it into some other place?

Mr. TYDINGS. Yes, sir.

Mr. NORRIS. Certainly everybody would know that certain people were licensed to sell this product. I do not understand why it would be necessary or why a community would care to be bothered with people coming to their houses continually from the various licensees of the city, trying to sell them something to drink, when they would all know that if they wanted it they could telephone to the licensee and have it delivered, if they cared to buy it in that way.

Mr. TYDINGS. I think there is something in what the Senator says. May I say, however, that we put in this provision as the lesser of two evils. We did not want the public annoyed; but we were afraid that the public would be more injured if this provision were left out than if we inserted it. In that we may be wrong; but we had the public welfare in mind in inserting this particular provision. If it does not work out as we hope it will, I shall be one of the first, when opportunity arises in the future, to strike the provision from the bill.

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

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

Mr. TYDINGS. I yield to the Senator.

Mr. COUZENS. The Senator will recall that in the District Committee I raised some objection to the language on page 11, whereby restaurants, and so forth, may sell this beer to persons in parked vehicles. I should like to see the Senate go on record as to whether they want that language in the bill or not.

Mr. TYDINGS. The Senator refers to parked vehicles on private property?

Mr. COUZENS. Yes. The Senator will observe, on page 11, line 4——

Mr. TYDINGS. If the Senator will permit me to interrupt him a moment, for the benefit of those who may be listening and who do not understand what we are speaking of, as well as the Senator from Michigan and myself, who are both on the committee, may I say that some question arose as to when one could sell the beverage provided for in this bill to persons in an automobile. There are many barbecue stands and restaurants where a man might want to drive up and get a bottle of beer, and therefore the question of whether he should be able to get it or not was brought to our attention. We provided that he could not get it in an automobile under any conditions unless he was on the private property of the licensee selling it.

Mr. COUZENS. Mr. President, if the Senator will yield, I want to point out that that is perhaps one of the most vicious provisions of the bill. In other words, if we are to restrict the sale of this beer to people over 18 years of age, how can the licensees know who is in the vehicles? Four or five people may be in a parked vehicle on the premises where the beer is sold. This provision is wholly inconsistent with the provision limiting the sale to those over 18 years of age. I should like to have the Senator agree to take that language out.

Mr. TYDINGS. May I say to the Senator that I am not unsympathetic with the very point he makes. He will recall that in the committee I questioned the wisdom of this provision; but the committee saw fit to put it in, and I do not feel that I can, in justice, consent to the amendment.

Mr. COUZENS. The Senator will not object to my making a motion to amend?

Mr. BARKLEY. Mr. President——

Mr. TYDINGS. I will yield, if the Senator from Kentucky will bear with me a moment.

The committee had this problem in dealing with the proposition: There are some barbecue stands—in the outlying parts of the city, particularly—which serve as many as three or four or five thousand people a day, particularly in the summertime, when people are driving about. They really serve what we might call a poor man's lunch, or dinner, to a man who cannot afford to go to a hotel. To that class of people these barbecue stands are regular restaurants serving food, and the committee was rather inclined to be liberal. But, as the Senator says, there are a number of places which are not conducted along that line, and it was difficult for us to draw the line between the poor man's dinner with his bottle of beer, or his lunch with his bottle of beer, and the night-club barbecue-stand affair.

Mr. COUZENS. Will the Senator yield further at that point?

Mr. TYDINGS. I yield.

Mr. COUZENS. I would have no objection to these places which the Senator describes if they would have tables; but permitting people to sit and drink in automobiles—drinking that stuff, with a lot of young girls in the automobiles, and all below 18 years of age—is wholly inconsistent with limiting sales to those above 18 years of age.

Mr. TYDINGS. I am bound to say there is a great deal of force in what the Senator says. I cannot agree to the amendment and shall vote against it, but I can understand why others would vote for it.

Mr. BARKLEY and Mr. JOHNSON addressed the Chair.

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

Mr. TYDINGS. I yield first to the Senator from Kentucky, who was on his feet first, and then I will yield to the Senator from California.

Mr. BARKLEY. I would like to have the attention of the Senator from Maryland and also the attention of the Senator from Michigan. It strikes me, on first blush, that this language holds out some discrimination as between stores, or "hot-dog joints", or whatever you call them, which are on the sidewalk, flush up with the street, and those which sit back far enough so that one can drive in. Under the language here anybody who had a store that came up to the edge of the street would not be able to sell to a man or anybody else who drove up in an automobile and stopped and would like to get some of the beverage; but if the house is back from the street far enough so that the automobile can drive in and be on private property, those in the automobile can buy the beverage. I do not really see any particular reason for that discrimination. I am not advocating that the licensees be allowed to sell to anybody in an automobile;

but if they are to be allowed to sell to people in cars, I see no reason why there should be any discrimination against the people who drive up on the street and sit in front of a place, where there is no private parking ground, if it is allowed at all.

Mr. TYDINGS. As I pointed out a moment ago, we had in mind primarily the outlying barbecue stands, which are really run on a restaurant basis. I do not mean to say that much of what the Senator says is not well grounded and sound.

Now I yield to the Senator from California.

Mr. JOHNSON. I wanted to ask upon what theory the committee inserted the word "wine" in line 16, page 9, in this measure?

Mr. TYDINGS. As I recall, that was put in to make the language conform exactly with the language of the national beer bill.

Mr. JOHNSON. That is quite true; the expression does occur in the national beer bill, I grant you, but there is no such thing as 3.2 percent wine, and what in the world is the use of burdening this bill and burdening the wine people, who are appealing to the Congress of the United States for relief at the present time, by sticking in here a provision as to wine containing not more than 3.2 percent alcohol by weight?

It is a perfectly absurd thing, which is objectionable to those who are engaged in wine manufacture and to those engaged in grape culture in the State of California, for instance. I speak for them by the book, I think.

Mr. TYDINGS. I think what the Senator says is very fair comment on this bill, but I know the Senator will appreciate that the committee had only the motive of making the bill conform exactly with the national beer bill, so that we would not be accused of trying to write in or leave out matters which had been embraced within the definition of the national beer bill.

Mr. JOHNSON. I think the Senator gives a reasonable explanation as to why this provision is in the bill, but at the appropriate time I am going to ask the Senate to strike it out. If it is of no use and if it is absurd and if there is no such thing, why put it in the bill?

Mr. TYDINGS. As I said to the Senator, I think it would be best to stick to the national law. If the language were not in the national law, then I think we could leave it out here; but, inasmuch as it is in the national law, I feel that we, as a committee acting under that law, should make our definition exactly in conformity with the national law.

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

Mr. TYDINGS. I yield.

Mr. BARKLEY. It does not strike me that the grape-growers or winemakers have any real reason for complaint here because, if with the present limitation of one half of 1 percent they are selling wine containing 22 percent of alcohol, if we increase the permissible content to 3 percent they can increase their wine to one containing 120 proof of alcohol or wine almost totally alcohol. So if the limit of one half of 1 percent has not prevented them from selling real wine, certainly the provision as to 3.2 percent will not.

Mr. JOHNSON. Mr. President, will the Senator from Maryland yield?

Mr. TYDINGS. I yield.

Mr. JOHNSON. Do I understand the Senator to say that under the Volstead Act they have been selling wine with that alcoholic content?

Mr. BARKLEY. I have been told that there is a certain product issued by United Fruits, Ltd., which is well known in this country, and whose representative in Washington is well known indeed, and that they are selling that beverage in bottles on which it is stated that it contains 22 percent alcohol, and I was wondering, if a limitation of one half of 1 percent has not prevented them from selling a beverage containing 22 percent of alcohol, what complaint they have against a provision as to 3.2 percent, if they can multiply it in proportion.

Mr. JOHNSON. If that is the Senator's reason for the insertion in this bill——

Mr. BARKLEY. I did not insert it, and I am not expressing any reason. I am just wondering whether any complaint is justified.

Mr. JOHNSON. In order that the practice may be continued of selling in violation of the Volstead Act, perhaps we can accept it. But I am not aware of the sales to which the Senator refers.

Mr. BARKLEY. There is a certain beverage known as "Virginia Dare"——

Mr. JOHNSON. Is it good?

Mr. BARKLEY. Which is sold in drug stores as a tonic, the label on which states that it contains 22 percent of alcohol, although they are limited to one half of 1 percent.

Mr. SMITH. What effect does it have?

Mr. BARKLEY. "It is good for what ails you", it is said. It is so advertised.

Mr. JOHNSON. It might be possible, Mr. President, to accept with equanimity and philosophy a description of this sort if the purpose were to permit the sale of California wines, or wines manufactured elsewhere, with an alcoholic content of 10 percent, or 12 percent, or 18 percent, or 22 percent, as the case may be. But if, speaking seriously, we are dealing with a subject here which holds out the hope of the sale of wine, we ought to deal with it, I think, as the facts exist. There cannot be any such thing as wine containing 3.2 percent of alcohol by weight. There is no such thing. Nature does not ferment nature's juices so that the alcoholic content is 3.2 percent. It is a very much greater percentage than that, and the fear that is upon the wine producers is that by a designation of that sort we would preclude them from what is their desire, of having passed a bill which is now pending in the House of Representatives, under which the alcoholic content is fixed, I think, in Representative LEA's measure, at 10 percent, and which they claim they will be able constitutionally to maintain. That is their attitude.

Mr. BARKLEY. Mr. President, seriously speaking, of course we all know, regardless of whether we are connoisseurs of wine or any other beverage—and I do not claim to be, and protest that I am not—we all know that naturally fermented wine requires 10 or 12 percent in order to preserve it.

Mr. JOHNSON. Quite so.

Mr. BARKLEY. There is no question about that as a matter of fact. I do not know what the testimony was before the committee which handled the pending bill, but when we had up the other bill before the Committee on Finance there was some testimony, and there were some letters and telegrams, presented to us indicating that there was a certain type of wine, or vinous liquor, as we call it in my State, which could be manufactured and maintained with an alcoholic content of 3.2 percent.

I do not know just the nature of that beverage, whether it is naturally fermented or whether it is artificially treated; but when the matter came up in the committee and was presented, there was some testimony to the effect that there was probably an artificially manufactured wine of some kind which was possible with 3.2 percent of alcohol, and it was not understood that this increase in the alcoholic content permitted under the pending bill, or under the other bill, would really have any effect upon those who were actually manufacturing, either for home consumption or otherwise, wine with more alcohol in it than was permitted under any law we might enact under the Constitution. I do not know whether the Senator is familiar with that type of beverage or not.

Mr. JOHNSON. No; the only type of such beverage I recall is some soda pop, or something of the kind, into which they will put a small portion of wine and claim that the beverage thus presented contains only the alcoholic content that is inserted in the bill. I do not think there is anything else than that, unless they claim that they, by a "dealcoholing" process, do something that is not yet by any means demonstrated.

Mr. BARKLEY. Do something which nature never intended.

Mr. JOHNSON. Exactly. So far as I am concerned, if it be possible to do so, in deference to the wishes merely of my constituents, who object to being put in that attitude, I would like to strike the word "wine" out.

Mr. TYDINGS. Mr. President, if the bill to which the Senator refers is coming over, I hope that perhaps on that bill we can take care of the situation by an amendment rather than amending the pending bill. I believe that bill will come over, and I shall be very glad to join with the Senator then in taking care of the matter which he has presented; but as long as we have the national law, I hope the Senator will not push his amendment now, and that we can keep the definition that is written. I am sure that most of us who are for this bill will be glad to correct that matter, perhaps, when it comes over in the wine bill proper.

Mr. JOHNSON. Just an instant, if the Senator will yield again.

Mr. TYDINGS. I yield.

Mr. JOHNSON. The Senator is entirely correct; the way in which it should be dealt with is in a measure such as that presented by Representative LEA of California, which is pending in the other House, by which the alcoholic content is fixed at such a point that it will permit the manufacture of wine, as wine is manufactured today under section 29 of the Prohibition Act.

I am very glad to hear the Senator's statement, because of his familiarity with the subject and his standing in this body, that if Congressman C. F. LEA's bill comes over here he will aid in its presentation and in its passage.

Mr. TYDINGS. Mr. President, may I say by way of the subject which has just been discussed, which has nothing to do with the bill now before us, that it has always been a thought of mine that the ultradrys—that is, those who are sincerely in favor of prohibition and believe there should be no alcoholic content in beverages—have made a mistake during the time we have had national prohibition in not permitting the lighter beverages to be sold under proper conditions. I do not believe that as a general rule beer and wine under proper sale would do very much harm, but I do believe that if we had had the right to buy and sell them during the last 5 or 6 years the harm would have been less than has resulted from the bootlegging of stronger beverages and teaching many people to drink them. However, that is not before us now.

