7822, compulsory Sunday observance; to the Committee on the District of Columbia.

930. By Mr. LINTHICUM: Petition of Towson Nurseries, Towson, Md., favoring the Luce-Pepper bills authorizing a national arboretum; to the Committee on Agriculture.

931. Also, petition of Prof. Adolf Meyer, Johns Hopkins Hospital, Baltimore, advocating metric standards; to the Committee on Coinage, Weights, and Measures.

932. By Mr. McDUFFIE: Petition of sundry citizens of Mobile, Whistler, Crichton, and other parts of the first district of Alabama, opposing compulsory Sunday observance legislation; to the Committee on the District of Columbia.

933. By Mr. McREYNOLDS: Petition of residents of Hamilton and McMinn Counties, Tenn., protesting against House bills 7179 and 7822; to the Committee on the District of Columbia.

934. By Mr. MAGEE of New York: Petition of citizens of Syracuse, N. Y., in opposition to House bills 7179 and 7822; to the Committee on the District of Columbia.

935. By Mr. MANLOVE: Petition of 96 residents of Anderson, Lanagan, and Pineville, Mo., against compulsory Sunday observance; to the Committee on the District of Columbia.

936. By Mr. MAPES: Petition of Mr. H. Bespaloff and 118 other residents of Grand Rapids, Mich., indorsing and recommending the passage of legislation permitting relatives of persons in the United States who have received their first naturalization papers to come to this country without regard to existing quota requirements; to the Committee on Immigration and Naturalization.

937. Also, petition of Reuel E. Root, Coopersville, Mich., and 82 other residents of that vicinity, protesting against the passage of compulsory Sunday observance bills, H. R. 7179 and H. R. 7822, or any other national religious legislation which may be pending in Congress; to the Committee on the District of Columbia.

938. By Mr. MOONEY: Petition of the Central Body of the Polish Roman Catholic Union, of Cleveland, Ohio, protesting the Aswell registration of aliens bill and indorsing the Perlman immigration bill; to the Committee on Immigration and Naturalization.

939. By Mr. O'CONNELL of Rhode Island: Petition of citizens of the cities of Pawtucket and Central Falls, R. I., in opposition to legislation for compulsory Sunday observance; to the Committee on the District of Columbia.

940. Also, petition of residents of Pawtucket, R. I., protesting against House bills 7179 and 7822, compulsory Sunday observance; to the Committee on the District of Columbia.

941. By Mr. O'CONNELL of New York: Petition of citizens of the greater city of New York and New Jersey, earnestly petitioning Congress not to pass the compulsory observance bills, H. R. 7179 and H. R. 7822, or any other national religious legislation which may be pending; to the Committee on the District of Columbia.

942. Also, petition of C. A. Weed, of New York City, favoring the passage of House bill 7907, to increase salaries of Federal judges; to the Committee on the Judiciary.

943. By Mr. PATTERSON: Petition of citizens of the first district of New Jersey, against compulsory Sunday observance bills (H. R. 7179 and 7822); to the Committee on the District of Columbia.

944. By Mr. PORTER: Petition of 86 citizens of Allegheny County, Pa., favoring the acknowledgment of the authority of Christ and of the law of God in the Constitution of the United States; to the Committee on the Judiciary.

945. By Mrs. ROGERS: Petition of residents of Lowell, Mass., opposing House bill 7179, compulsory Sunday observance; to the Committee on the District of Columbia.

946. By Mr. SINNOTT: Petition of sundry citizens of the second congressional district of the State of Oregon, opposing House bills 7179 and 7822, compulsory Sunday observance in the District of Columbia; to the Committee on the District of Columbia.

947. By Mr. SWING: Petition of Southeastern California Conference of Seventh-Day Adventists, protesting against passage of Lankford Sunday closing bill (H. R. 7179) for the District of Columbia; to the Committee on the District of Columbia.

948. Also, resolutions of San Diego Woman's Club, San Diego, Calif., indorsing House bill 8821, for the relief of Indians in California; to the Committee on Indian Affairs.

949. Also, letter from California State board of health, indorsing the extension of the Sheppard-Towner maternity act; to the Committee on Education.

SENATE

THURSDAY, *March 4, 1926*

(Legislative day of Wednesday, March 3, 1926)

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

Mr. JONES of Washington. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

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

Ashurst	Ernst	La Follette	Robinson, Ark.
Bayard	Ferris	Lenroot	Robinson, Ind.
Bingham	Fess	McKellar	Sackett
Blease	Fletcher	McKinley	Sheppard
Borah	Frazier	McMaster	Shipstead
Bratton	George	McNary	Shortridge
Brookhart	Gerry	Mayfield	Smith
Broussard	Glass	Means	Smoot
Bruce	Goff	Metcalf	Stanfield
Cameron	Gooding	Moses	Stephens
Capper	Greene	Neely	Swanson
Caraway	Harreld	Norbeck	Tyson
Copeland	Harris	Norris	Walsh
Couzens	Heflin	Nye	Warren
Cummins	Howell	Oddie	Wheeler
Curtis	Johnson	Overman	Willis
Dale	Jones, Wash.	Pepper	
Deneen	Kendrick	Pine	
Dill	King	Reed, Pa.	

Mr. FLETCHER. I desire to announce that my colleague, the junior Senator from Florida [Mr. TRAMMELL], in unavoidably detained from the Senate. I will let this announcement stand for the day.

Mr. HEFLIN. My colleague, the senior Senator from Alabama [Mr. UNDERWOOD], is absent on account of illness.

Mr. JONES of Washington. I desire to announce that the following Senators are detained from the Senate because of illness: The Senator from Massachusetts [Mr. BUTLER], the Senator from Maine [Mr. FERNALD] the Senator from Missouri [Mr. WILLIAMS], the Senator from Colorado [Mr. PHIPPS], the Senator from Minnesota [Mr. SCHALL], and the Senator from New Hampshire [Mr. KEYES].

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

PETITIONS

Mr. SHIPSTEAD presented a petition of 10 members of the faculty of the University of Minnesota, at Minneapolis, Minn., praying an amendment of the existing copyright law, so as to include copies made by the mimeographic process as well as those made by the photoengraving process, which was referred to the Committee on Patents.

Mr. JONES of Washington presented a petition of sundry citizens of Seattle, Wash., praying for the imposition of a tariff duty on shingles entering the United States, which was referred to the Committee on Finance.

He also presented a petition of sundry citizens of Retsil, Wash., praying for the passage of legislation granting increased pensions to Spanish-American War Veterans and their widows, which was referred to the Committee on Pensions.

REPORTS OF COMMITTEES

Mr. McKINLEY, from the Committee on Commerce, to which was referred the bill (S. 1809) granting the consent of Congress to the State of Illinois and the State of Indiana to construct, maintain, and operate a bridge and approaches thereto across the Wabash River on the State line between Illinois and Indiana, in section 21, township 3 north, range 10 west of the second principal meridian, reported it with amendments and submitted a report (No. 255) thereon.

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

A bill (S. 1155) for the relief of Margaret Richards (Rept. No. 256); and

A bill (S. 1450) for the relief of the estate of John Stewart, deceased (Rept. No. 257).

Mr. STEPHENS also, from the Committee on Claims, to which was referred the bill (S. 2192) for the relief of Ella H. Smith, reported it with an amendment and submitted a report (No. 258) thereon.

Mr. CAPPER, from the Committee on the District of Columbia, to which was referred the joint resolution (S. J. Res. 56) to amend an act entitled "An act to provide for the regulation of motor-vehicle traffic in the District of Columbia, increase the number of judges of the police court, and for other

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purposes," approved March 3, 1925, reported it without amendment and submitted a report (No. 259) thereon.

Mr. WILLIS, from the Committee on Territories and Insular Possessions, to which was referred the bill (H. R. 7820) to amend an act entitled "An act providing for the election of a Delegate to the House of Representatives from the Territory of Alaska," approved May 7, 1906, reported it with an amendment and submitted a report (No. 260) thereon.

Mr. STANFIELD, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 3925) to amend an act entitled "An act to enable the people of New Mexico to form a constitution and State government and be admitted into the Union on an equal footing with the original States," reported it without amendment and submitted a report (No. 261) thereon.

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. FESS:

A bill (S. 3405) to authorize the establishment and maintenance of a forest experiment station in the Ohio and Mississippi Valleys; to the Committee on Agriculture and Forestry.

By Mr. COUZENS:

A bill (S. 3406) granting privilege of the floor and right to participate in debate to heads of executive departments and other officers; to the Committee on Rules.

By Mr. SHIPSTEAD:

A bill (S. 3407) to amend the immigration act of 1924; to the Committee on Immigration.

A bill (S. 3408) granting an increase of pension to John Bowe; and

A bill (S. 3409) granting an increase of pension to Robert T. Bice; to the Committee on Pensions.

By Mr. WALSH:

A bill (S. 3410) for the relief of Charles Callender; to the Committee on Military Affairs.

By Mr. JONES of Washington:

A bill (S. 3411) to establish a border patrol for the more efficient enforcement of laws applicable to the international and maritime borders of the United States; to the Committee on the Judiciary.

By Mr. BROUSSARD:

A bill (S. 3412) for the relief of Gordon A. Dennis (with an accompanying paper); to the Committee on Military Affairs.

By Mr. SHEPPARD:

A bill (S. 3413) for the relief of John W. King; to the Committee on Claims.

Mr. CAMERON (by request):

A bill (S. 3414) to provide for the protection and development of the Lower Colorado River Basin; to the Committee on Irrigation and Reclamation.

By Mr. CAPPER:

A joint resolution (S. J. Res. 65) to provide for a national agricultural day; to the Committee on Agriculture and Forestry.

EXTENSIONS OF TIME UNDER OIL AND GAS PERMITS

Mr. STANFIELD presented a paper to accompany the bill (S. 2461) to grant extensions of time under oil and gas permits, which was ordered to be placed on file, the bill having been passed by the Senate.

DISTRICT AND COOPERATIVE OFFICE SERVICE

Mr. SHEPPARD submitted an amendment proposing to increase the appropriation for expenses necessary to operate and maintain district and cooperative offices, under the Bureau of Foreign and Domestic Commerce, from $330,000 to $340,000, intended to be proposed by him to the bill (H. R. 9795) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1927, and for other purposes, which was referred to the Committe on Appropriations and ordered to be printed.

CORN BELT FARM SITUATION

Mr. BROOKHART. Mr. President, I ask unanimous consent to have printed in the RECORD a letter addressed by Mr. George N. Peek, chairman of the Executive Committee of Twenty-two, of the North Central States Agricultural Conference, to Mr. George E. Roberts, of the National City Bank of New York, relating to the Corn Belt farm situation.

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

EXECUTIVE COMMITTEE OF TWENTY-TWO OF THE
NORTH CENTRAL STATES AGRICULTURAL CONFERENCE,
Chicago, Ill., February 27, 1926.

Mr. GEORGE E. ROBERTS,
National City Bank, New York, N. Y.