I do not want to see the old liquor conditions come back, even though I am classed as an ardent wet. I think there were some things in the prohibition plan which were well intended, but I believe the extreme viewpoint of not having any alcohol at all has really done the cause of temperance a great deal more harm than good in the light of the experiences of the last 13 years. For that reason, if wine can legally be manufactured under the eighteenth amendment, I believe it would be conducive to temperance rather than injurious to it.

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

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

Mr. TYDINGS. Certainly.

Mr. VANDENBERG. Will the Senator address himself briefly to this question: A number of Senators have been discussing whether or not there would be an opportunity for the uncontrolled sale of beer in the District if this legislation is not enacted?

Mr. TYDINGS. Yes; I see the Senator's point.

Mr. VANDENBERG. Will the Senator discuss that question?

Mr. TYDINGS. The Senator means does the beer bill override the old act which applied to the District of Columbia on the subject?

Mr. VANDENBERG. Yes; and if no legislation of this character were enacted, would that permit the uncontrolled sale of beer in the District?

Mr. TYDINGS. The committee went into that question, and I went into it myself a little more thoroughly, perhaps, than other members of the committee. The corporation counsel, Mr. Bride, seems to be of the opinion that the national beer bill which we passed the other day makes the sale of beer in the District of Columbia legal after the 7th of April, even without this bill. However, there are other attorneys who have looked into the matter who think the national beer bill did not give that authority to the District of Columbia. There is no place where that matter can now be defined. Such authority as we can appeal to, namely, the corporation counsel, seems to feel this bill would not be necessary. Therefore we thought it wise, in the event that the corporation counsel's view was correct, namely, that beer could be sold without this bill, to take time by the forelock, and, if it is going to be sold, to have a bill similar to this, so it could be properly dispensed to those who want to buy it.

Mr. President, there are no other amendments which the committee has to offer, and unless there are some other questions, I see no need of prolonging the discussion. I would like to say in closing that, so far as possible, it is my intention—and I am sure I speak for the other members of the committee—to throw around the bill every safeguard that we can possibly devise. I do not say it with any pride of authorship, but I believe it will be the strictest bill for the sale of beverages in the United States—that is, beverages of this character—if I may judge from what I have seen of other acts. It may have imperfections in it, of course, but I hope we can cure those when I find out what they are.

Mr. NORRIS. Mr. President——

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

Mr. TYDINGS. Certainly.

Mr. NORRIS. Simply as a matter of clarification, I am wondering why the two methods of measurement of alcohol are used in the bill, one by volume and one by weight?

Mr. TYDINGS. Where does that occur?

Mr. NORRIS. On page 9, lines 17, 18, and 19, "containing one half of 1 percent or more of alcohol by volume, and not more than 3.2 percent of alcohol by weight."

Mr. TYDINGS. I may say to the Senator that the reason why that occurs is that one half of 1 percent of alcohol by volume makes a very odd fraction by weight. Furthermore, one half of 1 percent of alcohol by volume was the language of the old Volstead Act. Rather than have a figure—I do not have it exactly in mind, but let me suppose—like 0.425 by weight, we kept the volume content as a means of simplification of our real intent.

Mr. WALSH. Mr. President, I offer the following amendment. On page 11, line 5, after the word "but", insert the words "except in the case of a drug store holding a restaurant license." I understand that the language on page 11, which I shall quote, was for the purpose of eliminating the sale of this beverage in drug stores and delicatessen stores. I quote the language:

> But no beverage shall be sold or served in any room not used primarily for the serving and consumption of food.

Mr. TYDINGS. No; that is not true. What we wanted to do was to limit the sale of this beverage to only those places which make a business of serving food to their customers.

Mr. WALSH. The Senator will agree, of course, that a large number of drug stores make the sale of food a very important feature of their business.

Mr. TYDINGS. That is true.

Mr. WALSH. My amendment proposes to allow them to get permits to sell this beverage in the case of those drug stores which hold a restaurant license, and in no other class of drug stores except those which hold restaurant licenses.

Mr. TYDINGS. May I say to the Senator from Massachusetts that a great many druggists have asked me to see if a provision of that kind could be placed in the bill. There are no doubt a great many cases where a pretty strong argument can be made in support of what they wish to obtain. The committee, however, felt that to throw the

doors open too widely would bring the sale of beer into disrepute. The committee also felt that perhaps in drug stores where soda fountains are in use a great many persons under 18 years of age might want to go and buy a bottle of beer, and that abuses would be very likely to creep into sales on the premises of drug stores that would not happen in the case of bona fide hotels and restaurants per se.

If the Senate desires to include drug stores, I do not think the committee has taken any very strong position in opposition; but, nevertheless, we should face the facts. It is letting down the bars. It cannot be held to hotels and restaurants and incorporated clubs where the beverage will be sold for consumption on the premises, but it will be in places like drug stores. I can see no reason why a hardware merchant should not get a restaurant permit and have the privilege also. I see no reason why Woodward & Lothrop should not get a permit to sell on the premises. They have a tearoom where food is served.

Mr. WALSH. Why should they not do so if this is in fact a nonintoxicating beverage?

Mr. TYDINGS. Why write any restriction at all in the law? Why not let it be sold by anybody and everybody?

Mr. WALSH. I think there should be permits issued to sell this nonintoxicating beverage, but that the limitations on permits should not exclude drug stores that sell food.

Mr. TYDINGS. I take the position, and I am going to be perfectly frank about it, that if 3.2 percent beer by weight is drunk by a child 8 or 9 or 10 years of age, it would probably make such a child drunk—that is, assuming he drinks enough of it.

Mr. WALSH. There is a provision in the bill against the sale of it to anyone under 18 years of age. Drug stores like restaurants should be assumed to obey this restriction.

Mr. TYDINGS. I am assuming that we are passing this bill to permit this beverage to be sold to adults. I think except in the most extreme cases, where there are weak physical characters, this type of beer will not make anyone drunk, but the committee is anxious to keep away from children under 18 years of age even the possibility of a sale, because we do not want to bring it into disrepute again so soon after it had been legislated out of business by the eighteenth amendment.

Mr. WALSH. Of course children frequent so-called "restaurants", do they not, with their parents and sit at tables with their parents and, therefore, will be in a position to see served these nonintoxicating beverages?

Mr. TYDINGS. Yes; but children do not frequent drug stores with their parents, and that is one of the reasons why drug stores were not included. Personally, I shall vote against any such provision.

Mr. WALSH. May I inquire, if such an amendment was incorporated in the bill, whether the issuing of the permit would be permissive?

Mr. TYDINGS. No; it would be mandatory.

Mr. WALSH. They would not have to issue a permit to everyone applying, would they?

Mr. TYDINGS. Oh, yes. The number of permits is not limited except insofar as limited by qualification.

Mr. WALSH. What establishments can receive permits through the mandatory provisions of the bill?

Mr. TYDINGS. Only bona fide hotels and restaurants which have been in business 6 months before making application for a license. They are the only public agencies that can have beer sold and consumed on the premises.

Mr. WALSH. And they have the right to have such a permit regardless of their reputation or standing in the community?

Mr. TYDINGS. Oh, no; that is not true.

Mr. WALSH. I thought the Senator said there is no discretion in the issuing of permits.

Mr. TYDINGS. Of course there is discretion left with the Commissioners. If a man has committed a felony, for instance, he may not have a permit.

Mr. WALSH. Who has the discretion?

Mr. TYDINGS. The Commissioners of the District of Columbia.

Mr. WALSH. Then, if I understand it, the Commissioners of the District of Columbia can refuse a hotel keeper or restaurant owner a permit?

Mr. TYDINGS. Yes; but if he was qualified under the act, he could go into court and get the permit, notwithstanding the refusal of the Commissioners.

Mr. WALSH. What are the disqualifications named?

Mr. TYDINGS. They are all set forth in the bill and cover 2 or 3 pages. I read them once.

Mr. WALSH. I have been out of the Chamber and did not hear them read.

Mr. COPELAND. Mr. President, will the Senator from Massachusetts yield to me?

Mr. WALSH. If I have the floor, I yield to the Senator from New York.

The PRESIDENT pro tempore. The Senator from Massachusetts has the floor.

Mr. COPELAND. May I suggest to the Senator that he insert the language he proposes in line 4, page 11, after the word "restaurants"? The Senator has proposed to insert it in line 5, but I would suggest to the Senator that he put it after the word "restaurants", in line 4, so it would read:

In the case of restaurants, or drug stores with restaurant licenses, at public tables—

And so forth.

Mr. WALSH. The experts who drafted this bill inform me that it would not accomplish the purpose I seek if inserted in that place. They inform me that I have designated the proper place to insert it.

Mr. COPELAND. The proper place is where the Senator proposes it?

Mr. WALSH. Yes.

Mr. COPELAND. We discussed this matter in the committee and thought it wise to have the beverage served only at public tables. The Senator is accomplishing what he has in mind by permitting the sales in drug stores and by permitting the beverage to be served at public tables?

Mr. WALSH. So it would read:

In the case of restaurants and drug stores holding restaurant licenses, at public tables—

And so forth.

Mr. TYDINGS. That would be very much better, it seems to me.

Mr. WALSH. The experts inform me that the place named in my amendment would be preferable.

Mr. COPELAND. In line 12, after the word "restaurant", the words "or drug stores" should be added, so we will not have any "fly-by-night" drug stores. Then it would read:

No such permit shall be issued for any restaurant or drug store which has not been established and doing business at least 6 months immediately prior to the application for such permit.

Mr. TYDINGS. Mr. President, may I point out to the Senator from New York and the Senator from Massachusetts that I have no basic objection to his proposal? May I say we have now pending before the country a proposition known as the repeal of the eighteenth amendment, and I feel that we would be very short-sighted, indeed, if we did not surround whatever sale of liquor or beer or wine is permitted pending action upon the repeal of the eighteenth amendment by the States with all the possible safeguards we can. If we do not watch out, we are going to do exactly what the brewers and distillers did, which helped to bring on prohibition. They had so many outlets for their products that a great many people who normally would have been opposed to prohibition became disgusted with the inordinate greed and avarice of those who were trying to sell these beverages.

Mr. WALSH. Mr. President, I am not out of sympathy with the suggestions of the Senator, as he knows.

Mr. TYDINGS. I know the Senator is not, and for that reason I am appealing to him, as a coworker in the cause of temperance and the repeal of the eighteenth amendment.

Mr. WALSH. I am informed that there is a quarrel between the restaurant owners and the drug stores that have

engaged in certain branches of the restaurant business and that the committee is not united upon the proposition of whether drug stores that are conducting restaurants should or should not be included.

Mr. TYDINGS. May I say to the Senator that, of course, a drug store could get an "off sale" license and it could sell to anybody in the neighborhood the beverages covered by the bill, but not to be consumed on the premises. Suppose wine should be legalized, should we then permit wine to be sold in drug stores along with restaurants; and suppose liquor should finally be legalized, should we permit liquor and wine to be sold in drug stores, as the Senator would permit beer to be sold?

Mr. WALSH. Of course, when the Senator refers to wine he is describing an intoxicant.

Mr. TYDINGS. Oh, no; we have a bill coming over which defines wine containing 10 percent of alcohol by weight or volume—I do not know which—as a nonintoxicating beverage.

Mr. WALSH. I understand the Senator has taken that position in previous debates here on the floor. I do not agree with him. I think any beverage which contains over 3.2 percent alcoholic content is intoxicating and therefore in violation of the eighteenth amendment. The Senator is alone in his contention that wine is not liquor and therefore is not forbidden by the eighteenth amendment, which forbids the sale of all intoxicating liquors.

Mr. TYDINGS. Suppose that contention should be overridden, and suppose wine should be legalized, having established the precedent for the sale of beer in drug stores, would we then not have to permit drug stores, as well as restaurants, to sell the legal wine?

Mr. WALSH. I do not think there is any possibility of any such enactment by the Congress.

Mr. TYDINGS. I assure the Senator there is a great possibility of it.

Mr. WALSH. Does the Senator mean to indicate that Congress will pass a bill attempting to define wine that contains 10 percent of alcoholic content as nonintoxicating?

Mr. TYDINGS. I do not claim to be a prophet, but may I say it is not without the realm of possibility by any means?

Mr. WALSH. That wine is nonintoxicating liquor cannot be successfully established. If it were so, we would have found it out during the last 13 years. Anyway we are not dealing with that question now.

Mr. TYDINGS. But we will be dealing with it.

Mr. WALSH. May I ask the Senator to state his position on my amendment? I understand the Senator thinks that the amendment should not be incorporated in this bill?

Mr. TYDINGS. I think at the present time it might be wise to withhold the permission which the amendment proposes to give. Although a splendid case may be made out by the druggist, for the time being I think we ought to confine the sales as narrowly as possible, and later on, if we find we have been a little too strict as to the outlets we have permitted under this bill, I can see no reason then why we could not include others; but I would rather at the start guard too well the outlets than to be too lavish in providing facilities for the sale of this beverage.

Mr. WALSH. Mr. President, I do not desire to press the proposal unduly, but I have been informed that there is an internal quarrel between certain groups of restaurant owners and certain groups of drug stores that are engaged in the restaurant business; that there is some jealousy and envy between these two groups; and I do not think, in view of the fact that we are dealing with a nonintoxicating beverage, that we ought to distinguish between a restaurant that has a restaurant license and a drug store that has the same kind of a license. It seems to me that it ought to be possible for a customer to enter a drug store and buy a sandwich and have a glass of beer, if it is nonintoxicating, just as well as in a restaurant; in fact drug stores are more open; there is less likelihood in drug stores of there being drinking to excess even of this beverage. Everyone can see who goes in and who comes out; their sales and operations are wide open. It seems to me it is preferable to have the beverage sold in drug stores which supply food even to having it sold in restaurants. Many drug stores in this city are doing a very extensive business in supplying food. In such instances it seems to me it ought to be possible to buy a glass of this nonintoxicating beverage. I have not any doubt about it being nonintoxicant; evidently the Senator from Maryland has a little doubt about it; but I have no doubt about it; and I do not see why a customer should not get a glass of beer as well as a glass of ginger ale in a drugstore.

Mr. BARKLEY. Mr. President——

Mr. WALSH. I yield to the Senator from Kentucky.

Mr. BARKLEY. I merely want to observe that I am not concerned about the quarrel between the restaurant keepers and the druggists of Washington, and I do not think we ought to frame this bill on that basis. I realize that there is such a condition; I do not know who is responsible for it, except probably that the restaurant keepers did not like it when the drug stores began to sell sandwiches and coffee and other articles of food, because that practice infringes upon some of their business. However, according to its language the amendment of the Senator from Massachusetts would include every drug store in the District of Columbia where even a sandwich is sold, because they all take——

Mr. WALSH. A drug store which has a license to carry on a restaurant in connection with the drug business.

Mr. BARKLEY. They have to have a restaurant license in order to sell any amount of food at all?

Mr. WALSH. That is true.

Mr. BARKLEY. But they do not have to have tables in order to get such a license. If they sell at their soda-water stands coffee or chocolate or sandwiches, or any other kind of food, then they are required to have a restaurant license. If we are going to allow them to sell beer, I do not think their right to obtain such a license ought to depend upon whether or not there are tables in the drug store.

Mr. WALSH. The Senator understands that under my amendment they have got to sell this beverage at tables as in restaurants and not at the counter.

Mr. BARKLEY. Suppose they have not any tables?

Mr. WALSH. Then they cannot sell this kind of beer.

Mr. BARKLEY. They could put in tables.

Mr. WALSH. Then the conditions would be the same as in a restaurant.

Mr. BARKLEY. They could put tables in, and then could get licenses?

Mr. WALSH. They would be required to have tables.

Mr. BARKLEY. What I am trying to point out is that all of them might qualify and we would have practically all the drug stores in the District of Columbia selling this beverage.

Mr. WALSH. They all sell ginger ale now. Why not all drug stores as well as all restaurants that sell food at tables?

Mr. BARKLEY. The drug business has gotten to be a side business; there is no such a thing any more as a drug store pure and simple. They all sell toilet articles; they sell food; they have soda-water stands; and probably they sell automobile tires and all sorts of other things, out of which they make a profit.

I am in sympathy with the attitude of the Senator from Maryland. I do not like to see the drug stores in Washington, at least at this stage of the new operations in the District, licensed to sell this beverage. We all know that in restaurants, properly speaking, the patrons are largely adults. Children do not frequent restaurants; they do not frequent hotels; but, on the way from school and to moving pictures the small children of all types are running into drug stores and climbing up on high chairs and getting soda water or chocolate malted milk, a sandwich, or something else.

It seems to me there is a difference between licensing that sort of an institution, where the patrons are largely of a different type from those who go to restaurants. For that

reason and other reasons I have indicated, I hope that the amendment offered by the Senator will not be pressed, and if it is pressed that it will not be adopted.

Mr. WALSH. Does the Senator think that any more children frequent drug stores where food is dispensed than frequent restaurants where food is dispensed? Do not numbers of mothers with their children go to restaurants downtown in the middle of the day and take luncheon, and is their environment any different from that of the average drug store where food is dispensed?

Mr. BARKLEY. The mothers do not always bring their children with them to the restaurants, but the children without their mothers are constantly running into drug stores in the neighborhood of the schoolhouses. Close to the Western High School there is a drug store where nearly all the high-school students and others who are not students of the high school run in to get their noon luncheon, a sandwich, a glass of milk, or something of that kind. That drug store could qualify to sell beer under the Senator's amendment.

Mr. WALSH. There are other things in drug stores, some of which, under the law, druggists are forbidden to sell; but the children go in and out of the drug stores just the same. Indeed, children go in and out of drug stores now where wines of large alcohol content are sold under the guise of medicine.

Mr. BARKLEY. But they may not be interested in those particular things.

Mr. WALSH. I do not care to prolong the matter. I thought it was of sufficient importance to have action upon this question by the Senate. I can well appreciate, with the opposition of such an ardent "dry" as the Senator from Kentucky and such an ardent "wet" as the Senator from Maryland, that my amendment has not very much prospect of being adopted. I am sure, however, that there are some Senators here who still believe that the beverage which has been authorized is nonintoxicating; and if that be so, we ought to be liberal in permitting the distribution of it to those who want to buy it for consumption with food. I ask for a vote on my amendment.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Massachusetts to the amendment reported by the committee. [Putting the question.]

Mr. SHEPPARD. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The noes have it. The amendment is rejected.

Mr. CONNALLY. Mr. President, the Senator from Texas [Mr. SHEPPARD] was on his feet, suggesting the absence of a quorum. I do not think the Chair is justified in proceeding with the vote in that situation.

The PRESIDENT pro tempore. The Chair did not understand the Senator from Texas to call for a quorum.

Mr. SHEPPARD. I suggested the absence of a quorum before the negative was put.

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

Mr. WALSH. Mr. President, I inquire if my amendment has been disposed of and if the Senator from Texas is satisfied with the decision of the Chair?

Mr. SHEPPARD. I want the regular order. I suggested the absence of a quorum, and I think we ought to have a quorum before we act on the Senator's amendment.

The PRESIDENT pro tempore. May the Chair ask the Senator from Texas if he desires that the vote be again taken?

Mr. SHEPPARD. I inquire what was the result as announced by the Chair?

The PRESIDENT pro tempore. The Chair held that the amendment was not agreed to.

Mr. SHEPPARD. I want a quorum, anyway.

Mr. TYDINGS. Mr. President, I hope the Senator from Texas will not ask for a quorum. This is the only business I understand to be transacted today, and a number of Senators want to get away. Unless there is some point in making the suggestion, it would accommodate the committee very much if he would withdraw his request for a quorum.

Mr. SHEPPARD. Well, I am going to make a speech.

Mr. TYDINGS. I shall not insist on my suggestion.

Mr. WALSH. Is the Senator from Texas going to speak on the bill or on the amendment?

Mr. SHEPPARD. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Senator from Texas suggests the absence of a quorum. The clerk will call the roll.

The legislative clerk (Emery L. Frazier) called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Adams | Costigan | Keyes | Robinson, Ark. |
| Ashurst | Couzens | King | Robinson, Ind. |
| Austin | Cutting | La Follette | Russell |
| Bachman | Dickinson | Lewis | Schall |
| Bailey | Dieterich | Logan | Sheppard |
| Bankhead | Dill | Lonergan | Shipstead |
| Barbour | Duffy | Long | Smith |
| Barkley | Erickson | McAdoo | Steiwer |
| Black | Fess | McCarran | Stephens |
| Bone | Fletcher | McGill | Thomas, Okla. |
| Borah | Frazier | McKellar | Thomas, Utah |
| Bulkley | George | McNary | Trammell |
| Bulow | Gore | Murphy | Tydings |
| Byrd | Hale | Neely | Vandenberg |
| Byrnes | Harrison | Norris | Van Nuys |
| Capper | Hatfield | Nye | Wagner |
| Caraway | Hayden | Overton | Walcott |
| Clark | Hebert | Patterson | Walsh |
| Connally | Johnson | Pittman | Wheeler |
| Coolidge | Kean | Pope | White |
| Copeland | Kendrick | Reynolds | |

Mr. BYRD. I desire to announce that my colleague the senior Senator from Virginia [Mr. GLASS] is unavoidably detained.

Mr. LEWIS. Mr. President, I wish to announce that the Senator from New Mexico [Mr. BRATTON] and the Senator from New Hampshire [Mr. BROWN] are necessarily detained from the Senate.

The PRESIDENT pro tempore. Eighty-four Senators having answered to their names, a quorum is present.

Mr. SHEPPARD. Mr. President, the Senator from Michigan [Mr. COUZENS] had an amendment which I understood he intended to offer. One of the reasons for my call for a quorum was to enable him to reach the Chamber. I do not see him. I hope he arrives before I conclude my remarks.

Mr. President, I do not propose to permit this bill to pass without expressing my protest and my opposition. I wish to direct the attention of the Senate to excerpts from an appeal to the Senate by a committee in this District representing a body of citizens opposed to the return of beer in the District. The committee is composed of Everett M. Ellison, M.D., William S. Abernethy, D.D., and Mrs. Nash M. Pollock. The first sentence of that excerpt is as follows:

> We remind the Senate that on the final vote in the Senate upon the Harrison-Cullen beer bill 36 Senators considered the bill unconstitutional.

Let me say here, Mr. President, that the Senator from Maryland [Mr. TYDINGS] virtually admitted the unconstitutionality of this bill when he said a few moments ago that this 3.2 percent beer would intoxicate a child 9 to 10 years old. The eighteenth amendment prohibits intoxicating liquors, regardless of whether the consumers are adults or children.

The excerpt continues:

> The controlling facts which will largely influence the Supreme Court in deciding the question as to the constitutionality of the act will be whether Congress has acted reasonably and within the sphere of its legislative discretion and duty to enforce the eighteenth amendment with appropriate legislation, or whether it has transcended its sphere of authority in enacting a law which nullifies the Prohibition Act and with the purpose of thwarting and preventing its enforcement.
>
> The meaning of the words "intoxicating liquors" is made clear by the use of those words by the 46 of the 48 States which ratified the eighteenth amendment.
>
> Mr. Justice Brandeis in *Ruppert* v. *Caffey* (251 U.S. 264–289) said:
>
> "A survey of the liquor laws of the States reveals that in 17 States the test is either a list of enumerated beverages without regard to whether they contain any alcohol or the presence of any alcohol in a beverage, regardless of quantity; in 18 States it is the presence of as much as or more than one half of 1 percent of alcohol; in 16 States 1 percent of alcohol; in 1 State the presence of the 'alcoholic principle'; and in 1 State 2 percent of alcohol."

Former Chief Justice Taft in a letter to the Chicago Tribune (from American issue, May 13, 1922) wrote:

"I am not in favor of amending the Volstead Act in respect to the amount of permissible alcohol in beverages. I am not in favor of allowing light wines and beer to be sold under the eighteenth amendment. I believe it would defeat the purpose of the amendment. No such distinction as that between wines and beer on the one hand and spirituous liquors on the other is practicable as a police measure. * * * Any such loophole as light wines and beer would make the amendment a laughing stock."

The line between intoxicating and nonintoxicating liquors in Great Britain is fixed by the finance law of 1910. It is not what it was stated to be in the Senate Judiciary Report No. 1105, but ninety eight one hundredths of 1 percent. (See p. 65 of the Minutes of the British Royal Commission of Nov. 19, 1929.) What is above ninety-eight one hundredths percent requires a license because it is intoxicating.

So it will be seen that in accordance with this statement Great Britain fixes the minimum point of intoxication at ninety-eight one hundredths of 1 percent of alcohol.

If you are urged to enact the law as a revenue measure, more than double the amount of revenue can be secured to balance the Budget by repealing that section of the national prohibition law which declares industrial alcohol to be free from taxes. This alcohol, denatured, should not be freed from taxation. No one of the Senate would lay a tax on a breach of the Ten Commandments. At common law the retailing of intoxicating liquor is regarded a public nuisance. It has no right to exist except as it is licensed by the Government.