DEAR MR. ROBERTS: Your comment in the February Bulletin of the National City Bank on the Corn Belt farm situation has been called to our attention by several bankers. We can not avoid the conclusion that this was an extremely unfortunate utterance. Many readers have grown to respect your views on industrial finance, and a number of informed men in the agricultural States are at a loss to account for the ill-considered comment on the farm situation contained in this bulletin.

To get at even a part of the truth relating to the agricultural problem which is manifesting itself in the Corn Belt most clearly at the present time it is necessary to go into the facts in some detail.

Before taking up your article directly, permit us to lay down this premise upon which knowledge of the facts must compel agreement: That corn growers can not regulate their production to demand because of factors which they, singly or as a whole, can not control; therefore it is impossible to calculate almost a year in advance the number of hogs that would be necessary to consume a coming corn crop. The range of variation in corn production between 1920 and 1924 in the United States amounted nearly to 1,000,000,000 bushels on the same round number of millions of acres planted. Some figures are given here to illustrate this uncontrollable and unpredictable variation of corn yields:

Year	Acreage	Production (bushels)	Difference (bushels)
1920	101,699,000	3,208,584,000	895,839,000
1924	101,076,000	2,312,745,000	
1925	101,631,000	2,900,581,000	587,836,000
1924	101,076,000	2,312,745,000	

In other words, the farmers who will plant corn this year can not know whether they should have raised hogs enough to consume the hogs' share of a 2,000,000,000 bushel crop, or of a crop that may be nearly a billion bushels larger.

Your bulletin states:

"Our sales of pork abroad in 1925 were $42,000,000 less than in 1923, and presumably the falling off of purchases was due to the rise of the average cost of hogs from $7.59 to $11.81. We sold 1,987,734,205 pounds of pork products abroad in 1923, and only 1,221,816,952 pounds in 1925, and this leads one to wonder how high the price of hogs would have gone if foreign consumers had not reduced their purchases? This foreign demand probably will revive whenever the price lowers and thus serve to prevent as large a decline as might otherwise be expected.

"The foregoing information shows very clearly what is the matter in the Corn Belt, from whence comes the cry for an export corporation, financed by the Government, to dispose of an alleged surplus of corn."

The quoted paragraph certainly does not show what is the matter in the Corn Belt. Evidently your readers are to believe that the trouble is that things are not in 1925 as they were in 1923, and that you would reestablish the 1923 supply and demand relation. But you fail to note that the average price of hogs on the farm in 1923 ($7.11) was only 95.6 per cent of the pre-war dollar price and had only 62.2 per cent of the 1913 purchasing power. It is of that very condition that the farmers complain. It is that which has reduced the exchange value of the Corn Belt farm lands to but 79 per cent of that of 1910.

You can easily answer the question you ask in the above quoted paragraph. If foreign consumers had not reduced their purchases in 1925, the domestic price of hogs would have gone just to the point at which domestic consumers could and would turn to other supplies of meats and fats to satisfy their needs and no higher. This is true in both foreign and home markets. That is what happened in 1925. As the price rose because of the reduced supply, other fats and meats abroad were relatively cheaper and foreign consumption fell. But the inference from your bulletin is that you want a hog price so low that foreign buyers will find our pork cheaper than meats from new lands of low production costs, and fats from low standard tropical countries, while at the same time the American consumers buy the pork and lard which is sold at home, at a price largely influenced by the foreign price fixed by the production costs of our meat and fat competitors. This is what the farmers object to; they seek to control their surplus production so that the price at which an incidental surplus sells abroad does not become automatically the price in the home markets.

You then say:

"The number of hogs slaughtered under Federal inspection in the year 1925 was more than 10,000,000 less than the average of the two preceding years, and the pig crop of 1925 was about 10,000,000 less than the average of the two preceding years, the falling off being ap-

proximately 20 per cent in each case. The natural result is very high price for hogs as compared with corn. The farmer who had both hogs and corn is in a balanced situation and doing well, the farmer who has hogs but is without enough corn for them can buy corn at a low price, and the farmer who has corn and nothing to feed it to wants the export corporation to buy his corn above the market price and dump it in Europe at a loss, and charge part of the loss to his neighbor who has foresight enough to grow something to eat his corn."

The lesson you seem to establish here is that the wise farmer is he who always keeps hogs enough on his farm to eat up his corn, or who keeps hogs in excess of the number his home-grown feed will support in order that he may buy corn from his neighbor. We were amazed to encounter such reasoning in your bulletin, and do not believe you would reason this way in fields closer home to you.

What would have happened to the hog price in 1925, Mr. Roberts, if the farmers had applied your reasoning and had bred and kept on hand as a sort of corn-eating reserve army enough hogs to consume the 587,836,000 bushels of corn by which the 1925 crop exceeded that of 1924? The thing that puzzles us is that, even if farmers had now the extra 10,000,000 head of hogs of whose lack you complain, they would eat up, in attaining an oversized 250-pound average weight, only about one-third of the quantity by which the 1925 corn crop exceeded that of 1924, and as far as we can see, we would still have a corn-surplus problem. But if we had the extra hogs, we wish you would tell us if, in your opinion, that would not have resulted in the old hog price, so we would be no better, but would probably be worse off than now.

* * * * * * *

We are constrained to ask if you advocate, as a regular policy, the production of enough hogs each year to eat up all the corn that may be produced by a bumper crop? Your bulletin implies so.

Do you advocate, as sound business practice, the operation of one distinct and separate stage of Corn Belt farming at a loss (production of corn) in order that another phase (production of pork) may show a profit? Should not proper farm organization show a profit to the efficient farmer on both enterprises? We can not conceive that you would consider the iron and steel industry sound if the production and sale of pig iron were conducted at a distinct loss, even if the steel manufacturers might show a profit. Nor would you consider the situation satisfactory if the pig-iron operations in a single company were conducted at a loss and the steel operations of the same company showed a profit. Would you not recommend control of production and supply as a necessary step in readjustment? We yield to the temptation to inquire if you would not approve of the orderly disposition abroad of a relatively small surplus even at competitive prices abroad, if the sale in this country would upset the adjustment of supply to demand in the domestic market.

Before leaving this part of the discussion, we ask you to explain in detail just how you would advise corn and hog adjustments if you were a Corn Belt banker, in view of the fact that we do not know within eight or nine hundred million bushels what will be the size of next year's corn crop, and when we must decide on our hog breeding long before the corn is planted. You have expressed your views upon a subject which concerns us more vitally than it does you, so we wish to ask if, as an economist, you do not believe that the Corn Belt farmers who in 1924, when corn was high and hogs low, reduced their herds, were making an economically sound adjustment? And whether those farmers who, in response to present hog and corn price relations, increase their hogs, may not be inviting disaster which will be particularly severe if next year's corn crop should prove light?

As for your reference to the Dickinson bill, we believe that you would not deliberately misstate facts or misrepresent them in a matter of such importance as this, so we conclude that you have never carefully studied the measure.

Your statements are:

"The bill for such a corporation, introduced by Congressman DICKINSON of Iowa, provides that the loss shall be charged pro rata to all producers, which would mean that the farmers who study conditions and conform their operations to the needs of the consuming public would be penalized by being made to pay a subsidy to those who simply produce at random. The theory of this proposal is that farmers may grow anything they like and in any quantity, regardless of consumption requirements, and that the Government will take care of the results.

"The theory of penalizing the farmers who plan their operations to suit the needs of consumers for the benefit of those who do not is of the very essence of the most objectionable kind of socialistic doctrine, and there is no reason to suppose that any considerable portion of the farmers will support it when they understand it. They are told that it is a plan to put them on a level with the protected manufacturers, but it lays no part of the cost on the manufacturing industries, except as it increases the cost of living to all consumers, which would tend to increase wages and the cost of all the products and services which farmers buy."

The purpose of the measure referred to is to enable producers to regulate supply to demand in the domestic market, and it is not our intention to spend time on a discussion of the bill's details except those misstated, or we regret to say misrepresented by you.

You refer throughout to the "export corporation" when none is created or mentioned by the Dickinson bill; you say "financed by the Government" when the bill you refer to sets machinery in motion that is financed by the producers themselves. You warn that part of the loss (from sales abroad) would be charged to the farmer "who had foresight enough to grow something to eat his corn," when this is entirely incorrect, and your conclusion could not possibly be derived from a careful reading of the measure in question. Collection under the Dickinson bill would be made only on corn, for example, that moved in regular trade channels, through sale for resale or processing or shipment by common carrier, and would not affect the corn consumed at home in the illustration you use. The same apparent lack of study is evident in your every reference to the bill. If this letter had not already grown too long, we would like to consider them in detail.

Briefly the Dickinson bill provides a method by which producers of certain farm commodities can control and dispose of the surplus above what the domestic market can absorb, at a fair exchange value, in such manner as to maintain an American price in the home market. Only actual sales in commerce would contribute to the operating fund. The buying, storing, and selling involved in handling the surplus would be done by associations or corporations created and controlled by the producers themselves.

As to your remaining point that this would set in motion wage increases and consequently higher costs of articles and services that farmers buy, will you not agree that such merit as this argument possesses applies with equal force against any increase in farm prices, no matter what the cause, and that in using it you are merely arguing against improved farm product prices in any degree and from any causes?

It is disappointing to us to find you using appeals to prejudice to replace economic reasoning. Discussion of the agricultural situation should deal with facts and economic forces, rather than misinformation and class prejudice. There is no more merit in the charge that the surplus control operations under the Dickinson bill are to be financed by the Government than for us to charge that Wall Street speculation in stocks amounting to billions is financed by the Government.

Neither does the measure aim primarily at the present corn-price situation. Farmers want to do the economic thing to restore impaired income by adjusting supply to demand in the home market. The Dickinson bill outlines one practical method to do it. If you have a better plan in mind, we should all like to hear it.

In conclusion and in all sincerity may we suggest that with those of your readers who are familiar with the farm problem you are losing an enviable reputation, gained by clearness in your field of industrial finance through such thinking in the field of applied agricultural economics. We desire your constructive thought, and if you have in mind any plan to improve the situation, we think it is your duty to make it known.

Yours very truly,

EXECUTIVE COMMITTEE OF TWENTY-TWO,
By GEORGE N. PEEK, *Chairman*.

THE AGRICULTURAL SITUATION

Mr. McMASTER. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Evening Republican, of Mitchell, S. Dak., of February 3, 1926, entitled "Sees no hope for farmers"; an editorial from the Sioux City Daily Tribune of February 4, 1926, entitled "High lights of the Agricultural Conference"; and an editorial from the Yankton (S. Dak.) Press and Dakotan, of February 5, 1926, entitled "The West has spoken."

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

[From the Evening Republican, February 3, 1926]

SEES NO HOPE FOR FARMERS

Not only does the Journal of Commerce of New York, an avowed Wall Street organ, see little hope for farm relief at the coming session of Congress, but it expresses the poorly veiled hope that Congress will be unable to do anything for the farmer. At the same time it mourns because there seems to be little likelihood that any legislation favorable to the railroads or industry in general will be passed. Discussing the financial situation and its relation to the present session of Congress the Journal of Commerce says:

"As for railroads, it still continues true that but little chance of real legislation is visible, while little or no prospect of anything favorable along other financial or industrial lines is now predicted. About the best that can be done will be to prevent drastic action on farm-relief measures and to avoid something foolish in connection with banking. Nothing constructive on either subject is in sight, and nothing seems likely to be developed at any early date. That Congress will continue working along its present lines and adjourn comparatively early, with no further definite action than is at present indicated,

would be about the most favorable condition to be looked for, and it is fair to think is about what will happen. The stock market therefore must look elsewhere for material with which to build up an increasing enthusiasm."