There is great danger in this time of economic depression that the Government shall endeavor to raise revenue by taxing the vices of the people. Gladstone once said: "The question of revenue must never stand in the way of needed reforms. With a sober population, not wasting their earnings, I shall know where to obtain our revenue." Samuel Johnson says: "To support Government by propagating vice is to support it by means which destroy the end for which it was originally established and for which its continuance is to be desired."

The committee then quotes from Matthew 27:6:

It is not lawful to put them (the 30 pieces of silver to Judas) into the treasury because it is the price of blood.

I commend these statements to the Senate of the United States before it votes again to violate the American Constitution.

The remarks I made some days ago in opposition to the general beer bill, Mr. President, are also applicable to the pending bill. The pending bill is equally unconstitutional, equally objectionable, and equally vicious.

Everything that may be said against alcoholic liquor as a beverage may be said against a bill legitimizing beer. I want to deliver a few parting shots against beverage alcohol, which is returning to this Capital and to the Nation through this bill and the general beer bill—and that with a solemn prohibition against alcoholic liquors in the Constitution of the United States.

It was the conservation of human values that did more to write prohibition into the supreme law of this Nation than any other thing. It is the conservation of human values that will cause us to wage unceasing war against the whole brood of alcoholic liquors, no matter what laws or what resistance may confront us. The contest is a perpetual and an unending one. My good friend the Senator from Maryland [Mr. TYDINGS], and other Senators on the wet side of this question, may not console themselves with any thought that the fight has ended by any means.

The struggle with beverage alcohol began on an intensive basis when increased population, increased production, increased capital, increased chances for gain, made possible by the machine age united to bring about the manufacture of intoxicants to an extent that threatened to engulf our civilization.

A nation with a citizenship debauched by drink cannot tie itself to the eternal and cannot be saved from barbarism and decay, although its physical assets and material splendor may seem for the moment to challenge all the dreams of men. The vast majority of those who make a practice of drinking will inevitably reach the point where they are always in a more or less toxic state, with the fibers of normal existence undermined, with ideals that have fallen from the celestial to the bestial. A nation which tolerates and legalizes alcoholic liquor writes its own moral death warrant.

The mission of beverage alcohol does not end with destruction of the moral power of nations and individuals. It does not end with the wreck of moral impulses. It does not end with the perversion of intellect and will. It enfeebles the lines of communication between brain and muscle, weakens all the processes of nutrition, and reduces or destroys the physical strength and skill on which by far the greater number of men and women, and, therefore, on which society itself, must depend for existence. It drags humanity down into inhumanity—to cruelty, viciousness, poverty, ignorance, disease, and criminality. It converts an article which in commercial, nondrinkable form is of tremendous benefit into a beverage which works tremendous harm. By virtue of its influence great numbers of women and children are beaten and starved and killed, sanity is abandoned, ambition and self-respect are forgotten, and the man is merged in numerous instances into the beast. It annihilates to an appalling degree the normal sentiments and emotions and unsettles the foundations of prosperity and progress. It is a scourge of the human race, an enemy of civilization. To say that it should not be forbidden by law as well as education and persuasion, to say that it should not be fought by every weapon at our command is to surrender order to anarchy and right to wrong.

Prohibition is worthy to live for and to die for. Its object is to sweep from the path of every life an influence that would debauch and degrade it; and that is the true doctrine, after all, of freedom, of opportunity, in this Republic. The obligation to protect and guard all human life by every agency at our command cannot be questioned, because we are told that as we fail to do it unto the least of these so fail we to do it unto Him. Clearly the loftiest standard of conduct is the accomplishment on earth of the will and purpose of the Creator. Assuredly nothing could better serve that will and purpose than to improve the condition of human beings, God's culminating handiwork; and what more genuinely promotes the vital interests of us all, the welfare of the church, the home, the family, the mother, and the child than war to extermination against an evil that wastes the substance of society and lures the race to ruin?

The wet propagandists set up a wail about what they call the "freedom of man", meaning freedom to drink alcoholic poison. They never take this attitude in reference to opium, which has slain its thousands, while beverage alcohol has slain its hundreds of thousands. The wets are entitled to all they can get out of a defense of the right to gratify the appetite for a habit-forming, soul-destroying, body-wrecking, poverty-producing, law-defying, society-menacing drug like alcohol. Believers in prohibition stand for the right of humanity to the highest civilization it is possible to establish, for the rights of women and children to be free from the terror, the pauperism, the physical torture, and the shame that come with liquor, be it beer or wine or whisky.

Let the wets defend the right to take the drink that intoxicates, that absorbs earnings, and dislodges reason and the moral sense; let them uphold the privilege of debauchery. Above such right and privilege the drys place, the eighteenth amendment and the Volstead Act place, and the vast majority of the American people I believe in the end will place, especially when they take action on the eighteenth amendment itself, the rights of women and children to decent homes, decent clothing, adequate education, a decent, healthful, and hopeful standard of existence above what may be called the right of appetite.

The wet leaders and propagandists have so completely confused indulgence in alcohol with true freedom that many of them seem to think that Patrick Henry ought to have said, "Give me liquor or give me death"; that Daniel Webster ought to have concluded his famous peroration by saying, "Liquor and Union, now and forevermore"; and that we ought to have a new national anthem entitled "Hand Me Down That Bottle of Corn." [Laughter.] They seem to think that all the great documents of English and American freedom, from the Magna Charta to the American Declaration of Independence, were written for the express benefit of consumers and would-be consumers of liquor in

the United States. They seem to think that among the inalienable rights mentioned in the Declaration of Independence are the rights to get drunk, to stay drunk, or to die drunk, to become a menace to home and country. These liquor champions attribute to prohibition practically all the ills that occur anywhere at any time in this Republic, including the waves of lawlessness and disorder that have swept this country and the world during its recovery from the horror and the strain of war, the inevitable aftermath of every great conflict of recorded time. If liquor had been legalized during the prevalence of these evils and during the present period of restlessness and economic distress, the imagination could not picture the social and moral chaos that would have ensued, and neither can it picture what the country is now about to confront in connection with legalized alcohol.

Before prohibition, whenever public order was threatened the authorities closed all drinking places. Fortunately, the eighteenth amendment and the Volstead Act had already closed them when the postwar and recent calamities came upon us. Fortunately the savings and freedom from general dissipation made possible by Nation-wide prohibition gave the American people a vantage ground from which to attack the disasters that now surround them. Fortunately the American people, before these evils came, had been emancipated from the legalized traffic in intoxicating drink, a traffic which was menacing the American home, making paupers, criminals, and wrecks of men, fostering prostitution, drunkenness, disorder, profligacy, and disease, degrading womanhood, crushing childhood, poisoning manhood, tainting posterity, and debauching government, and now we are to have the same tragic program again. Only refusal to repeal the eighteenth amendment will rescue us.

Prohibition destroyed the open saloon, with its corrupting influence on government, its alliances with immorality and crime, and has marked an advance for civilization such as probably never before has been recorded; and now the open saloon is to return. It makes no difference whether we call it a licensed restaurant, a soft-drink parlor, a curb service, or a barbecue stand or a dining room, wherever the liquor is sold there will be found the equivalent of the saloon.

As beverage alcohol tears down the body and the soul, so it attempts to tear down law, whether the law licenses or prohibits it. Make with it the slightest compromise, suspend or modify in the smallest degree the provisions against it, and it will take advantage of the concession to neutralize whatever legal attempt at regulation or control is left. It is hard enough to fight this scourge with the law completely prohibiting it. Let the law tolerate it in any respect and the law will become as lifeless as the letters of which it is composed.

The only effective way to fight beverage alcohol is through unqualified Nation-wide prohibition.

Mr. President, the city of Pompeii was one of the recreation centers of ancient Italy. It stood near the Bay of Naples on a slope that gently rose from a beautiful shore to the base of Mount Vesuvius. Nothing was more restful to the mortal eye than to turn from the sleeping waters to the crest of the volcano whose fires were supposed to have forever cooled in prehistoric ages. Never did this resort of the favorites of fortune and of genius repose more confidingly in the shadow of Vesuvius than on the morning of August 24, A.D. 79, more than 1,800 years ago. Emperors, poets, generals, governors, families of wealth and standing had erected near and within its limits palaces befitting the magnificence of the age. The frescoed walls, the fluted columns, the mosaics of richest hue, the temples, the statues, the colonnades, the forum, the theater reflected the imperial art and luxury of the time.

During the morning a Roman soldier took up his station at one of the public places with orders to remain until he was relieved. About 2 o'clock in the afternoon those who were looking toward the summit of Vesuvius saw an immense column of black smoke rise suddenly from the crater and ascend in an instant to an incredible height. There it spread out in every direction, ceasing the upward movement, and then rolled in avalanches of darkness, accompanied by torrents of lava, down the mountainside. Day was blotted out and the night of universal destruction seemed to have arrived. Convulsions shook the earth; walls and columns rocked and trembled. The soldier stood unmoved.

At length immense masses of flame would leap from the mountain's mouth, revealing a scene of terror in the ghastly glare. Streets and roads were packed with fleeing thousands, choked with the living and the dead. Torrents of ashes, stones, and cinders began to fall. The soldier, true to his orders, remained where he had been stationed.

As the lava continued to descend, burying the city from the sight of man, sobs and moans grew fainter until at length the silence of universal death ensued. The following morning broke to find the happy metropolis of but a few hours before engulfed and shrouded in volcanic dust.

A thousand years elapsed, and the very locality of the submerged city seemed to have been forgotten. Five hundred years more, and still no sign that it had ever existed. At length, about 1,700 years after the catastrophe, scholars began the work of excavation. Soon Pompeii stood revealed almost as it was on the day of its destruction, the most remarkable survival of antiquity known to man.

The scholars, continuing the work of recovery, came at length upon the form and figure of that soldier, still at the post where he had perished, face to the front, faithful unto death. The head still bore the helmet, while the spear was grasped so firmly in the fleshless fingers that it could with difficulty be wrested from them.

Oh, with similar courage, fidelity, and determination, may believers in prohibition today renew their devotion to the cause. May they resolve to omit no effort, to relax no energy, until its banners shall have again been planted upon the heights of victory, until every American home shall have become a tongue to speak with more than mortal eloquence the glories of a saloonless republic, a drinkless nation, and a stainless flag.

The PRESIDING OFFICER (Mr. CONNALLY in the chair). The question is on the committee amendment in the nature of a substitute.

Mr. SMITH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SMITH. What is the pending question?

The PRESIDING OFFICER. The question is on the committee amendment in the nature of a substitute for the whole bill.

Mr. SHEPPARD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SHEPPARD. The adoption of the amendment does not mean the passage of the bill?

The PRESIDING OFFICER. It does not.

Mr. SHEPPARD. There will be a final vote on the bill?

The PRESIDING OFFICER. There will be a final vote on the bill as amended. The question is on agreeing to the amendment of the committee in the nature of a substitute.

The amendment was agreed to.

The PRESIDING OFFICER. The question now recurs on the passage of the bill as amended.

Mr. CAPPER. Mr. President, I want to record my uncompromising opposition to the pending bill. I should like to have inserted in the RECORD a portion of the statement of Mr. Andrew Wilson, in which he called the attention of the Committee on the District of Columbia during the hearings on the bill to the findings of a committee of the United States Senate, of which former Senator Overman, of North Carolina, was chairman, dealing with the activities of the brewing interests of the country. It is very illuminating and well worth preserving as a part of the RECORD.

The PRESIDING OFFICER. The Senator from Kansas asks unanimous consent that there be incorporated in the RECORD the material which he offers. Is there objection? The Chair hears none.

The matter is as follows:

Mr. WILSON. Mr. Chairman, as long as we are talking about the brewers, there was a committee of the Senate of the United States which investigated the brewers of this country, and those

documents, three volumes, are exceedingly interesting to me, and probably would be to any others who cared to make a study of this question and examine them. These documents, Senate Document No. 62 of the first session Sixty-sixth Congress, entitled, "Brewing and Liquor Interests and German and Bolshevik Propaganda Report and Hearing of the Subcommittee on the Judiciary, United States Senate, 1919." There are three volumes in this immense document containing 4,240 pages. I am not going to read the document; it would take rather more than 20 minutes; but there were 12 conclusions reached by that Senate Committee of the United States, after these extensive hearings, very careful hearings, of which Senator Overman was the chairman, and these are the facts that they stated, and I copied them from their report.

With regard to the conduct and activities of the brewing and liquor interests, the committee is of the opinion that the record clearly establishes the following facts:

(a) That they have furnished large sums of money for the purpose of secretly controlling newspapers and periodicals.

(b) That they have undertaken to and have frequently succeeded in controlling primaries, elections, and political organizations.

(c) That they have contributed enormous sums of money to political campaigns in violation of the Federal statutes and the statutes of several of the States.

(d) That they have exacted pledges from candidates for public office prior to the election.

(e) That for the purpose of influencing public opinion they have attempted and partly succeeded in subsidizing the public press.

(f) That to suppress and coerce persons hostile to and to compel support for them they have resorted to an extensive system of boycotting unfriendly American manufacturing and mercantile concerns.

(g) That they have created their own political organization in many States and in similar political units for the purpose of carrying into effect their own political will and have financed the same with large contributions and assessments.

(h) That with a view of using it for their own political purposes they have contributed large sums to the German-American Alliance, many of the membership of which were disloyal and unpatriotic.

(i) That they organized clubs, leagues, and corporations of various kinds for the purpose of secretly carrying on their political activities without having their interest known to the public.

(j) That they improperly treated the funds expended for political purposes as a proper expenditure of their business and consequently failed to return the same for taxation under the revenue laws of the United States.

(k) They undertook through a cunningly conceived plan of advertising and subsidation to control and dominate the foreign-language press of the United States.

(l) That they have subsidized authors of recognized standing in literary circles to write articles of their selection for many standard periodicals.

(m) That for many years a working agreement existed between the brewing and distilling interests of the country by the terms of which the brewing interests contributed two thirds and the distilling inerests one third of the political expenditures made by the joint interests.

I think that is almost a finding that the brewers are guilty of two thirds of the acts condemned.

Mr. GORE. Mr. President, I send to the desk an amendment which I offer.

The PRESIDING OFFICER. The Chair will state to the Senator from Oklahoma that the amendment is not in order unless we reconsider the vote by which the substitute was adopted. Does the Senator make that request?

Mr. GORE. No; I should not care to do that. I will merely ask to have the proposed amendment read, and let it go at that.

The PRESIDING OFFICER. Is there objection to the reading of the proposed amendment? The Chair hears none, and the clerk will read as requested.

The CHIEF CLERK. The Senator from Oklahoma offers the following amendment in the nature of a proviso to be inserted in the proper place in the bill:

*Provided*, That no license shall be issued for the sale of any such beverage in any building owned or leased by the United States and used for the transaction of public business.

Mr. GORE. Mr. President, I would merely say that there is a large and respectable body of public opinion in this country that is opposed to the pending legislation, that is opposed to the sale of beer in any form at any time in any place. The amendment was designed to pay at least limited deference to that public opinion. It would have forbidden the sale of these beverages in any public building owned by the United States. It would have prohibited the sale of these beverages here in the Capitol or in the lunch room in the Interior Department, for instance, or in any other public building owned by the United States.

The PRESIDING OFFICER. The Chair will again advise the Senator from Oklahoma that the amendment cannot be considered unless the vote by which the substitute of the committee was adopted is reconsidered.

Mr. SHEPPARD. Mr. President, the Senator from Oklahoma is entitled to have his amendment considered. I ask unanimous consent for that purpose.

The PRESIDING OFFICER. Is there objection?

Mr. LONG. Mr. President, I do not object to the unanimous consent to consider the amendment, but I do object to reconsidering the vote by which the committee amendment was adopted.

The PRESIDING OFFICER. Objection is made. The Senator from Louisiana objects.

Mr. LONG. No; I do not mean to object to the amendment of the Senator from Oklahoma's being considered. I just do not want to go over the committee amendment again.

Mr. SHEPPARD. The sole purpose of the request is to permit the amendment of the Senator from Oklahoma to be considered.

Mr. LONG. I make no objection to that.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the vote whereby the committee substitute was agreed to is reconsidered.

Mr. GORE. I now tender the amendment just read.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Oklahoma to the amendment of the committee.

Mr. LONG. Mr. President, I should like to find out what the amendment is.

The PRESIDING OFFICER. Without objection, the amendment to the amendment will again be reported.

The CHIEF CLERK. The Senator from Oklahoma offers the following amendment in the nature of a proviso, to be inserted at the proper place in the substitute bill:

*Provided*, That no license shall be issued for the sale of any such beverages in any building owned or leased by the United States and used for the transaction of public business.

Mr. LONG. Mr. President, inasmuch as some of the Senators who have sponsored the bill, including the Senator from Maryland [Mr. TYDINGS], are not here, I shall have to ask for a quorum before any such amendment of as wide-spreading effect as this shall be considered. I feel that the Senator from Maryland ought to be here.

The PRESIDING OFFICER. The Senator from Oklahoma has the floor. Does he yield for the purpose of calling a quorum?

Mr. GORE. O Mr. President, the amendment will probably be voted down, and I do not care to obstruct the desired early adjournment.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Oklahoma to the amendment of the committee. [Putting the question.] The Chair is in doubt. Those in favor of the amendment of the Senator from Oklahoma to the amendment of the committee will rise and stand while being counted.

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

The PRESIDING OFFICER. Is the demand for the yeas and nays seconded? [After a pause.] The demand apparently is not sufficiently seconded. [Putting the question.] The amendment of the Senator from Oklahoma to the amendment of the committee is rejected.

Mr. BARKLEY. O Mr. President, the Chair must not have counted, because there were only 2 votes against it and at least 18 or 20 for it.

The PRESIDING OFFICER. The Chair will state that his ruling was based on the information given him by the clerks.

Mr. BARKLEY. I ask unanimous consent that the vote by division be taken again.

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

The PRESIDING OFFICER. The Senator from Louisiana demands a quorum. The clerk will call the roll.

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

| | | | |
|---|---|---|---|
| Adams | Copeland | Keyes | Robinson, Ark. |
| Ashurst | Costigan | King | Robinson, Ind. |
| Austin | Couzens | La Follette | Russell |
| Bachman | Cutting | Lewis | Schall |
| Bailey | Dickinson | Logan | Sheppard |
| Bankhead | Dieterich | Lonergan | Shipstead |
| Barbour | Dill | Long | Smith |
| Barkley | Duffy | McAdoo | Steiwer |
| Black | Erickson | McCarran | Stephens |
| Bone | Fess | McGill | Thomas, Okla. |
| Borah | Fletcher | McKellar | Trammell |
| Bulkley | Frazier | McNary | Tydings |
| Bulow | George | Murphy | Vandenberg |
| Byrd | Gore | Neely | Van Nuys |
| Byrnes | Hale | Norris | Wagner |
| Capper | Harrison | Nye | Walcott |
| Caraway | Hatfield | Overton | Walsh |
| Carey | Hayden | Patterson | Wheeler |
| Clark | Johnson | Pittman | White |
| Connally | Kean | Pope | |
| Coolidge | Kendrick | Reynolds | |

Mr. LEWIS. I desire to announce that the senior Senator from New Mexico [Mr. BRATTON], the junior Senator from New Hampshire [Mr. BROWN], and the junior Senator from Utah [Mr. THOMAS] are necessarily detained from the Senate.

Mr. BYRD. I desire to state that my colleague the senior Senator from Virginia [Mr. GLASS] is unavoidably detained.

The PRESIDING OFFICER. Eighty-two Senators having answered to their names, a quorum is present. The question is on the amendment offered by the Senator from Oklahoma [Mr. GORE] to the amendment reported by the committee.

Mr. TYDINGS. Mr. President, there is much to be said for the amendment offered by the Senator from Oklahoma; but may I point out to him——

Mr. NORRIS. Mr. President, may we not have the amendment again read?

The PRESIDING OFFICER. Without objection, the amendment will be again read.

The CHIEF CLERK. The Senator from Oklahoma proposes the following amendment, to be inserted at the proper place:

*Provided*, That no license shall be issued for the sale of any such beverages in any building owned or leased by the United States and used for the transaction of public business.

Mr. TYDINGS. I think the amendment speaks for itself; but may I point out to the Senate that all of these buildings are under the jurisdiction of the respective members of the Cabinet in which the work of the various departments is transacted, and, of course, if the Cabinet officers do not give permission, I do not see how this beverage could be sold even under a license; but, in addition to that, the granting of licenses is in the hands of the District Commissioners. I do not believe this amendment ought to be inserted in the bill.

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

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

Mr. TYDINGS. I yield.

Mr. McKELLAR. If such an amendment is not incorporated in the bill, would it be possible for beer to be sold here in the Capitol?

Mr. TYDINGS. Not unless the Rules Committee permitted it to be sold.

Mr. McKELLAR. Ought we not to provide that these liquors shall not be sold in the Capitol of the United States?

Mr. TYDINGS. I feel, Mr. President, in answer to that question, that if the Senate, in the regulation of its own restaurant, wants beer to be sold there, it should be sold; and if the Senate does not want beer to be sold there, it should not be sold. I can see no reason, if there is a bona fide restaurant, why those who have that restaurant in charge should be discriminated against. If it is not desired that beer be sold in the restaurant in the Commerce Department Building, all the Secretary of Commerce has to do is to say it cannot be sold there, and that ends it.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Kentucky?

Mr. TYDINGS. I yield.

Mr. BARKLEY. I am not familiar with all the details of this matter, but what about the roving licensees who are permitted to go around and peddle it by hand, not to be consumed on the premises? Would they be allowed to walk through the Capitol or the Senate Office Building or the House Office Building and the Congressional Library or any other public building and ply their trade?

Mr. TYDINGS. No; they would not, because we have a rule under which all solicitors are barred from the Capitol and the Office Buildings.

Mr. BARKLEY. That is merely a rule of the Rules Committee, and it can be repealed at any time.

Mr. TYDINGS. It is just as good as law, so far as it goes, and if our own policemen, appointed by the Senate itself, of whom there are about 25 or 30, cannot enforce that rule, I do not think we can look to the local police of the District of Columbia to enforce it.

Mr. BARKLEY. As a matter of fact, it is not enforced, because I frequently find people in the Office Building trying to sell me things—not beer [laughter] but other things—and soliciting contributions and funds, and all sorts of things, although they are supposed to be barred there.

Mr. TYDINGS. I think this question can readily be handled, but it should be handled without this amendment, and if we put this amendment in the bill we will be discriminating against the class of restaurants that may be or may not be licensed.

Mr. LONG. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Louisiana?

Mr. TYDINGS. I yield.

Mr. LONG. I want to ask the Senator from Maryland a question. We have scientifically decided that the beer about which we are talking is a nonintoxicant, but if we begin to make an exception of it, that is not made in the case of ham sandwiches and various other things, is not that the same as confessing that this is something that is more dangerous?

Mr. TYDINGS. I think our position will be somewhat equivocal if we vote for this amendment and then vote for the bill. There is no use making any pretense about that. However, may I point out that there may be in the Bureau of Engraving and Printing or at the navy yard a restaurant conducted by the employees who work there. Why should they not have the right, in their own restaurant, if they want to, to have beer sold in connection with their meals? What distinction is there to be drawn there that does not apply to the hotel which they may visit during the evening? It seems to me that we will be in a ludicrous position if we vote for this amendment and then vote for the bill. If we are going to say that the beer shall not be sold anywhere except off Government property, we are saying, in effect, that we are authorizing the sale of intoxicating liquor. I am not going to be a party to that kind of hyprocrisy. I hope the amendment will be voted down.

Mr. SHEPPARD. Mr. President, I merely want to point out that in 1902 or 1903, nearly 20 years before national prohibition, Congress stopped the sale of liquor within the Capitol Building. I certainly hope that the amendment will be adopted and that we shall be spared this last measure of degradation.

Mr. LONG. Mr. President, it is not liquor that we are now undertaking to allow to be sold. The Senator from Texas knows nothing about the subject matter anyway. [Laughter.] This is simply allowing the sale of a nonintoxicant which we have voted to legalize. Now, if we declare that this is a dangerous article, every one of us is saying we violated our oath, in the first place, or else in this particular instance we are undertaking to correct our previous action, because if we have voted for a nonintoxicant to be sold, the restaurants in the various departments, as the

Commissioners of the District of Columbia may see fit to grant licenses for the sale of beer, certainly should not be discriminated against. I thought we were voting to permit the sale of a nonintoxicant.

Mr. TYDINGS. Mr. President, there is just one more thing that ought to be said. Under this amendment beer could not be sold in any Army post. There may be a large reservation, embracing hundreds of acres or thousands of acres, with an Army post located on it, having an enlisted men's mess, but under this amendment, that being Government property, and the buildings being Government buildings, the soldiers there could not get a bottle of beer. They may fight for their country but they may not enjoy the privileges of peace.

Mr. GORE. Mr. President, the amendment is intended to be limited to the District of Columbia, and it is also limited to buildings. At first, I thought it should apply to property or premises, but I decided in the last instance to limit it to buildings alone. I had primarily in mind the Capitol Building here.