Here, then, is another reflection of the sentiment of the industrial and capitalistic East regarding the farmer. It seems strange that the decendants of those Pilgrim pioneers who first wrested the Atlantic coast from the red man, and who tilled the fields with a gun by their side, should have so far forgotten their own trials and tribulations as an agricultural country that they bitterly oppose any congressional action which might assist the American farmer to his place in the sun.

The Middle West knows that the only thing that can help the farmer is "drastic action." Yet the Journal of Commerce says about the present Congress that "about the best that can be done will be to prevent drastic action on farm-relief measures."

Ever since the high protective tariff was conceived the farmer of the Middle West has suffered from "drastic legislation." Yet now, when these same farmers have tried to band together, agreeing to certain legislation which would restore to them a dollar worth 100 cents, publications like the Journal of Commerce throw the weight of their influence against the farmer.

In the same review the Journal says:

"The question: How is business? is being heard with increasing frequency largely because of the apparent tendency to slow down and wait somewhat on account of the slight overproduction that has occurred in some lines. Statistics are showing that things went ahead a little too rapidly last autumn in the matter of activity, and now the time has come that absorption must take place in an equal amount. This has slowed down the orders in a number of lines to some extent—a condition in itself which is a trifle worrying. However, there is nothing in sight that indicates anything more than a temporary lull. Some business managers now anticipate comparatively quiet production during the early spring, waiting to see how the first crop reports turn out, and how purchasing will hold up. They do not believe that the same high speed as last year can be maintained without a check. This is not due to pessimism, but is merely a statistical conclusion based on the average returns of recent years."

Thus the Journal presents a paradoxical argument. It desires that no farm relief legislation be passed, and it fears for a slump in the year's business. Surely the Journal must know that the prosperity of the greater part of the Nation depends upon the prosperity of the farmer. It must know that if the farmer's dollar was given as equal value with the industrial dollar that the business of the entire Nation would improve because the purchasing power of the farmer would be increased by just that much. But, like its provincial associates, the Journal fears "drastic action" for the farmer would tend to increase by just a little the cost of its bread and butter, and so it hopes that the farmer will fail to get that relief to which he is economically entitled and for which he is really beginning to fight.

[From the Daily Tribune, February 4, 1926]

HIGH LIGHTS OF THE AGRICULTURAL CONFERENCE

There should be no doubts in the minds of anyone about the purpose and program so definitely stated and agreed upon by some 1,500 delegates to the "All agricultural area" marketing conference held at Des Moines, Thursday, January 28. Resolutions adopted are both defi and challenge to the administration forces at Washington. There was no mincing of words; no pussyfooting. Big men and strong men from the cities and farms of the Middle West declared themselves unequivocally in favor of legislation which would equalize the agricultural and the manufacturing dollar, which would put the basic farm industry on a parity with all the other industrial organizations of America.

Positive statements by speakers brought rounds of applause and unqualified support from the hundreds of delegates. However, there were no illogical or fantastic schemes or statements advanced. The spirit of the day was to give and take on any questions of means and methods, but there was not one indication of failure to agree and to fight through to the bitter end on the great fundamental principles of equalization involved. There was no petty bickering, no quarreling as to the main purpose, though there were men from many walks of life and men who have had many divergent views as to how best to bring justice to the great agricultural States. There were plain, blunt statements of fact made regarding the hostility and indifference of Hoover, Jardine, Butler, Barnes, and the administration generally, to any specific legislation which would be fair and helpful.

TROUBLE MAKER EXPOSED

When a certain W. I. Drummond, secretary of some genteel, white-collar farm organization, tried to inject differences by urging delay of the program, with a charge that the conference was not representative and that Governor Hammill, with the other Iowa leaders, had not given delegates an opportunity to express their feelings and their plans, there was an outburst of pent-up feeling. Governor Hammill and the audience gave Drummond the opportunity to express himself fully and to present his plan. Drummond proved a dud. Whether he represented administration forces at that conference, as he represented them at the Cleveland convention and during the campaign in the Middle West, he certainly embarrassed the antifarm gang at Washington by his stupidity at Des Moines. When he stated that he would not be for a bill similar to the Dickinson measure because it would not pass and because it was unsound, a delegate from Ohio asked him if he would vote for it if it could be passed and if it could be shown to be fair. Mr. Drummond hesitated—and was lost. Immediately ensued a machine-gun barrage, led by Mark D. Woods, of Lincoln, who uncovered the said Mr. Drummond and lashed him to the queen's taste. Mr. Woods reviewed the history of Drummond as an administration politician and as a hired man of Mr. BUTLER, of Massachusetts. He reminded the delegates of a statement made by Mr. BUTLER in the presence of a number of the farm delegates, when he declared himself tersely to the effect that he was opposed to any and all programs looking to higher agricultural prices, and that he [Mr. BUTLER] and his forces stood frankly for high protection and prosperity for the industrial East; and Mr. Woods said that Drummond knew all this better than anyone else. He told of bad faith and broken pledges also. Lacking any vestige of support, Drummond failed ignominiously to divert the minds of the massed delegations from the single aim to work out a definite legislative program for relief.

When Drummond took exception to a statement made earlier in the day by Frank O. Lowden that tubercular cattle were killed for the sake of the cattle industry over the protests of some few owners, Mr. Lowden shouted from the floor that we are fighting for the health of the Nation. Delegates cheered long and loudly. In these last words ex-Governor Lowden epitomized the convictions of the vast majority of farmers and business men in the great agricultural area. The delegates, representing 12 States, are inspired and will fight to a finish, not only for their own salvation but for the salvation of the United States. Over and over again the fact was declared that when agricultural interests and communities fail nations decay.

After George Peek, president of the American Council of Agriculture and foremost economist, had delivered a carefully prepared speech on "Equality for agriculture," some delegate inquired as to who was meant by "the powerful leaders of opposition at the present and for some time past." Without hesitation, Mr. Peek replied from the stand: "Hoover and Barnes." Throughout his address Mr. Peek had been careful to avoid any personalities. He outlined the troubles and the source of troubles and proved the justice of the proposed legislation. He showed that the oft-repeated statement that the decline in farm prices was due to a marked decrease in exports was an outright fable. Exports have increased. With all other speakers he urged immediate and definite action and very plainly suggested that favorable laws could be passed by the middle westerners combining with the southern agricultural interests.

THE SOUTH WILL JOIN

Carl Vrooman, former Assistant Secretary of Agriculture, in a fiery appeal, pointed the way to success. With deep feeling he declared that the Democratic Congressmen from the South would join in a broad movement to gain equality and pledged the efforts of himself and others to work to this end. Rather than an indication of partisanship and prejudice, the speeches and discussions proved conclusively that the conference was nonpartisan and nonpolitical; that despite parties or party feeling the great agricultural States of the West and South were going through shoulder to shoulder to the end that agriculture shall be established on a parity with all other business; that again farm homes and farm life shall be attractive; and that the people who are feeding the world shall be rewarded equitably for their labors.

L. J. DICKINSON, Representative in Congress from the tenth district of Iowa, and chosen representative of the Iowa congressional delegation, made a splendid and forceful appeal, not particularly for the approval of the precise details of the marketing bill bearing his name but for united and unquestionable support for any legislative program to be worked out by the committee from the 12 States gathered at that conference. In reviewing the history, almost wholly one of defeat, of national farm legislation, he pointed out the dangers of unpreparedness and the fatal danger of opposition within their own ranks. He was given an ovation.

Among others who spoke there was a unanimity of agreement and a joint determination to carry out the will of the majority that was wonderfully pleasing. Governor Gunderson, of South Dakota, who was called on first by Governor Hammill, pointed the way to successful culmination by urging harmony and understanding. He pledged the full strength of South Dakota.

C. E. Hearst, president of the Iowa Farm Bureau Federation, spoke concisely and to the point at issue. William Hirth, president of the Missouri Farm Clubs, let it be known that he stood with the delegates and would work unceasingly for the general good. Former Governor Lowden, of Illinois, spoke at length with deep feeling and with wisdom born of wide and long experience. All those who heard him were impressed with his understanding and his vision. He was given ovations a number of times.

PASSION FOR JUSTICE

Out of it all comes a grave determination to force the issues and to win justice and equality for the agricultural States at any cost. Political fortunes of any small group of selfish politicians opposed to the program will not be even considered. The great agricultural area has spoken. Official Washington must make no mistake in its interpretation of the intent. The legislative committee named to carry the fight to success is made up of business men and farmers who are capable and courageous enough to carry on. Their instructions are broad and all inclusive. They must and will not falter, nor lose sight of the great problem involved—to enact national legislation that will bring justice and equality that will restore the Nation's greatest business. There are dangerous shoals ahead, but the passion for justice will prevail. Victory is ahead.

[From the Yankton Press and Dakotan, February 5, 1926]

THE WEST HAS SPOKEN

Out of the bedlam of demands from agriculture and its friends for something that would stabilize this most vital industry of our land for legislative recognition and removal of the artificial handicaps under which it is struggling, there has recently come forth one clear call for action, insistent, emphatic, specific in its appeal, significant in the note of authority it contained. It was the voice of a united Middle West, an agricultural Middle West, sounding its war cry to herald a battle for economic rights against a reluctant Goverment and an opposing East. It came, that voice, from the depths of the world's bread basket, and its meaning can not be mistaken. American agriculture has found its voice and has spoken.

Meeting in Des Moines more than a week ago, representatives of 11 Middle Western States—farmers, bankers, business men, even governors—found themselves as one in purpose, as they were in plight. Their problems were identical as to cause and, they discovered, as to solution as well. With something of poetic justice they further discovered that cooperation, the panacea for agriculture held out to them heretofore, was at once their lack and their need. It offered, they found, the only solution of their mutual problem, the only hope of successfully pressing their demands. From Des Moines, therefore, came the united voice of the great Middle West focusing at last the myriad vague complaints and appeals and demands which have been wrung from a suffering industry in the past.

That this was the real West speaking is manifest from the representative character of the gathering, with 11 States participating and joining in the appeal. That the West is in earnest, determined, is equally manifest. Skeptics in the East and elsewhere would do well to heed the new sign, for here already are two requisites of successful effort—unity and determination. The third—definite objective—long a stumbling block in the path of agricultural progress, the nemesis of those who have in the past sincerely striven for stability in the industry, is likewise contained in this summons from a united West.

Agriculture is asking only a square deal. It wants nothing from the Government but what is already given to other industry, namely, protection from foreign competition. Behind a high-tariff wall and a stringent immigration law, American factories and American laboring men maintain their American prices and American wage scales, largely independent of world conditions, while the American farmer must sell his products in competition with the peasant of Europe and the peon of South America. Rectification of this unfair situation is what agriculture is demanding. What is economically sound for one industry should be economically sound for another—agriculture reasons—and rightly.