I do not mean to enter into the question as to whether 3.2 percent beer is intoxicating; I do not think the amendment turns on that point, but to me it sins against a sense of propriety to have this beverage sold here in the Capitol of the United States. We must not "seethe the kid" in its mother's milk.

I think this amendment is not unwise; it certainly is not unwise from the standpoint of strategy. I will say to those who concern themselves with strategy and with public psychology and its reactions, whether this beer be intoxicating or not, there are a great many respectable people in this country who think it is, a great many respectable people who are opposed to the sale of beer; and I think in the Capitol of the United States, on property belonging to the United States, which these people own, share and share alike, the proponents of this measure might at least pay that much deference to their wishes and to their feelings.

I will say to the Senator from Maryland that nothing did more to precipitate the abolition of slavery in this country than the refusal of the slave power of the South to abolish slavery and the slave trade in the District of Columbia. People coming to this Capital from every State, particularly those from the free States, saw slaves dragging their chains here in the Capital of the United States, in a country consecrated to freedom. They went back to their several homes with that concrete object lesson in their minds, and it accelerated the crusade against slavery, which may have been an advantage in the long run at that. I will say to the Senator, if we permit the sale of beer in the Capitol Building with the eyes of the Nation upon us, mark the reaction against it, the swift, the sudden reaction against it.

SEVERAL SENATORS. Vote!

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Oklahoma [Mr. GORE] to the amendment of the committee.

Mr. FESS. I call for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. McNARY (when his name was called). On this question I have a pair with the senior Senator from Mississippi [Mr. HARRISON]. Not knowing how he would vote, I withhold my vote. If at liberty to vote, I should vote "yea."

Mr. ROBINSON of Arkansas (when his name was called). I have a pair with the Senator from Pennsylvania [Mr. REED], which I transfer to the Senator from Utah [Mr. THOMAS], and will vote. I vote "nay."

Mr. STEIWER (when his name was called). On this question I am paired with the senior Senator from New Mexico [Mr. BRATTON], who is unavoidably detained from the Chamber. Not knowing how he would vote on this particular question, I withhold my vote. If at liberty to vote, I should vote "yea."

The roll call was concluded.

Mr. BANKHEAD. I have a general pair with the senior Senator from Vermont [Mr. DALE], and therefore withhold my vote.

Mr. McKELLAR (after having voted in the affirmative). I have a general pair with the junior Senator from Delaware [Mr. TOWNSEND]. I understand, however, that if that Senator were present he would vote as I have voted, so I will allow my vote to stand.

Mr. LOGAN. I have a general pair with the junior Senator from Pennsylvania [Mr. DAVIS], who is absent. I do not know how he would vote on this question. Therefore I withhold my vote.

Mr. LEWIS. I desire to announce that the Senator from Washington [Mr. BONE], the Senator from Florida [Mr. FLETCHER], the Senator from Mississippi [Mr. HARRISON], and the Senator from Mississippi [Mr. STEPHENS] are necessarily detained from the Senate on official business.

I also desire to announce that the Senator from New Mexico [Mr. BRATTON], the Senator from New Hampshire [Mr. BROWN], the Senator from Utah [Mr. THOMAS], and the Senator from Virginia [Mr. GLASS] are necessarily detained from the Senate.

Mr. FESS. I desire to announce that the Senator from Michigan [Mr. VANDENBERG] is detained on official business. If present, he would vote "yea."

I also desire to announce the following general pairs:

The Senator from Rhode Island [Mr. METCALF] with the Senator from Virginia [Mr. GLASS];

The Senator from Delaware [Mr. HASTINGS] with the Senator from New Hampshire [Mr. BROWN];

The Senator from Michigan [Mr. VANDENBERG] with the Senator from Florida [Mr. FLETCHER];

The Senator from Maryland [Mr. GOLDSBOROUGH] with the Senator from Washington [Mr. BONE]; and

The Senator from Rhode Island [Mr. HEBERT] with the Senator from Mississippi [Mr. STEPHENS].

On this particular question I am not advised as to how any of these Senators would vote.

I also wish to announce that the Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness and that the Senator from Connecticut [Mr. WALCOTT] is detained on official business.

I also desire to announce that the Senator from Rhode Island [Mr. METCALF], the Senator from Delaware [Mr. HASTINGS], the Senator from Maryland [Mr. GOLDSBOROUGH], the Senator from Rhode Island [Mr. HEBERT], and the Senator from Pennsylvania [Mr. REED] are necessarily absent.

The result was announced—yeas 44, nays 28, as follows:

YEAS—44

| | | | |
|---|---|---|---|
| Adams | Connally | Hayden | Patterson |
| Ashurst | Costigan | Kendrick | Pittman |
| Austin | Dickinson | Keyes | Pope |
| Bailey | Dill | King | Robinson, Ind. |
| Barkley | Erickson | Lonergan | Russell |
| Black | Fess | McAdoo | Schall |
| Borah | Frazier | McGill | Sheppard |
| Byrd | George | McKellar | Smith |
| Capper | Gore | Neely | Thomas, Okla. |
| Caraway | Hale | Norris | Trammell |
| Carey | Hatfield | Nye | White |

NAYS—28

| | | | |
|---|---|---|---|
| Bachman | Copeland | La Follette | Robinson, Ark. |
| Barbour | Couzens | Lewis | Shipstead |
| Bulkley | Cutting | Long | Tydings |
| Bulow | Dieterich | McCarran | Van Nuys |
| Byrnes | Duffy | Murphy | Wagner |
| Clark | Johnson | Overton | Walsh |
| Coolidge | Kean | Reynolds | Wheeler |

NOT VOTING—23

| | | | |
|---|---|---|---|
| Bankhead | Fletcher | Logan | Stephens |
| Bone | Glass | McNary | Thomas, Utah |
| Bratton | Goldsborough | Metcalf | Townsend |
| Brown | Harrison | Norbeck | Vandenberg |
| Dale | Hastings | Reed | Walcott |
| Davis | Hebert | Steiwer | |

So Mr. GORE's amendment to the amendment of the committee was agreed to.

Mr. CAPPER. Mr. President, I offer an amendment, on page 11, lines 4 and 5, eliminating the words "or in vehicles parked entirely upon the premises designated in the permit." I have had many protests against that clause.

Mr. TYDINGS. Mr. President, I shall be glad to take that amendment to conference if the Senator wants me to. I will accept it with that understanding.

The PRESIDENT pro tempore. Without objection, the amendment to the amendment is agreed to.

The question is on the amendment of the committee in the nature of a substitute as amended.

The amendment as amended was agreed to.

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

The bill was read the third time, and passed.

FARM RELIEF

Mr. CLARK. Mr. President, I ask unanimous consent to insert in the RECORD a letter addressed to me by Mr. William Hirth, publisher of the Missouri Farmer, on the subject of the pending farm bill.

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

HON. BENNETT CHAMP CLARK,
*Washington, D.C.*

MY DEAR SENATOR: I have your wire asking my views of the new Wallace farm-relief plan, and knowing that this matter will come to an immediate showdown in Congress, the following comment is written without the care which I would otherwise give to such an important matter. And if my attitude toward this proposal is disappointing to you, I cannot help it—I am simply giving you the plain facts as I see them.

In order to get the proper perspective of the tremendous part which farm legislation is destined to play in the success or failure of the new administration, I shall briefly revert to the issues of the recent President contest, for I feel that now is the time when Congress should look upon these issues and the part they played as veritable lighthouses to guide its action. Why, during the last several years, has our country witnessed the astounding spectacle of vast food surpluses which have gone begging for a song on the one hand, and millions who are idle and hungry through no fault of their own upon the other? I am putting it this way because in my opinion this was the outstanding question mark of the campaign, and because this is the problem which the new administration must solve and solve successfully if we would rescue our collapsed farm industry and get our idle millions back to work in the cities—the new administration faces other great and difficult problems, but if it meets all of the latter successfully and fails on the farm question, it will fall far short of fulfilling the solemn pledges which the President made to the people, and toward the achievement of which he is bending his magnificent energies with such commendable zeal and success at this time.

During the campaign the President said again and again that we could not hope to get the Nation headed back toward sound prosperity unless the buying power of the 32,000,000 who live upon the farm and the other 20,000,000 who live in our thousands of rural towns and villages, and who are directly dependent upon agriculture, is restored, and in proof he pointed out that in normal times these 52,000,000 people consume approximately 50 percent of the output of the Nation's mills and factories; and if the President was right in this diagnosis—and no one has dared to challenge his conclusion—then a sound solution of the farm question not only involves common justice to the millions of the farm, but likewise it will very largely determine the success or failure of the Roosevelt administration.

In a brief 2 weeks after he entered the White House the President succeeded in quieting in a manner that is little short of miraculous a banking situation which had become profoundly perilous, and in all other respects he has given a demonstration of "action, and action now" that is delighting the American people as they have not been delighted in a long while. But now as he faces the troubled farm question he is, to use the language of the street, confronted by the "real thing", and Congress must share the responsibility with him—as we contemplate the great economic issues with which Congress has struggled in the past, it is no exaggeration to say that the farm question stands out as the grizzly bear of all of them, and therefore we may well approach it with fear and trembling, and he who counsels breakneck speed in these premises is permitting his zeal to get the best of his caution. The mere fact that within the space of a few short weeks Secretary Wallace and his advisers have thrown the domestic-allotment plan into the discard for an entirely new plan this within itself invites the grave questioning of both the President and the Congress, for manifestly these gentlemen got off on the wrong foot in one instance or the other. Also when in a recent newspaper statement Secretary Wallace said, "It may be true that the things which this bill strives to attain here and now may be brought about 10 or 15 years hence by the slow working of economic law"—this view is not only wholly out of accord with the promises President Roosevelt made to our farmers but if it should prove true then agriculture is permanently and hopelessly doomed.

A SOOTHING-SIRUP PROPOSAL

Of course "an adequate and sound currency" and tearing down our indefensible tariff walls and softening the farm-mortgage debt—all these things will substantially help not only the farmer but the country generally—but if we would make it possible for our 6,500,000 farmers to buy the billions of dollars' worth of new merchandise of which they stand in such distressing need and thus start the Nation's mills and factories to roaring once more, then addressing myself directly to the first phase of the new proposed Wallace farm bill, I want to say to you with the deepest conviction that this end cannot be achieved with 90-cent wheat, 7-cent hogs, and 12-cent cotton in our domestic markets—in these premises the proposed bill is nothing more than a weak gesture, and a glance at the existing farm picture will confirm this conclusion.

If we could go back a few years, the restoration of the pre-war farm dollar might enable our farmers to begin beating back, but under present conditions this hope is futile. Back in 1928, after an exhaustive survey of agriculture, Dr. Virgil Jordan, of the National Industrial Conference Board, stated that if at that time the farmers of the country had received a return upon their plant investment equal to the average interest on Government bonds, and had been rewarded for their toil on the basis of unskilled labor, that in this case it would have been necessary to have increased the then yearly national farm income to the extent of $5,000,000,000; meanwhile, in 1929, our gross farm income was $11,911,000,000; in 1930, $9,347,000,000; in 1931, $6,656,000,000; while in 1932 it dropped to approximately $5,000,000,000, and in view of these facts the "gradual" and shadowy price increases which Secretary Wallace proposes are little short of pusillanimous; in fact, they fall far short of even a respectable gesture. Let us remember that since the World War the farm debt of the country has increased some $10,000,000,000, while the farmer's costs of production, as expressed in interest, taxes, transportation charges, etc., have either increased or remained stationary; and thus the idea that a pre-war farm dollar will restore the farmer's buying power, and even this dollar achieved by a "gradual" process, this is an utterly futile hope and wholly out of accord (so far as agriculture is concerned) with the President's ultimatum of "action, and action now."

In my opinion, if we would really restore the farmer's buying punch, so far as our domestic markets are concerned, we must force no. 2 wheat to not less than $1.50 per bushel at Chicago, cotton to 14 or 15 cents per pound, and hogs to 8 or 10 cents per pound; and failing to do this, and adopting Secretary Wallace's "gradual" gesture, what will be the inevitable result? In the latter case our farmers will use these slim price advances to pay up their back interest and taxes, for their first thought will be to assure the safety of their homes, and under the proposed advances they cannot do this and help to get the idle millions in our industrial centers back to work at the same time! And is not the latter conclusion self-evident? If our farmers were on a fast-sinking ship back in 1929, when their gross income was nearly $12,000,000,000, is it not absurd to talk of restoring their buying power by merely adding a billion or two dollars to their miserable $5,000,000,000 income of 1932? Believing that the final success of the new administration depends upon a sound solution of this question, for what it may be worth I here and now warn President Roosevelt and the Democratic leaders of Congress against mere soothing-sirup relief for agriculture. The American farmer is not unlike a patient who has been and is now desperately ill, and to expect him to recover on a few harmless pink pills is not only absurd but tragic.

DEALING HONESTLY WITH CONSUMERS

And why should Secretary Wallace seek to put salt on the tails of our city consumers and so solicitously assure them that a square deal to the farmer will be largely painless so far as they are concerned? Why not deal honestly with these consumers and frankly tell them that if they want the farmer to help get the Nation's mills and factories to moving that then they must henceforth be willing to pay a fair price for the food and raw materials of the farm, and thus let them take their choice? Why gloss over the cold fact that since the World War our farmers have been feeding and clothing the people of the cities at an actual loss of billions per year? And in clarifying the atmosphere in this respect why not put the issue squarely up to President Green, of the American Federation of Labor, and other labor spokesmen, and let these men tell Congress where they stand—whether they want a degree of farm relief that will enable the farmer to start the cash registers of the country to clicking or whether they want to take chances with a mere shot-in-the-arm remedy? Under existing conditions what good does it do the millions who are idle that the food of the farmer can be had for a song when they haven't the song? Meanwhile does a square deal to the farmer necessarily mean hardship on the city consumer? The retail price of bread and other food products since the World War does not warrant such a conclusion—with 60 loaves of bread in a bushel of wheat and with less than 3 cents worth of cotton in the average shirt, if the processors and distributors will be content with a fair profit is a fair price to the farmer of any great consequence to the consumer? However, in the final analysis it is a crime to beat the devil around the stump in this matter; for a dozen or more years our farmers have been compelled to feed and clothe those who live in the cities, at a loss of billions of dollars annually, and as a result the whole Nation is staggering on the brink of collapse; and the hour has come when the cities must choose, and this choice lies between soup houses and a fair farm price. And the sooner the cities are made to realize this the better. If, as Secretary Wallace says, the bread lines grow longer in New York City as surplus wheat increases in Nebraska, why doesn't he frankly tell them the reason?

DECLARING WAR ON THE SURPLUS

And now I come to the proposal that the Secretary of Agriculture shall lease some 50,000,000 acres of so-called "marginal land" at a cost of something like $200,000,000 per annum, and in order

that the latter funds may be assured, it is further proposed that a tax shall be levied against the processors and distributors of the country, and I am unalterably opposed to this idea because I think it is unnecessary and unsound. Before we reach the definite conclusion that our various farm surpluses have become an economic pestilence, why not do two things? First, why not see how these surpluses will look when our 120,000,000 consumers are once more eating three square meals per day? I make this suggestion because I think the existing surpluses are almost as much the result of marginal workers as they are of marginal acres, in other words, that underconsumption is as much of a factor as overproduction. Second, again before we declare war on our farm surpluses which were a veritable godsend to the Nation in the form of favorable trade balances for nearly 150 years, why not likewise wait to see how the picture will look after we have broken down our indefensible tariff walls, and when thus we have placed ourselves in position to exchange our surplus wheat, cotton, pork, etc., for desirable European merchandise that is not seriously competitive with our own industries, and which latter development should substantially raise the general world price level? Also why not proceed upon the theory that the great nations of Europe will sooner or later get their oxen out of the ditch and that this will greatly increase their consumptive and buying power? Finally, if the worst comes to the worst, and if we are eventually driven to the conclusion that these farm surpluses have become an economic pestilence, then why not place our farmers in position to help to control them without getting them in the habit of expecting several hundred million dollars per year in the form of "easy" lease money? Just as certain as Congress initiates this practice it will rue the day—it will be another pension system, and one that can very easily become a fixture in congressional elections for years to come, and I hope that this phase of the matter will not escape you and other Senators.

I am further opposed to the leasing proposal because it will involve the employment of a horde of "agents" and "inspectors" who in point of numbers promise to rival the size of General Meade's army at Gettysburg, and this at a time when the President and Congress are struggling desperately to balance the Federal Budget and when the Nation's taxpayers are already burdened beyond endurance. And finally, why place our vast processing system and our still vaster food-distributing system in a strait-jacket unless there is absolutely no way around it? That in bringing hog prices under control we may be compelled to impose certain regulations and enforced cooperation upon the packers is entirely possible, but surely we should go no farther in this direction than is necessary.

If we produced only as much wheat, cotton, pork, etc., as our home markets consume, then the problem would be very simple; then, in order to assure $1.50 wheat, 14-cent cotton, and 10-cent hogs, Congress would merely need to fence in our home markets through the tariff up to these prices; in this case there would be no need of nationalizing agriculture and proposing the payment of several hundred million dollars per annum for leased lands, no need of employing a vast army of agents and inspectors, and no need of placing the processors and distributors of the country in a strait-jacket, and therefore, before we fasten all these ills upon our necks, should we not take a little time and see whether we cannot so segregate and isolate our various farm surpluses that they will become harmless? I think we can, and that where there is a will there is a way.

MAKING OUR SURPLUSES HARMLESS

To this end, suppose that Congress should authorize the Secretary of Agriculture to determine the amount of wheat needed for home consumption from year to year, and to license the mills and elevators of the country and to prescribe ways and means by which they shall be required to segregate the surplus wheat as it is offered for sale; could not the latter be placed in bond or so otherwise surrounded under heavy penalties that no one would dare offer it for sale in the home markets, and in this case could not the mills and elevators safely pay the wheat growers the domestic price for that part of their wheat needed for home consumption and the world price for the remainder? And, likewise, could not the Secretary be authorized to determine the amount of cotton needed for home consumption from year to year, and then by licensing the gins and other processors in the manner which I have indicated for wheat prevent the surplus cotton from being offered for sale in the home markets? If we are driven to it, could not the wheat and cotton growers well afford to contribute enough out of a fair domestic price to build new storage facilities (if sufficient existing storage space could not be leased) to house our yearly wheat and cotton surpluses, and thus render these surpluses absolutely foolproof, and feed them into the world markets as the latter can absorb them, and at infinitely less expense than the complicated plan which is now proposed?

If we can render each particular surplus harmless—if we can so segregate it that it cannot be bootlegged in the home markets—then will not the so-called "marginal acres" soon take care of themselves? For instance, if the Secretary of Agriculture should declare at the beginning of a given wheat-marketing season that 70 percent of the crop is needed for home consumption, and if thus a farmer had produced 1,000 bushels of wheat and was offered $1.50 per bushel basis Chicago for 700 bushels, while under the world price he was offered only 50 cents or 60 cents for his 300 bushels of surplus, in this case would not this grower very likely say to himself, "I'll sow fewer acres next year"? And so, if a cotton grower should receive 14 cents per pound for 40 percent of his crop and only 6 cents per pound for a 60 percent surplus, would he not also trim his sails to the wind, and would not other farmers do likewise with reference to other surplus commodities? Of course, in estimating the amount needed of a given commodity for domestic consumption the Secretary would need to be extremely conservative—he would need to somewhat underestimate this demand and then later draw on the surplus to make up the deficiency. Also, as growers offer a surplus commodity for sale to buyers they should be required to sign an affidavit as to the quantity produced, amount of acreage, etc., and substantial penalties should be provided for falsification—in this way the Secretary could provide future regulations that are necessary, and they could be enforced through the Nation's buyers without the employment of a horde of agents and inspectors.

A REVOLUTIONARY PROPOSAL

That the above idea involves some hard thinking I do not deny, but should we not be willing to sweat over it before we embark headlong upon the Wallace plan, which involves more authority than was ever placed in the hands of one man in the history of our Nation, and which seeks to destroy our farm surpluses which have brought us billions of dollars in wealth in years gone by, and with reference to which the picture may completely change in a year or two? Verily it is a situation where angels may fear to tread. Surely before we nationalize American agriculture and swallow the rest of Secretary Wallace's revolutionary ideas hook, line, and sinker we will do well to see if a simpler solution is not possible. Under existing conditions except with reference to cotton, if our farmers were assured of a fair price in the domestic markets they would be many millions of dollars ahead if each year they dumped the various surpluses into the sea or otherwise destroyed them, and surely some comparatively simple means can be provided by which these surpluses will become harmless and through which they can be moved into the world markets at whatever they are worth.

If we would adequately supply our domestic markets from year to year we must continue to produce farm surpluses, and the uncertainty of the seasons, floods, droughts, pestilence, etc., must ever remain in the picture. Suppose that in making war on surplus wheat Secretary Wallace should resolve to reduce the yearly surplus to 50,000,000 bushels. In this case would there not be poor years, when we would be forced to import 100,000,000 bushels or more to supply our home needs? Also, if he should succeed in reducing the various surpluses to a minimum, could not his proposed costs of operation very easily amount to twice as much as the surpluses themselves would be worth? For fear of making myself tiresome, I want to repeat that he who advocates making war upon our various farm surpluses is indeed a daring man, and this because, as I have said, the next year or two may entirely change the picture in this respect; and when the chief proponent of such a perilous adventure smilingly dismisses the subject by referring to it as "a major social experiment" I am all the more constrained to look for a cyclone cellar. In God's good name, have not the farmers of this country had enough experiments tried out on them during the last 4 years and, also, should the idle and hungry millions of the cities who are inextricably involved in this situation be subjected to mere laboratory processes? As we contemplate the astounding power which the new bill proposes to lodge in the hands of the Secretary may we not with propriety ask whether a young man who has just left the quiet editorial sanctum of a farm paper is capable of exercising such vast power, even though within itself it be sound?

I sympathize deeply with the President's desire for "action, and action now" on this great question, and yet, considering the tremendous forces that are involved and the miserable failure which the Hoover administration made in these premises, would it not be wise to proceed with at least ordinary caution? There is still plenty of time to tackle wheat and cotton—and as the third commodity I would suggest hogs. First, I would see if we cannot so segregate our wheat and cotton surpluses that they will be foolproof, and then, because hogs present a different and more complicated problem, I would see if a plan cannot be worked out with the packers of the country through which the domestic hog consumption can be forced to 8 cents or 10 cents, using Chicago as the basic point.

If we can get control of these three great commodities, then as speedily as possible we can tackle tobacco, dairy products, rice, etc., using the experience we have gained. With reference to cotton, so far as reducing this year's acreage is concerned, I consider Senator SMITH'S cotton option plan both effective and sound. While the farmers of the country want price relief at the earliest possible moment, above all they do not want any more flashes in the pan—let us remember that we are approaching the farm problem for the last time, and that if we fail agriculture will be beyond help.

Returning for a moment to wheat, in a letter which I wrote to President Roosevelt shortly after the election, I suggested that he propose that the United States, Canada, Argentina, and Australia, which are the leading surplus wheat-producing nations of the world, join in creating a yearly world pool, and I see no reason why this is not practical—if such a pool had existed during the last several years, there is no reason why the world wheat price should not have been held at a dollar per bushel, and since the leading nations of Europe are enforcing a domestic price of approximately $1.75 per bushel, they could not have complained. And if such common-sense action can be brought about, then would we still want to make war on our marginal wheat acres?

Much has been said about the "national" farm leaders who are sponsoring the new Wallace plan, and the impression has

been created that organized agriculture is speaking with one voice in these premises, but this is not true. For the most part this group is the same bunch of "yes" men who fronted for the Agricultural Marketing Act, and for Mr. Hoover's ill-fated Farm Board. Then, as now, these men whooped it up, and said everything would be lovely. For reasons best known to himself, Secretary Wallace did not see fit to invite to his recent conferences such men as Frank W. Murphy, Thomas E. Cashman, and A. W. Ricker, of Minnesota; C. C. Talbot, of North Dakota; Milo Reno, of Iowa; H. G. Keeney, of Nebraska; Cal Ward, of Kansas; or myself; and not only do these men speak for the most powerful farm cooperatives of the mighty Corn Belt, but the most of them fought early and late for the nomination and election of Roosevelt. In my own case, as you know, I built and am the official head of the Missouri Farmers Association, which is the most powerful farm organization in any State in the Union, with millions of dollars invested in its hundreds of marketing agencies, and with its own sales offices in Chicago and New York. Even though the Secretary may not consider the above men "economically sound", the most of them bear the scars of the McNary-Haugen battles, and in any case will not their support of whatever farm legislation is enacted be extremely important?