It is a well-known fact that the farmers of the country have taken a depreciation of $20,000,000,000 in the value of their crops in the last few years. The average earnings of those engaged in farming, the Middle West points out, are 23.1 cents an hour, while factory workers receive 56.1 cents, railroad employees 58.3 cents, anthracite miners 83.4 cents, and workers in building trades 105 cents. Or, presented in another way, the buying power of agricultural products in 1924 was 91 per cent and of nonagricultural products 153 per cent, and in 1925 the buying power of farm products was 87 per cent as compared with 164 per cent for nonagricultural products. The handicap under which the industry is laboring is thus apparent to anyone.

This being true, agriculture, speaking now with united voice, demands equalization of opportunity. It points out that the prices of its products are determined by the surplus, that portion which is not possible of consumption at home and which must go into the world market to compete with products from other agricultural countries. The result is a level of prices fixed by world supply and demand which takes no reckoning of American costs of production or of American standards of living.

The objective set forth by the Des Moines conference of Middle Western States calls for governmental action in setting up an export corporation to handle this surplus in the world market, and thereby placing agriculture in the same protective relation to the Government as other industries now enjoy. Because of its extremely decentralized character, agriculture is unable to launch such an organization itself. Cooperatives eventually might do so independently of the Government, but the need for stability is immediate. Hence the demand of the Middle West for governmental assistance in inaugurating such an export corporation, the costs of operation and losses incurred in foreign sales to be borne by the industry itself and not by the Government.

This in substance is the demand of the united Middle West, given definite shape and emphatically voiced by the Des Moines conference. It is agriculture's challenge to the administration and to the Congress at Washington to meet the issue squarely and fairly, in spite of pressure from the industrial East. There is real significance in the unity behind a cause and in the outstanding leadership of former Governor Lowden, of Illinois, in that cause, which can hardly be lost upon the administration. The West has spoken. It is waiting for an answer.

MUSCLE SHOALS

The Senate resumed the consideration of House Concurrent Resolution No. 4, providing for a joint committee to conduct negotiations for leasing Muscle Shoals.

The VICE PRESIDENT. The pending question is on agreeing to the amendment submitted by the junior Senator from Arkansas [Mr. CARAWAY].

Mr. HEFLIN. Mr. President, I ask unanimous consent that at not later than 4 o'clock this afternoon the Senate shall vote, without further debate, upon the pending amendment and all amendments to be offered and upon the resolution.

I make this request because several Senators are sick and others are threatened with the grippe. We are anxious to dispose of the matter so that they will not have to stay in the Chamber when they ought not to be here. I ask it also for the purpose of knowing exactly when we may vote, so that my colleague [Mr. UNDERWOOD], who is ill at home, but who wants to come here to vote, may know when to be present for that purpose. He does not want to have to remain at the Capitol very long when he comes here.

The proposition to lease Muscle Shoals has been discussed many times in the Senate. It has passed both branches of Congress. The Ford measure passed the House and the Underwood bill passed the Senate. Both those measures provided for private leasing. This concurrent resolution was introduced in the House by Congressman MADDEN, of Illinois, in December. It passed the House early in January and came to the Senate and was referred to the Committee on Agriculture and Forestry. That committee reported out the resolution on the 3d of February, and it is now the 4th of March. The resolution must be passed, the joint committee appointed, bids received and reported back to Congress by the 1st of April. We have only 27 days from to-day in which to do that. I think that the resolution will pass by a good majority in the Senate. We are anxious to get action upon it. If those who oppose the resolution and who favor the idea proposed by the Senator from Nebraska [Mr. NORRIS] will let us pass the resolution, and we do not get bids, they will find that there is nothing in the way of proceeding in some other manner to dispose of Muscle Shoals after the 1st of April.

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

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from South Carolina?

Mr. HEFLIN. I yield.

Mr. SMITH. Of course, Senators are not staying here to hear the debate and to hear the facts that are put in the RECORD on this very important matter, involving, as it does, our policy with reference to these great public resources. I do not think there is any disposition to filibuster, but I for one feel that it is our duty to put such facts as we have in regard to the matter into the RECORD and before as many Senators as will stay and give their attention to the discussion involving such vital interests of the entire American people. I am sure that the Senator from Alabama agrees with me that our first duty is to prepare ourselves for whatever disposition the Senate may see fit to make of the proposition. It can not make any disposition rightly unless it knows all the facts pertaining thereto. I am sure we can not get ready to vote on the resolution this afternoon.

Mr. HEFLIN. In addition to what I have said I want to say that the majority leader, the Senator from Kansas [Mr. CURTIS], is sick. We all know that. He has just had an operation. He has been coming here each day when he possibly should not have done so. The doctors have advised him to go South, and he is to leave this afternoon at 6 o'clock. I want to ask Senators if they will not agree upon a time to vote to-day, so as to permit the Senator from Kansas and my colleague to vote on the resolution? One of them has to go away, and the other is confined to his room and does not want to come out until the time comes for a vote on the pending resolution.

I think the resolution will pass by a large majority of the Senate. There has not been a single vote changed against the resolution since the debate commenced. A few Senators on this side of the aisle will vote for amendments, but they will vote finally for the resolution. I do not think we ought to sit back and keep on delaying this measure for the purpose of defeating the legislation when four-fifths of the entire membership of the Congress favor its passage.

I repeat that we have to get through with it, and it must all be finished and the report submitted to Congress by the 1st of April. If the resolution remains here much longer, somebody will get up and suggest that the time for the joint committee to report be extended, and then when that time comes Congress will be ready to adjourn, and those who have heretofore succeeded in defeating legislation to lease Muscle Shoals will be able to accomplish their purpose again. If the bids should be reported back to Congress in the closing hours of the session they would be able prevent final action.

Mr. DILL. Does not the Senator think, without waiting for any other further discussion on the matter, that the time ought to be extended at least until the 15th of April?

Mr. HEFLIN. No; I do not, because two companies have already given notice before the committee that they would bid.

Mr. DILL. But there may be other companies that would want to bid.

Mr. HEFLIN. As soon as the resolution shall pass the daily press will carry the news throughout the country that the committee is now ready to receive bids. Certainly bidders can then send in their bids, and the committee can come back and report just what it has done; that it has received bids or that it has not. If it has not, then there will not be anything to do but to take up the measure of the senior Senator from Nebraska [Mr. NORRIS] or some other measure and immediately dispose of this matter.

Mr. President, I do not want to prevent any Senator from debating the resolution, but I am pleading in behalf of a proposal here that I think, and a large majority here think, is just and fair. I have stated that my colleague, the senior Senator from Alabama [Mr. UNDERWOOD], is sick, and I should like to have a time fixed when he may come here and vote for the resolution. My colleague desires to be here, but he does not wish to be out long, and his doctors have advised him against doing anything which might make against his speedy recovery. As said a moment ago, the Senator from Kansas [Mr. CURTIS] has to leave here to-day. So it seems to me that Senators should agree to this unanimous-consent request for a vote to-day. There have been about nine hours already consumed in debate by the opponents of the measure and only two hours by those who favor it. The senior Senator from Nebraska [Mr. NORRIS], who wishes to speak, has himself been sick. I do not believe he will speak over an hour and a half or two hours. The junior Senator from Nebraska [Mr. HOWELL], I understand, wishes to speak, and also my friend the Senator from Tennessee [Mr. MCKELLAR], who has spoken frequently on the subject in my time and in the time of other Senators and in his own time. Under the circumstances I believe that we ought to be able to vote on the resolution by 4 o'clock this afternoon.

Mr. MCKELLAR. Mr. President, I believe that under the rules of the Senate I have the floor, and I wish now to speak a little in my own time, but the Senator from Alabama has been occupying my time.

Mr. HEFLIN. I shall not hold the floor much longer.

Now, Mr. President, I wonder if we can not reach an agreement? What does the junior Senator from Nebraska think about fixing some early time when a vote may be taken?

Mr. HOWELL. I have been conferring with Senators upon the minority side of the Chamber, and I find that several of them have extended remarks to make. I am sure there are also several Senators upon the majority side of the Chamber who wish to speak. Therefore, I do not see how Senators could complete their speeches by 4 o'clock. So I think it the part of wisdom to postpone the vote, we will say, until some time tomorrow.

Mr. HEFLIN. I have stated to the Senator from Nebraska that the Senator from Kansas [Mr. CURTIS], who is sick, must leave the city to-day. He favors the resolution and would like to vote for it.

Mr. FLETCHER. I suggest to the Senator from Alabama that he ask for a vote on to-morrow.

Mr. HEFLIN. Mr. President, in view of the suggestion of the Senator from Florida and also the suggestion of the junior Senator from Nebraska [Mr. HOWELL], I ask unanimous consent that to-morrow afternoon, at half past 4 o'clock, we proceed without debate to vote upon the resolution and all amendments.

Mr. GEORGE. Mr. President, I dislike to object, but if we are considering a resolution which can not be amended, I am not disposed to cut off debate on it. We are occupying a peculiar position here to-day. The Senator from Alabama [Mr. HEFLIN] has repeatedly reminded us that we can not amend the resolution.

Mr. HEFLIN. No; Mr. President, the Senator from Alabama has stated that he was opposed to amending the resolution. I think a majority of the Senate is opposed to amending it, and the Members of the House of Representatives with whom I have talked hope that we may pass the resolution as it came over here. The farmers of the country have indorsed the resolution just as it passed the House. I have a letter here now from one of the leading officials of the Farm Bureau Federation, Mr. Gray, asking us to pass the resolution just as it came over from the House of Representatives. He feels as the officials of the Cooperative Marketing Association of the South feel that any amendment at this late day which will necessitate sending it to conference will delay its passage and may defeat the measure.

Mr. GEORGE. Mr. President, I understand that there is a resolution pending here which the Senate is not at liberty to amend.

Mr. CUMMINS. Mr. President, if the Senator from Georgia will allow me, I simply desire to remind the Senate that we already have a unanimous-consent agreement to go into executive session to-morrow at 3.30 o'clock for the disposition of a nomination that has been pending before the Senate for a long time. I would not want to see another unanimous-consent agreement entered into that would interfere with the one to which I refer.

Mr. ROBINSON of Arkansas. I suggest to the Senator from Alabama that he ask for a vote on the resolution at 2.30 o'clock to-morrow afternoon.

Mr. HEFLIN. In view of the suggestion of the Senator from Iowa [Mr. CUMMINS] and of the minority leader, the Senator from Arkansas [Mr. ROBINSON], I will modify my request and ask that a vote be taken on the resolution and all amendments at 2.30 o'clock to-morrow afternoon.

Mr. GEORGE. Mr. President, I do not wish to be put in the attitude of making a captious objection. I think, probably, that the resolution should reach a vote to-morrow, but I am going to object to fixing an hour to-morrow to vote on the resolution.

Mr. HEFLIN. I have stated to the Senator from Georgia that my colleague, the senior Senator from Alabama [Mr. UNDERWOOD], is sick, and I wish to have a time fixed for a vote on the resolution, so that I may notify him in time to come here and be present; but if the Senator from Georgia wishes to make his objection under the circumstances that I have stated he is, of course, at liberty to do so.

Mr. GEORGE. Mr. President, there are some Senators who are now present who are going to vote against this resolution as it stands, who have to leave the Senate this afternoon and can not be here to-morrow, I will say to the Senator from Alabama.

Mr. HEFLIN. Mr. President, are we going to be held up by Senators who are going off on a visit, it may be to try a lawsuit at home?

Mr. SMITH. But the Senator from Alabama is trying to get us to vote because some Senators are going away.

Mr. GEORGE. Mr. President, one Senator is going to leave this afternoon on account of serious illness in his family.

Mr. HEFLIN. And the Senator would have us hold this proposition up, when we have only 27 days remaining in which to agree upon a plan to give an opportunity to have cheap fertilizer for the farmers of Georgia and Alabama and all the other Southern States.

Mr. SMITH. Let me suggest to the Senator from Alabama that we postpone any action on the resolution until all Senators get well and can come in and vote on it.

Mr. HEFLIN. I think the Senator from South Carolina would like to postpone a vote on the resolution indefinitely.

Mr. SMITH. Undoubtedly I would.

Mr. GEORGE. I think that we can get a vote on the resolution at a very early time. There is no disposition to prolong the time when we can get a vote.

Mr. HEFLIN. The disposition to do that has already displayed itself, and it has carried the resolution along and prevented a vote on it for nearly four days.

Mr. HARRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Georgia?

Mr. HEFLIN. I yield.

Mr. HARRIS. I think the Senate ought to consider the suggestion of the Senator from Alabama about not delaying a vote

with long speeches. He has been here for several years and has never delayed a vote by any speeches. I think, for that reason, we ought to listen to him.

Mr. HEFLIN. That is a very valuable and helpful suggestion, Mr. President, and I trust all Senators will grasp and hold it. [Laughter.]

Mr. McKELLAR. Does the Senator mean the sarcasm of the suggestion?

Mr. HEFLIN. Maybe. Mr. President, I will ask, Does the junior Senator from Georgia object to my request?

Mr. GEORGE. Yes, sir; I object to fixing a time to-morrow.

Mr. HEFLIN. Mr. President, then, I request unanimous consent that at 2 o'clock on Saturday we proceed to vote upon the resolution and all amendments thereto without further debate.

The VICE PRESIDENT. Is there objection?

Mr. GEORGE. Mr. President, if the Senator will allow the matter to go over the Sabbath, during which time we will have opportunity to meditate on this resolution which he does not want amended or changed or altered, and ask that an hour be fixed on Monday, I shall not make any objection.

Mr. HEFLIN. Mr. President, I have told the Senator from Georgia that the committee to be appointed under the resolution has got to go out and get bids if any are to be made and report them back by the 1st of April. Does the Senator want to see that committee tied up so that it will not have sufficient time in which to try to lease this Government property to some private individual?

Mr. GEORGE. Mr. President, I am very willing to vote for an amendment to the resolution to extend the time in which the committee shall receive bids; but I understand the Senator from Alabama takes the position that the resolution ought not to be amended.

Mr. HEFLIN. I do; that is my position. Have I not a right to take that position? Have I not a right to favor the resolution just as it came from the House? Have not the majority of Senators that right, and have not the farmers who have written to us and asked us to vote for the resolution just as it passed the House got a right to be heard? Mr. President, I am suggesting a time when amendments may be voted on, but the Senator will not let us take them up to be voted on. He will have a chance to vote on them when we fix the time which I have suggested, and then if the resolution shall be amended of course it will have to go back to the other House and we may never hear from it again at this session.

Mr. ROBINSON of Arkansas. Mr. President, I think the request of the Senator from Alabama is a reasonable one. As I understand, he is not making an effort to restrict liberal discussion of the resolution. He is merely, for the convenience of his colleague who is sick and who desires to vote on the resolution, trying to arrange a time for a vote.

It is the custom of the Senate to make such arrangements as that suggested by the Senator from Alabama. In nearly every instance where sharp conflicts of opinion arise touching measures proposed we discuss them for a time and then reach a decision and effect an arrangement for voting. If there was anything here to indicate that his proposal for a vote day after to-morrow would unfairly limit the debate or would prevent any Senator from enjoying the privilege of expressing himself touching the pending resolution or any amendment, I would not be inclined to join in his request; but it does seem to me that his proposal is a reasonable one, and I hope that Senators will be kind enough to give it friendly consideration. I hope the Senator from Georgia, unless there is some reason in his mind which makes it imperative for him to pursue a contrary course, will consent to an arrangement by which a vote may be reached this week.

Mr. GEORGE. Mr. President, I have no disposition to delay a vote beyond this week, and really I think the debate will have exhausted itself, perhaps, some time to-morrow, so far as that goes.

Mr. HEFLIN. But the point is, perhaps, I will not be able to notify my colleague in time to get here unless some hour is fixed. He lives 15 miles out in the country.

Mr. GEORGE. If the Senator will pardon me, the Senator from Tennessee [Mr. McKELLAR], who is, of course, interested in this matter and very much interested in it, has a notice calling him away from the city on account of serious illness in his family, and he can not return by Saturday.

Mr. HEFLIN. The Senator from Kansas [Mr. CURTIS] will, perhaps, not be able to return in time if we do not agree to vote to-day, and the Senator from Georgia has already objected to that.

Mr. ROBINSON of Arkansas. Mr. President, in all probability the Senator from Tennessee, if he goes to his home in that State, will be unable to return within a week or 10 days. I do not know what his plans may be.

Mr. McKELLAR. I hope I shall be able to be back on Monday, but I am not going to ask for a continuance of the resolution.

Mr. ROBINSON of Arkansas. So far as that is concerned, Senators, fairly and frankly, it is not right, it seems to me, to make this vote depend upon the convenience of any one Senator.

Mr. McKELLAR. I am not asking that, and I am not objecting.

Mr. ROBINSON of Arkansas. I know the Senator from Tennessee is not, but to-morrow I myself might find occasion to leave; the Senator from South Carolina [Mr. SMITH] might be going away the next day, and other Senators on subsequent days, so that no vote would ever be arranged for. I think that debate having almost been exhausted we ought to serve the convenience of Senators, if we can, and arrange a vote.

Mr. SMITH. Mr. President, allow me to suggest that we make no definite arrangement to-day. I think perhaps we will get a pretty clear idea as to what will be the extent of the debate after to-day, and we could take this matter up to-morrow. I do not think that at present anyone is fully apprized as to who wants to speak on the resolution. I have not heard the slightest disposition on the part of anyone to filibuster against this measure; but Senators desire to express their opinion on the floor of the Senate as to what is to be our attitude toward a great public project. The whole issue of our relations to it is involved.

Mr. ROBINSON of Arkansas. I do not think there is any evidence of a filibuster, and I agree with the Senator that there is nothing to justify a procedure here on the theory that there is a filibuster.

Mr. SMITH. No; I do not think there is. Therefore, Mr. President, I suggest to my friend from Alabama that he let this matter of fixing an hour for a vote go over until to-morrow, at which time we can, perhaps, get a clear idea as to just who wants to speak, and then we may have a more definite understanding.

Mr. FESS. Mr. President, will the Senator yield to a question?

Mr. SMITH. Yes.

Mr. FESS. Would there be any objection to limiting the debate after 4 o'clock to-day to, say, 15 minutes?

Mr. SMITH. Oh, yes; Mr. President. I shall not throw any obstruction at the proper time in the way of fixing an hour certain for a vote, but in a question involving such great principles and policies as this I am not going to give my consent to restricting debate to any length of time. I will join with the others at the proper time to fix an hour when debate shall cease; but this is a matter of too much importance to have debate restricted as the Senator from Ohio suggests.

Mr. HEFLIN. Mr. President, in view of the suggestion of the Senator from South Carolina that other Senators may want to speak, I am going to ask that on Monday next at 2.30 o'clock we proceed to vote upon the resolution and amendments thereto without further debate. That will give to all Senators who want to speak ample time in which to again discuss every phase of this whole question.

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

Mr. HEFLIN. I yield to the Senator from Nebraska.

Mr. NORRIS. I sincerely hope we will reach a vote on this matter before that time. I believe that if it is left without any agreement we will. I had hoped that we would vote to-day; and I think fixing the time next Monday would simply prolong the debate much more than if the ordinary course is pursued.

Mr. HEFLIN. I have suggested an hour for every day this week for a vote.

Mr. NORRIS. I am aware of that; but the Senator knows that there is always serious objection to saying that at a certain moment debate shall cease. I like the suggestion of the Senator from Ohio [Mr. FESS]. I think the Senator from South Carolina is wrong when he says that on account of the importance of the matter he will agree to a definite time when there shall be no further debate and still will not agree to a limitation of speeches. We know that when that is done in the Senate, nine times out of ten it is unsatisfactory to everybody when the debate is over, because some amendment is offered, and nobody dares say a word in explanation of it or in opposition to it, and Senators have to vote more or less blindly.

Mr. SMITH. Let me correct the Senator. The expression I used was unfortunate. What I meant to say was that when those who desired to debate this question shall have had an

opportunity to do so in good faith, I shall not be averse to fixing an hour certain. I agree with the Senator that the debate may end and without any agreement we may reach a vote, as we ought to reach a vote.

Mr. NORRIS. I think that is what we ought to do, and I think that is what we will do if no request is made.

Mr. SMITH. I think so myself.

Mr. NORRIS. The Senator from Alabama referred to the Senator from Nebraska once as talking for a couple of hours. I do not know whether he meant myself or my colleague [Mr. HOWELL]; but, since I have taken some part in discussing this question, perhaps he referred to me.

I have no disposition to debate the matter. I had intended to go into it in great detail, but it is a physical impossibility for me to do so, and I am not going to ask the Senate to delay a vote on that account. There would be no likelihood of changing any votes here, but there would be some satisfaction in making a record which I feel that I am prepared and qualified to make; but I am not going to try to do it. Even if a vote were delayed until Monday, I doubt very much whether I could do it; so there is not any disposition on my part to take up any of the time. So far as I am personally concerned, I am willing that the roll shall be called now on the passage of this concurrent resolution; and yet I may, before it is through, take a few minutes to discuss it. I would not, however, shut off debate from anybody who wants to debate either side of the question.

There has not been any debate on either side but that has been in the best of faith. Senators are in earnest. They mean what they say, and they ought to be allowed to debate the matter, notwithstanding there is a limit of the 1st of April when it must be reported back. We can not, however, permit the House of Representatives to limit debate in the Senate by saying in a concurrent resolution, "You get that back here in three days in order that we may have time to have deliberation on the part of the committee that is to be appointed." It would not be a great misfortune if that time were extended. I do not see any disposition, however, to extend it.

So far as I know, with only one exception, there is not anybody here who contemplates making any extended remarks on this matter. If there is such a Senator, I want him to have the privilege of doing so; I do not care which side he is on.

I think the Senator from Alabama, the present leader, makes a mistake in trying to fix this vote for Monday. I am satisfied that we will reach a vote before that time. I will do everything I can, outside of trying to prevent anybody from having a fair hearing, to expedite it. I will say to the Senator further that while we all regret that the Senator from Kansas [Mr. CURTIS] is compelled to leave this afternoon, he would not be here at any of the times the Senator has suggested, so that it would not help him any to fix one of those times for a vote. Furthermore, as far as the leadership of the Senate is concerned, that is now in the hands of the Senator from Alabama, the representative of the President; and the Senator from Kansas can leave now better than at any other time I have ever known, because his leadership is taken away from him at the present time. He is temporarily out of command, and he can have a little recruiting of his health all by himself, which will do him good, and will not injure the Senate at all.

As far as the Senator's colleague [Mr. UNDERWOOD] is concerned, I want to say to the Senator that if his colleague does not already have a pair by which he can be protected, I will volunteer to pair with him. I will vote opposite to him, I presume, on every vote that is taken; and if the Senator's colleague is sick and not able to be here, I will volunteer now to pair with him on every vote. I may be absent myself.

Mr. HEFLIN. Mr. President, in view of what the Senator from Nebraska has said, and in further view of what the Senator from South Carolina suggests—that the matter rock along until to-morrow, and he thinks perhaps we can get a better line on it then—I will permit the matter to go over. Several Senators have come to me since I have been standing here, and have said that they think we will get a vote some time to-morrow, and I am hoping and praying that we may. I am going to let the matter go over until to-morrow, as my friend from South Carolina has suggested. I am hoping at that time we may be able to agree upon a time for an early vote.

Mr. NORRIS. I am glad the Senator is going to do that, because we have lost only 35 minutes now by this procedure.

Mr. McKELLAR. Mr. President——

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

Mr. McKELLAR. I yield.

Mr. COPELAND. With the indulgence of the Senator from Tennessee, I desire to refer to an article in last night's Evening Star, an Associated Press dispatch. The headlines are:

SUPERPOWER PROJECT DUE IN EASTERN UNITED STATES WITHIN YEAR—ELECTRIC COMPANIES PLANNING CONNECTIONS FROM CANADA TO GULF TO INTERCHANGE—CURRENT EXPERT PREDICTS MILLIONS OF DOLLARS

ATLANTA, GA., March 3.—The Atlanta Journal, in a copyrighted story from New York, to-day said that within the year electric-power companies in this country will have established physical connection of their transmission lines to an extent that will make possible the interchange of power from one system to another throughout the eastern half of the United States.

Mr. President, without further reading, I ask to have the remainder of the article included in the RECORD.

The VICE PRESIDENT. Without objection, leave will be granted.

The matter referred to is as follows:

"When these connections are complete," the story said, "it will be possible for power-generating stations on the Canadian border to come to the aid of power-generating stations on the Gulf of Mexico, and vice versa. Thus the surplus power in Minnesota can be utilized to meet a shortage in Pensacola, Fla., and the surplus power in Danville, Va., can fill a shortage in South Bend, Ind."

ADVANTAGES ARE OUTLINED

The Journal interviewed Sidney Z. Mitchell, president of the Electric Bond & Share Co. in New York, and obtained plans of this great country-wide distribution of electric power. Mr. Mitchell outlined the results to follow when these plans have been finally put into effect.

He said that the following advantages already have resulted from the linking up of power companies:

Elimination of power shortages, a reliable and continuous supply of power to American industries, reduction of expensive spare power units from 50 per cent idle power to 10 per cent, with a consequent saving of millions of dollars which would otherwise be necessary to equip and maintain the spare units; joint and related use of the hydroelectric plants on rivers and streams with existing coal-generating plants and the generating plants in the natural-gas fields, conservation of the use of rainfall so that water power may make a larger contribution to the general good.

PROCESS OF DISTRIBUTION

While Minnesota would be connected with Georgia through high-power transmission lines, the power generated in that State would not actually find its way into Georgia. The way it would work was illustrated as follows:

Minnesota would transmit power to one end of the adjoining transmission line, and this second company, which borrowed from Minnesota, would pass on at the other end of its own system an amount of power equal to that it had taken from Minnesota. This process of borrowing and passing on would be continued in steps of not more than 250 miles each until the power is delivered where it is needed.

It was pointed out that where any connection had been made between the transmission lines of various companies surplus power capacity is passed on from one line to another, just as surplus railroad cars are borrowed by one railroad from another.

The Journal said that the few remaining gaps, which will probably be closed this year, will mean "connected transmission lines will run all the way from Louisiana and Florida to within a few miles of the Canadian border. And plans under way call for interconnections that will extend the projected system of interconnection to practically all Southern States, to many Middle Western States, and to several Western States.

"The connected system will then traverse the eastern half of the country in this wise: From the Canadian boundary to St. Cloud, Minn.; from St. Louis to Viroqua, Wis.; from Viroqua to Apple River, Ill.; from Apple River to Crystal Lake, Ill.; from Crystal Lake to Blue Island, Ill.; from Blue Island to Michigan City, Ind.; from Michigan City to South Bend, Ind.; from South Bend to Lima, Ohio; from Lima to Glen Lyn, Va.; from Glen Lyn to Roanoke, Va.; from Roanoke to Danville, Va.; from Danville to Roxboro, N. C., and to Durham, N. C.; from Durham to Tallulah Falls, Ga.; from Tallulah Falls to the Alabama State line; from the Alabama State line to Pensacola, Fla.; also from the east Alabama State line through Selma, Ala., to Jackson, Miss., and from Jackson to Monroe, La.

"Some of the principal power companies whose lines are connected to make this country-wide system are the Minnesota Power & Light Co., St. Cloud Public Service Co., Northern State Power Co., Wisconsin-Minnesota Power & Light Co., Janesville Electric Co., Southern Wisconsin Electric Co., Wisconsin Railway, Light & Power Co., Public Service Co. of Northern Illinois Power & Light Corporation, Northern Indiana Gas & Electric Co., Indiana & Michigan Electric Co., Indiana General Service Co., Ohio Power Co., the Ohio Service Co., West Virginia Water & Electric Co., Appalachian Power Co., Roanoke Electric & Railway Co., Carolina Light & Power Co., Southern Power Co., Georgia Railway & Power Co., Alabama Power Co., Mississippi Power & Light Co., and Louisiana Power & Light Co."

VARIOUS PLANTS CONNECTED

The story pointed out that this plan would connect the hydroelectric plants, the large steam generating plants in and near the coal fields, and the great steam-generating plants in the natural gas fields of Louisiana, where the natural gas fuel supply flows at high pressure from the earth beneath the boilers.

Reference was made to the fact that 72 per cent of the country's water power, developed and undeveloped, is west of the Mississippi River, principally in the Rocky Mountain region, while 79 per cent of the country's industries are to the east of the Mississippi River. Declaring that the water power, developed and undeveloped, in the South can be easily delivered where it can be advantageously used by industry, the story said that "with its adequate power supply the South is certain, and at no distant day, to become a great industrial section."

One of Mr. Mitchell's associates pointed out that for every dollar of revenue which an electric company receives it must in concentrated steam electric developments first make an investment of at least $4, and in the case of hydroelectric development sometimes as much as $7. He asserted also that demands on electric companies for service has more than doubled every five years.

LONG ACTIVE IN FIELD

Mr. Mitchell organized the Electric Bond & Share Co. 20 years ago to handle securities of public utilities, principally electric companies. Mr. Mitchell told the Journal that, although the Electric Bond & Share Co. supervises the operations of groups of electric companies in 32 States, it is not a holding company and does not control a single one of them.

Mr. Mitchell is also a director of the Southeastern Power & Light Co. and of numerous other public utilities, as well as a number of other corporations.

Mr. COPELAND. Further, Mr. President, in the New York World of Tuesday, March 2, there is a very interesting editorial headed:

The Senate on trial. Granted that Muscle Shoals is an old issue—

And so forth. I shall be glad also to have that printed in the RECORD.

The VICE PRESIDENT. Without objection, it will be so ordered.

The editorial is as follows:

[From the New York World, March 2, 1926]

THE SENATE ON TRIAL

Granted that Muscle Shoals is an old issue, and granted that public opinion is both confused about it and weary of hearing it discussed; even so, is it quite safe for the Senate, at the end of four years of debate, to choose the worst solution for the problem of Muscle Shoals which has yet been offered it? That is what the administration proposes, backing House Resolution No. 4.

House Resolution No. 4 has been rushed through the House of Representatives. It has been rushed through the Agricultural Committee of the Senate. Administration leaders have now ordered that it be made the unfinished business of the Senate, not to be set aside till it is passed. What they propose, with the resolution, is that a committee be authorized to conduct negotiations for a 50-year lease of the Government's whole property at Muscle Shoals "upon terms which, so far as possible, shall provide benefits to the Government and to agriculture equal to or greater than those set forth in House bill 518."

And House bill 518? House bill 518 was the famous bill of 1924 in which the House of Representatives proposed to turn over Muscle Shoals to Henry Ford upon terms which would net the public less than 6 cents on its invested dollar, terms which would flagrantly violate every essential provision of the Federal power act, and terms whose interest rates were computed by the Norris committee in the Senate as equivalent to a cash gift to Mr. Ford of $236,250,000, with the affectionate admiration of a listless and bewildered public. House bill 518 was ultimately knocked into a cocked hat. Now it is proposed that Muscle Shoals be leased on terms which, "so far as possible," provide benefits equivalent to the benefits of this discredited and discarded bill of 1924. It is small comfort to observe that the committee which is to do the negotiating must report back to Congress. Why should Congress commit itself in advance to acceptance of a lease whose public benefits are zero? Surely a wiser course is for Congress to set minimum terms which really do protect the public interest, instruct its negotiators to take nothing less, and announce that it is ready to fall back on public operation of Muscle Shoals if no satisfactory offer is forthcoming.

Has the moment passed when on any question relating to Muscle Shoals the Senate is incapable of exercising ordinary common sense? We shall shortly have an answer. But it may be noted that the trouble with Muscle Shoals as a field for the display of common sense is this: Any old proposal which proposes "to do something quick" is likely to have behind it the support not only of administration Senators who toe the line from force of habit but of a number of southern Democrats who are committed to the notion that somehow Muscle Shoals will do something miraculous for the southern farmer.

In these circumstances House Resolution No. 4 may be rushed through the Senate. The Senate in that case will accept responsibility for a measure which is as unnecessary as it is unwise—a slipshod, careless piece of legislation which flouts public trust and common sense.

Mr. McKELLAR. Mr. President, it seems to me that the argument we have heard this morning about the short time between now and April 1, when this committee is to report, has not a great deal of force in it, for this reason: So far as I have been able to understand from the record of the hearings, there is only one bidder for this property, and there probably will be but one bid put in. That bid will be put in by the Union Carbide Co. of New York. It may already be in; and it is very interesting to note that this company that has put in a bid for the power at Muscle Shoals says that the Cove Creek Dam site in Tennessee, which is the largest one of the Tennessee River dam sites and the most valuable one, of course, should go along with it. I do not believe the engineer of the Union Carbide Co. wants the Congress to give permission at this time for that, but they have already made an application for it, and they assume that they will get it from the Federal Water Power Commission; and when that Cove Creek Dam is added to Muscle Shoals, the Union Carbide Co. owning or controlling both plants, both of them will be of greater value—the Muscle Shoals plant because the primary power will be tremendously increased by the building of the Cove Creek Dam on the upper Tennessee.

Mr. President, as there probably will be but one bid, it seems to me that evidently the other companies that have been interested in the matter, like the Alabama Power Co. and the American Cyanamid Co., have about concluded to pool their interests. I hope they have not; but there is no suggestion up to this date that they have not pooled their interests, and that there will be more than one bid. That bid doubtless will be along the lines of the Underwood bill of last year, by which, for some sixteen or eighteen hundred thousand dollars a year for 50 years, this company and its allies and associates will obtain this power, and the American people, and especially those in proximity to the shoals, will not benefit to the extent of a single, solitary cent by reason of the Government's building this great project.

Mr. NEELY. Mr. President——

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

Mr. McKELLAR. I yield.

Mr. NEELY. Does the Senator know to what extent the farmers will benefit by the leasing of this plant?

Mr. McKELLAR. Mr. President, if this plant goes into private hands the farmers of the United States will not benefit to the extent of a single, solitary cent by reason of the Government's having built the plant and developed this power. I will elaborate on that just a little later, because I am going to discuss this question in so far as it relates to the farmers of the United States and to their fertilizer situation.

Mr. NEELY. Will the Senate permit another interruption?

Mr. McKELLAR. Certainly.

Mr. NEELY. The Senator has stated the probable amount of rental that will be paid by the lessee to the Government for the privilege of using the plant for 50 years.

Mr. McKELLAR. Yes.

Mr. NEELY. Can the Senator tell us about what percentage that amount will represent on the Government's investment of $150,000,000 at Muscle Shoals?

Mr. McKELLAR. The way they arrive at $1,800,000—I am just using round figures—is that it is 4 per cent on the $45,000,000 that was expended by the Government on the Wilson Dam since the war. They take all the other $81,000,000 of property that has been accumulated there prior to that time for nothing under the Underwood bill, H. R. 518, which is adopted in this concurrent resolution. I want to take up that matter later; but right now, while our attention is called to it, let me say that the Underwood proposal, H. R. 518, is that the lessee shall pay 4 per cent on the money actually expended since the war, since Henry Ford revitalized it in 1920, which is about $45,000,000; and all the other $100,000,000 that was spent by the Government before that time, with all the property that goes along with it—something like 3,000 acres of land, as I recall the number of acres, right in the heart of Sheffield, with innumerable houses on it, all of which I will call to the attention of the Senate, with the great steam plant that cost many millions of dollars—all those go in for nothing

under House bill 518. I shall be more specific and more accurate about what the lessee is going to get under that proposal in a short time, and I shall get to it in a few moments; but I want to show at this time that the consideration proposed in House bill 518, which the pending concurrent resolution indorses and adopts, is wholly inadequate as a consideration for this great plant.

I want to speak first about the nature of the company, which apparently has assumed the leadership among the monopolists and is going to get this property. I want for just a moment to read from the testimony of the chief agent of this company, Mr. Davis, the chief engineer:

The CHAIRMAN. You say you are in favor of this House resolution?
Mr. DAVIS. Yes, sir.
The CHAIRMAN. Do you think it ought to be amended in any way?
Mr. DAVIS. I see no reason for amendment.

In another place he said they were going to bid on it. The Union Carbide Co. is the only prospective bidder there is.

Mr. HEFLIN. Mr. President——

Mr. McKELLAR. I say, so far as the record shows.

Mr. HEFLIN. No; Mr. Hooker stated before the committee that he expected to bid.

Mr. McKELLAR. I do not recall the testimony; that is all I can say about it. Apparently the only bid will be that of the Union Carbide Co.

Now I want to tell the Senate something about the Union Carbide Co. That company, a dominant corporation in America with assets approximating $250,000,000, engaged in the production of numerous chemical, electrochemical, and related products, has heretofore been a bidder for the Muscle Shoals properties. Its representative, Mr. L. H. Davis, its consulting engineer, testified before the Senate Agriculture Committee on January 18, 1926 (pp. 111 and 114, Senate hearings, S. J. Res. 35), that the Union Carbide Co. intends to submit a bid under the terms of Concurrent Resolution No. 4. The Union Carbide Co. is also an applicant, before the Federal Water Power Commission, for permission to construct four large water-power developments on the upper tributaries of the Tennessee River, including the proposed Cove Creek storage dam on the Clinch River, approximately 400 miles, as the water travels, from Muscle Shoals. Mr. Davis advocated that whoever should lease Muscle Shoals should also control and operate the Cove Creek storage dam. He stated in his opinion that the Cove Creek storage dam would increase the primary power output at Muscle Shoals from approximately 100,000 horsepower to substantially 200,000 horsepower (p. 113, Senate hearings).

The East Tennessee Development Co. also is an applicant before the Federal Water Power Commission for permission to construct the Cove Creek storage dam, together with a number of other water-power projects on the Tennessee River and certain tributaries, all above Muscle Shoals, for the development of power for general distribution as a public-utility company. Mr. Davis (p. 115, Senate hearings) put into the record copy of a protest submitted to the granting of any permit or license for the construction of the Cove Creek storage dam, because the Union Carbide Co. is interested in a lease of the power and nitrate plants at Muscle Shoals and contemplates making a further proposal. He insisted that the storage reservoir at Cove Creek and other dams above Muscle Shoals should be so constructed and operated as to supplement and complete the Muscle Shoals power project and that both Muscle Shoals and Cove Creek should be operated by the same concern, namely, the Union Carbide Co.

I digress here long enough to say it is a very small concern! It has assets of only $250,000,000, and naturally no exception can be taken to its financial ability. He questioned the wisdom of granting any permit or license for these projects until the leasing or disposition of Muscle Shoals is settled. He asserted (p. 121, Senate hearings) that any bidder could make a better bid for Muscle Shoals if Cove Creek were included.

On February 2 Mr. Davis again appeared before the Agriculture Committee (hearings, H. Con. Res. No. 4, pt. 1). He further discussed the purpose and reasons for the protest to officers of the Federal Power Commission to the granting of a permit to a public-utility power-distributing company and again emphasized the importance of operating Muscle Shoals in connection with the Cove Creek storage dam, when the chairman [Mr. NORRIS] inquired about his attitude toward House Resolution No. 4, as follows:

The CHAIRMAN. You say you are in favor of this House resolution?
Mr. DAVIS. Yes, sir.
The CHAIRMAN. Do you think it ought to be amended in any way?
Mr. DAVIS. I see no reason for amendment.
The CHAIRMAN. I understood your testimony the other day that you thought that whoever got Muscle Shoals ought to get this other also?
Mr. DAVIS. Yes, Senator.
The CHAIRMAN. Well, do you think that ought to be in the same bid?
Mr. DAVIS. There is no reason why it should not be in the same bid.
The CHAIRMAN. This resolution would not put it in the same bid, if it was passed.
Mr. DAVIS. Not necessarily, but it would permit it, would it not?
The CHAIRMAN. Well, the Power Commission could do as they pleased about it. They would not necessarily have to do that unless they are directed to do it by Congress.
Mr. DAVIS. I think, Senator, that the Clinch River storage dam and the Muscle Shoals project should go together.
The CHAIRMAN. Then you do not want this resolution, if that is what you are standing for, as it stands now at least, because it does not include them both. I thought the basis of your entire testimony was that the corporation that got Muscle Shoals ought to have this other also, because they would work in conjunction, and that was the way to get the maximum amount of electricity at a minimum cost?
Mr. DAVIS. That is true.
The CHAIRMAN. This resolution does not provide for that at all.
Mr. DAVIS. The resolution, as far as I understood it, was merely to provide a proper board of authority with which the prospective lessees might engage for the lease of the property.
The CHAIRMAN. All right.
Mr. DAVIS. That is the point that I favor with respect to the resolution. (H. Con. Res. No. 4, hearings, pt. 1, p. 61.)

With regard to the obligation that the Union Carbide Co. would assume toward the distribution to the public of power in response to questions by Senator RANSDELL, Mr. Davis said that in his opinion the secondary power should be distributed, and that in his opinion possibly one-third of the power should go into distribution, clearly indicating that the purpose is to utilize the most valuable part of the power for private operation. The following is taken from pages 62 and 63 of the hearings:

Senator RANSDELL. Under the terms of this resolution, No. 4, it says here that the lease is to provide for power purposes and to serve the national defense, agriculture, and industrial purposes. Suppose your company would lease this plant, would you contemplate spreading that power around generally for industrial purposes in the various States, or would you use it in your own business?

Mr. DAVIS. We would do both. We would use some of it industrially where it could be cheaply used, and the balance would be distributed around.

Senator RANSDELL. Who would determine, as you view the situation, how much would be generally sold to communities, corporations, and municipalities, and how much you would use in your own business?

Mr. DAVIS. That would be determined entirely by the demand, Senator.

Senator RANSDELL. But you would be the judge of that, I assume? Your company would be the judge?

Mr. DAVIS. If there is any authority that has jurisdiction, I have no objection at all to their exercising that jurisdiction.

Senator RANSDELL. There is nothing in the resolution whatsoever which indicates that it would be used throughout a certain territory, but it just says: "For industrial purposes." Mr. Ford was going to use it for industrial purposes.

Mr. DAVIS. Does it not say "distribution" also?

Senator RANSDELL. It says, "Power for industrial purposes," but not for general distribution. My purpose in calling the attention of the committee to that is that I have a score of telegrams from my people which read somewhat like this; this is from Monroe, La.:

"Re Muscle Shoals. Use full influence to secure for Louisiana share in power developments. Will be essential in 20 years. Only eventual substitute for gas."

They are making electricity from gas in the vicinity of Monroe, La., but Louisiana is a flat State. We have no water power at all. The people down there are anticipating that the gas is going to give out after a while and they want Muscle Shoals so arranged that they can get some of that electricity themselves.

Senator HEFLIN. Has not the power commission authority now to require that that power be transmitted across the line if it is necessary to serve the people in other States?

Mr. DAVIS. I am not competent to answer that, Senator HEFLIN. May I answer further your question, Senator RANSDELL?

Senator RANSDELL. I would be glad if you would.

Mr. DAVIS. There is a certain amount of power there which could not advantageously be used for industries in the immediate vicinity. That is the so-called secondary or surplus power. That is the kind of power which will inevitably be connected to distributing and transmission systems, and will be used for public utility purposes.

Senator RANSDELL. The secondary or surplus power?

Mr. DAVIS. Yes, sir.

Senator RANSDELL. But the primary power you would want to use in your own industry?

Mr. DAVIS. No; not all of it. There is a considerable portion of that primary power that could be used for fertilizer purposes. A certain other proportion would doubtless be used for electrochemical and other industries that can advantageously use the plants themselves and keep them going. There will be a very large amount beyond all those, both primary power and secondary power, which will be available for distribution and for which, in order to secure a satisfactory market, must go into general distribution. I do not think there is any doubt but that one-third of all of the power would go into general distribution.

Senator RANSDELL. Can the secondary power be used satisfactorily for general distribution to the municipalities and manufacturing establishments?

Mr. DAVIS. Yes, sir.

Senator RANSDELL. I thought they would have to have a continuous supply?

Mr. DAVIS. They will; but all of that secondary power at some place or other will have auxiliary power. There will also be other sections, such as at the Cherokee Bluffs development of the Alabama Power Co. and the Cove Creek Dam on the Clinch River, auxiliary power, during the low-water months will be available from those hydroelectric plants, and those two put together will make continuous power. Also steam power in connection with that will make continuous power.

The above colloquy indicates very clearly that the plan is to distribute secondary power, which is useful only to the extent that it is made primary power through outside sources, such as steam power plants and storage dams in Alabama and in Tennessee belonging to private interests. Thus the public would have access to the use only of that power which is called dump or secondary power and which could not be used in the private operations of the Carbide Co. or any other private lessee of the entire Muscle Shoals properties.

The language of House Concurrent Resolution No. 4 fits into the scheme of the Union Carbide Co., and unamended will make possible the negotiation of one contract that will deny the use of surplus power to the public, including Mississippi and west Tennessee and other sections of the South, even to private industry located in the immediate territory.

In this connection it is important to know something of the Union Carbide Co. and why it is interested in making an application for Muscle Shoals in order to secure this tremendous amount of power for its own use.

If it or some other great industrial concern were to negotiate a bid with the joint committee proposed under Resolution No. 4, and that bid were accepted by Congress, it would, of course, agree, as an inducement for its acceptance, to produce a certain amount of fertilizer to be sold at a limited profit.

Here I want to call the attention of the Senate to the fact that the amount of fertilizer is limited under this resolution, at the option of the company, for only six years.

This is where the Union Carbide Co. comes in, and this is where the interest of the farmers comes in. The farmers of this country are expecting some good from the operation of this great project. What can they expect? They can expect experiments upon the part of the American Cyanamid Co.; and I want to show the peculiar interest of the American Cyanamid Co. They own all of the processes down at Muscle Shoals, which will pass to the Union Carbide Co., all of the processes and patents under which nitrogen is obtained. If the Carbide Co. gets this, the American Cyanamid Co., the representative of the fertilizer interests of this country, will experiment for six years and then stop, and the farmers will get no possible benefit out of the proposed development.

I go a step further about this Carbide Co., to show what it is and what it manufactures.

UNION CARBIDE & CARBON CORPORATION

This corporation occupies a unique place in industry. It is a holding company with 22 principle subsidiary companies. The business of these subsidiaries falls into the following general classifications:

1. The manufacture and sale of calcium carbide for the production of acetylene gas.

2. Production and sale of acetylene gas in containers for use in welding and cutting and for lighting and cooking.

3. The manufacture and sale of oxygen. Oxygen and acetylene supply the materials for the oxy-acetylene flame widely used in industry for cutting and welding.

4. The manufacture and sale of equipment and apparatus for generating and utilizing acetylene and oxygen.

5. The manufacture of certain chemical solvents and intermediates used in the manufacturing processes of the corporation and in the refrigerating and other industries.

6. The manufacture and sale of ferro-alloys for use in the production of special steels.

7. The manufacture of carbon electrodes, brushes, and other carbon specialties.

8. The manufacture and sale of storage, radio, and dry batteries.

The company thus serves several distinct and not too closely allied industries and several of its products and processes are patented and are trade-marked ones and to that extent are noncompetitive.

Among such products are the patented alloy stellite, the dissolved gas Prest-O-Lite, and stabilized gasoline.

The corporation in 1924 had 98 separate plants and factories located in the United States, Canada, and Norway, and maintained 91 district and sales offices.

A list of the plants and factories of its subsidiaries is as follows, and this is the institution that is going to help the farmer get cheaper fertilizer under this resolution:

Union Carbide Co., Sault Ste. Marie, Mich., and Niagara Falls, N. Y.

Union Carbide Co. of Canada (Ltd.), Welland, Ontario.

Electro Metallurgical Co., Niagara Falls, N. Y.; Holcomb Rock, Va.; and Glen Ferris, W. Va.

Electro Metallurgical Co. of Canada (Ltd.), Welland, Ontario.

Electric Furnace Products Co. (Ltd.), Sauda, Norway.

Michigan Northern Power Co., Sault Ste. Marie, Mich.

Haynes Stellite Co., Kokomo, Ind.

Carbide & Carbon Chemicals Corporation, Niagara Falls, N. Y.; Clendenin, W. Va.; and South Charleston, W. Va.

Oxweld Acetylene Co., Chicago, Ill., and Newark, N. J.

The Linde Air Products Co., Birmingham, Ala.; Denver, Colo.; Atlanta, Ga.; Savannah, Ga.; Chicago, Ill.; East Chicago, Ind.; Indianapolis, Ind.; New Orleans, La.; Baltimore, Md.; Boston, Mass.; Worcester, Mass.; Detroit, Mich.; Minneapolis, Minn.; North Kansas City, Mo.; St. Louis, Mo.; Omaha, Nebr.; Elizabeth, N. J.; Brooklyn, N. Y.; Buffalo, N. Y.; Utica, N. Y.; Cincinnati, Ohio; Cleveland, Ohio; Columbus, Ohio; Youngstown, Ohio; Tulsa, Okla.; Norristown, Pa.; Philadelphia, Pa.; Pittsburgh, Pa.; Trafford, Pa.; Norfolk, Va.; and Milwaukee, Wis.

The Linde Air Products Co. of Texas, Dallas, Tex.

Linde Air Products Co. (Pacific coast), Los Angeles, Calif.; Oakland, Calif.; Salt Lake City, Utah; and Seattle, Wash.

Dominion Oxygen Co. (Ltd.), Toronto, Ontario, and Montreal, Province of Quebec.

The Prest-O-Lite Co. (Inc.), dissolved acetylene, Los Angeles, Calif.; South San Francisco, Calif.; Denver, Colo.; Atlanta, Ga.; Hammond, Ind.; Indianapolis, Ind.; Davenport, Iowa; Des Moines, Iowa; New Orleans, La.; Baltimore, Md.; Elkton, Md.; Cambridge, Mass.; Indian Orchard, Mass.; Detroit, Mich.; Duluth, Minn.; St. Louis Park (near Minneapolis), Minn.; North Kansas City, Mo.; St. Louis, Mo.; Omaha, Nebr.; Newark, N. J.; Buffalo, N. Y.; Cincinnati, Ohio; Cleveland, Ohio; Tulsa, Okla.; Pittsburgh, Pa.; Dallas, Tex.; Richmond, Va.; Seattle, Wash.; and Milwaukee, Wis.

The Prest-O-Lite Co. (Inc.), storage batteries, San Francisco, Calif.; and Indianapolis, Ind.

Prest-O-Lite Co. of Canada (Ltd.), dissolved acetylene, Winnipeg, Manitoba; Merritton, Ontario; and Shawinigan Falls, Province of Quebec.

Prest-O-Lite Co. of Canada (Ltd.), storage batteries, Toronto, Ontario.

National Carbon Co. (Inc.), San Francisco, Calif.; Chicago, Ill.; East St. Louis, Ill.; Jersey City, N. J.; Long Island City, N. Y.; New York, N. Y.; Niagara Falls, N. Y.; Cleveland, Ohio (two plants); Fostoria, Ohio; Fremont, Ohio; Pittsburgh, Pa.; and Clarksburg, W. Va.

Canadian National Carbon Co. (Ltd.), Toronto, Ontario.

Union Carbide & Carbon Research Laboratories (Inc.), Long Island City, N. Y.

The company's capitalization consists of 2,649,733 shares of no-par-value stock, the current market price of which is $82 a share, giving a market valuation to the stock of the company of $218,000,000. The corporation has no funded debt of its own and no preferred stock, but its subsidiaries have outstanding $9,789,700.62 of funded debt and $6,471,000 of preferred stock. A summary of the consolidated balance sheet and earning statement of the corporation as of December 31, 1924, being the latest available, is as follows:

Union Carbide & Carbon Corporation and subsidiary companies—summary of consolidated balance sheet as of December 31, 1924

ASSETS

Cash items	$27,419,481.78
Raw materials	29,827,463.24
Cylinders for shipment of compressed gas	22,783,559.53
Land, buildings, machinery, equipment	116,429,819.06
Power leaseholds, undeveloped water power, trade-marks, etc	36,055,672.49

Real-estate leaseholds	$505, 284. 80
Investments	2, 484, 736. 78
Deferred charges	1, 076, 279. 54
Total	236, 582, 297. 22
LIABILITIES	
Current liabilities	14, 745, 244. 88
Reserve for depreciation and amortization	21, 128, 999. 75
Funded debt of subsidiary companies	9, 789, 700. 62
Preferred stock of subsidiary companies	6, 471, 000. 00
Capital stock, 2,659,733 shares, no par value	109, 112, 421. 40
Surplus (capital and earned)	75, 334, 930. 57
Total	236, 582, 297. 22

Consolidated statement of income and surplus, fiscal year ended December 31, 1924

CONSOLIDATED STATEMENT OF INCOME

Earnings (after provision for income taxes)		$23, 939, 638. 61
Less amount charged for depreciation, bad debts, write-offs, etc		6, 178, 214. 60
Net earnings		17, 761, 424. 01
Deduct—		
Interest on bonds and debentures of subsidiary companies	$489, 851. 52	
Dividends on preferred stock or subsidiary companies	500, 260. 00	
		990, 111. 52
Net income		16, 771, 312. 49

It is to be noted that lands, buildings, machinery, and equipment of the company have a book value of $116,429,819.06. The company does not make public its gross income; its net income for the year was reported at $23,939,638.61 after income taxes but before depreciation and other write-offs. If the experience of one of its principal competitors, Air Reduction Co., can be accepted as a guide, its gross income is probably at least three times its net income before deducting taxes, interest, and write-offs, which would fix its minimum gross income at approximately $80,000,000, though this figure might be underestimated largely.

The importance of this company in the field which it serves may be estimated by considering the value of the entire output of the principal industries affected. The values given for the industry for the year ending December 31, 1923, are secured from the Biennial Census of Manufactures for the year 1923 of the Bureau of Census of the Department of Commerce. Not each class of industry included in the table below is given directly in such census, but it is possible to secure the values by subtracting the value of one class from another, as shown. The table follows:

	Value
Acetylene (Table 15, census of 1923)	$13, 089, 232
Oxygen (Table 15, census of 1923)	23, 382, 236
Hydrocarbons (Table 17, census of 1923)	833, 486
Calcium carbide (Table 17, census of 1923)	8, 818, 221
Other carbon compounds	14, 390, 177
	60, 504, 352
Ferro-alloys (Table 18, census of 1923)	20, 899, 085
Rare metals and alloys (Table 18, census of 1923)	1, 425, 446
Batteries:	
Storage (census of 1923)	92, 843, 390
Primary	31, 