OTHER IMPORTANT SIDELIGHTS

And here let me say that while I hope Congress will take immediate steps to soften the farm debt situation, I do not think that it should go so far as to issue billions of dollars' worth of new tax-free bonds to achieve this end, for already this class of securities largely nullify our Federal income tax law. That our huge farm debts should be refinanced on a long-time basis, and at as low an interest rate as is possible on the above basis, this is undoubtedly true. To state the matter in another way, however desperate the situation of our farmers may be, they have no right to demand the Frazier bill and a fair price in our domestic markets at the same time; and of the two the latter is infinitely more important—what the farmers of America need is such a price for the products of their bitter toil as will enable them to eventually pay off their mortgages and bring back at least a substantial part of the billions of dollars which they have lost since the World War in depreciated land values.

In conclusion, I fondly hope that the "new day" which President Roosevelt promised during the campaign will become very real, so far as agriculture is concerned; and I say this not only on behalf of the distressed millions of the farm but for the future well-being of our great common country. With each passing day the progress of the heartless man-displacing machine becomes more menacing to the Nation's industrial workers, and unless these workers can find sanctuary upon small farms, where with their own hands they can produce the things that hold body and soul together, what is to become of them? Already this movement is very definitely under way, and is this not another reason why we should approach our "marginal acres" with caution, for may they not soon be absorbed in modest homesteads? I pray that during the next decade a preponderance of our population may once more shift to the rural districts because here lies our pathway to greatest security in the years to come—given a contended husbandry, communism and all other isms may assault our institutions with all the venom of which they are capable, and yet their efforts will be as futile as the anger of the billows of the sea that dash themselves against the everlasting crags of the shore. If I were in President Roosevelt's place, I would grimly resolve to make agriculture the safest and most contented industry in the Nation; and I would do this under the firm conviction that in no other way could I more certainly safeguard the dreams of Washington, Jefferson, and Lincoln.

WILLIAM HIRTH.

UNEMPLOYMENT

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the RECORD a very interesting communication which I have received from one of my constituents, Mr. W. B. Smith, of Asheville, N.C., relative to the unemployment situation.

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

ASHEVILLE, N.C., *March 31, 1933.*

Senator R. R. REYNOLDS,
*Washington, D.C.*

MY DEAR SENATOR: I herewith submit a plan that is designed to provide means for relieving the want, need, and hunger of a large percentage of our people brought about by the unemployment of millions of our citizenry while the amount proposed herein is very meager indeed, still it will suffice to allay hunger and start our brothers on the road to progress by diverting their minds from the slough of despond and despair, thereby making life more worth living than leaving.

This plan is free from ambiguity and is designed to reach the greatest number at the earliest possible moment. It does not take into account the locality nor the percentage of population. This is no time to quibble over the question of responsibility and duty of the Federal and State Governments. These unfortunate people are victims of circumstances over which they have no apparent control. They are citizens of the United States and as such are entitled to life, liberty, and the pursuit of happiness.

What is life on this plane of existence, without its material basis, and how can people be free when they are compelled to beg for a living? Surely this is no part of the Creator's plan.

Our flag should be held at half mast so long as any honorable citizen of our beloved country suffers unnecessarily from need and hunger. The call has gone forth; it is the duty of our National Government to respond to the call.

Touching upon the financial and currency question, I am advised that approximately 85 percent of the business of the country, in normal times, is done on credit. The withdrawal of this credit always has and always will precipitate a crisis and depression.

Before normalcy can again become a reality, it is imperative that some form of currency shall be issued by the United States Government to take the place of the credit destroyed.

Certainly an emergency currency issued by our Government, under the authority of the law of eminent domain, would be as safe, sane, and sound as any form of currency now in existence. The whole resources of our Government, which is the people, would be behind it, including all the gold and silver bullion in the bowels of the earth. Any individual who would refuse to accept this currency at its face value would be unworthy of the protection of the United States Government.

The law of supply and demand cover the whole ground of economic ills. They are in truth the keystone of the arch of the structure upon which our whole social and economic system is builded. In fact, I see it as a law of God.

Owing to the manipulation of the moneychangers, the law of supply and demand is not properly functioning. It has been negated by the inaction of the dollar. The supply is bounteous, and the demand is abnormal. Notwithstanding this, millions of our people are on the very verge of starvation. Our farmers are in a distressed economic condition, caused by the withdrawal of the medium of exchange from between the supply and the demand. As a result thereof we find our leaders running hither and thither trying to find a cogwheel that will again gear the supply to the demand.

By way of suggestion as to a means of overcoming our unemployment situation, why not issue, say, $1,000,000,000 of emergency currency, as suggested above, and put all able-bodied providers who are unemployed and in need of sustenance to work at, say, $1.25 per day upon public works that would prove an asset to the people, the proceeds of said labor to be paid to the families of those who have been furnished work. Two hundred million dollars of said $1,000,000,000 shall be set aside to care for the destitute who have no able-bodied providers.

This money would be allocated to each and every county throughout the States of the Union and prorated in accordance with the number of destitute in each county. The disposition of this money would be at the determination of the county commissioners of the various counties throughout these United States, to be expended to the best advantage for additional permanent improvements. These county commissioners to serve without pay, provided they are on a stated salary basis.

This plan can be set in operation at once without delay and without additional organization or waste of funds.

The law of supply and demand should in no wise be annulled so long as there are those in need. The paramount question as I see it is to provide a means whereby the inhuman wall that now separates supply from demand may be removed.

The problem of caring for the unemployed who are in need is not a question of maintaining wages. "It is a question of feeding the hungry that they may have life, and have it more abundantly."

These unfortunate people shall be employed upon public work in the locality where they reside, said work to consist of widening, grading, and draining the public streets, roads, and thoroughfares; but under no circumstances shall this money be expended for paving material or the laying of same.

Six hours of actual labor upon the job shall constitute a day's work. It is further understood that this labor shall not be employed upon construction work where organized labor is now employed or engaged.

This is purely an emergency undertaking, designed to assist those families which have been less fortunate in fighting the battles of life than have the more successful. Surely these people can render "value received" unto the public in general. In fact, it would be by far more advantageous to the public to have the work done under this plan, as neither interests nor profits figure in the cost of construction.

Our whole economic and social system is out of balance and must be changed, else our Government will perish. Already the changes have been too long delayed. Chaos reigns throughout the length and breadth of our land. Our moneychangers and bankers have run us upon the rocks. Can we afford to trust them further? Prudence forbids our doing so. "We must break the Money Trust or the Money Trust will break us." Thus writes Louis D. Brandeis, now of the Supreme Court of the United States, in Other People's Money and How the Bankers Use It.

W. B. SMITH.

NOMINATIONS IN THE ARMY

Mr. ROBINSON of Arkansas. Mr. President, as in executive session, and for the Senator from Texas [Mr. SHEPPARD], I report back favorably from the Committee on Military Affairs certain nominations for the Executive Calendar.

The PRESIDENT pro tempore. Without objection, the report will be received.

The nominations were ordered to be placed on the Executive Calendar, as follows:

The following-named officers for appointment, by transfer, in the Regular Army of the United States:

TO JUDGE ADVOCATE GENERAL'S DEPARTMENT

Capt. Neal Dow Franklin, Infantry (detailed in Judge Advocate General's Department), with rank from July 1, 1932.

TO QUARTERMASTER CORPS

Lt. Col. Hugo Ernest Pitz, Coast Artillery Corps (assigned to duty with Quartermaster Corps), with rank from November 10, 1932.

Capt. Roy Crawford Moore, Field Artillery (detailed in Quartermaster Corps), with rank from July 1, 1920.

Capt. Andrew Daniel Hopping, Infantry (detailed in Quartermaster Corps), with rank from August 1, 1932.

First Lt. Ira Kenneth Evans, Infantry (detailed in Quartermaster Corps), with rank from March 1, 1931.

TO AIR CORPS

Second Lt. Herbert Charles Gibner, Jr., Field Artillery (detailed in Air Corps), with rank from June 12, 1930.

Second Lt. Merrick Hector Truly, Infantry (detailed in Air Corps), with rank from June 11, 1931.

The following-named officers for promotion in the Regular Army of the United States:

MEDICAL CORPS

*To be captain*

First. Lt. Cleveland Rex Steward, Medical Corps, from March 5, 1933.

CHAPLAINS

*To be chaplains with the rank of lieutenant colonel*

Chaplain Alva Jennings Brasted (major), United States Army, from March 3, 1933.

Chaplain William Andrew Aiken (major), United States Army, from March 3, 1933.

Chaplain Ernest Wetherill Wood (major), United States Army, from March 3, 1933.

*To be chaplain with the rank of major*

Chaplain Herbert Adron Rinard (captain), United States Army, from March 10, 1933.

The officer named herein for appointment in the Officers' Reserve Corps of the Army of the United States under the provisions of sections 37 and 38 of the National Defense Act, as amended:

GENERAL OFFICER

*To be brigadier general, Reserve*

Brig. Gen. George Henderson Wark, Kansas National Guard, from March 24, 1933.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore, as in executive session, laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

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

RECESS

Mr. ROBINSON of Arkansas. Mr. President, if there be no further business to come before the Senate, I move that the Senate take a recess until 12 o'clock noon on Monday.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and (at 2 o'clock and 40 minutes p.m.) the Senate took a recess until Monday, April 3, 1933, at 12 o'clock meridian.

## NOMINATIONS

*Executive nominations received by the Senate March 31 (legislative day of Mar. 13), 1933*

ASSISTANT SECRETARY OF WAR

Harry H. Woodring, of Kansas, for appointment as Assistant Secretary of War, vice Frederick H. Payne, resigned.

COMMISSIONER GENERAL OF IMMIGRATION

Daniel W. MacCormack, of New York, to be Commissioner General of Immigration, Department of Labor.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

Second Lt. Donald Ralph Neil, Field Artillery (detailed in Quartermaster Corps), with rank from June 12, 1930.

Second Lt. Robert Edwin Cron, Jr., Coast Artillery Corps (detailed in Quartermaster Corps), with rank from June 12, 1930.

TO CAVALRY

Second Lt. Harry Winston Candler, Infantry, effective June 11, 1933, with rank from June 11, 1931.

PROMOTIONS IN THE REGULAR ARMY

DENTAL CORPS

*To be colonel*

Lt. Col. Raymond Eugene Ingalls, Dental Corps, from March 25, 1933.

CHAPLAIN

*To be chaplain with the rank of captain*

Chaplain Joseph Richard Koch (first lieutenant), United States Army, from March 27, 1933.

# SENATE

## MONDAY, APRIL 3, 1933

*(Legislative day of Monday, Mar. 13, 1933)*

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. LEWIS. Mr. President, I note the absence of a quorum and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

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

| | | | |
|---|---|---|---|
| Adams | Copeland | Keyes | Reynolds |
| Ashurst | Costigan | King | Robinson, Ark. |
| Austin | Couzens | La Follette | Robinson, Ind. |
| Bachman | Cutting | Lewis | Russell |
| Bailey | Dickinson | Logan | Schall |
| Bankhead | Dieterich | Lonergan | Sheppard |
| Barbour | Dill | Long | Shipstead |
| Barkley | Duffy | McAdoo | Smith |
| Black | Erickson | McCarran | Steiwer |
| Bone | Fess | McGill | Stephens |
| Borah | Fletcher | McKellar | Thomas, Okla. |
| Brown | Frazier | McNary | Thomas, Utah |
| Bulkley | George | Murphy | Townsend |
| Bulow | Goldsborough | Neely | Trammell |
| Byrd | Gore | Norbeck | Tydings |
| Byrnes | Hale | Norris | Vandenberg |
| Capper | Harrison | Nye | Van Nuys |
| Caraway | Hastings | Overton | Wagner |
| Carey | Hatfield | Patterson | Walcott |
| Clark | Hayden | Pittman | Walsh |
| Connally | Johnson | Pope | Wheeler |
| Coolidge | Kendrick | Reed | White |

Mr. REED. I announce the absence of my colleague [Mr. DAVIS] on account of illness.

Mr. FESS. I announce the necessary absence of the Senator from Vermont [Mr. DALE], the Senators from Rhode Island [Mr. METCALF and Mr. HEBERT], and the Senator from New Jersey [Mr. KEAN].

Mr. LEWIS. The senior Senator from New Mexico [Mr. BRATTON] is necessarily detained from the Senate. I beg to announce the fact for the remainder of the day.

Mr. BYRD. I desire to announce that my colleague [Mr. GLASS] is unavoidably detained from the Senate.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. There is a quorum present.

THE LATE SENATOR WALSH, OF MONTANA

The VICE PRESIDENT laid before the Senate a resolution adopted by the House of Representatives of the State of Pennsylvania as a tribute to the memory of Hon. Thomas J. Walsh, late a Senator from the State of Montana, which was ordered to lie on the table and to be printed in the RECORD, as follows: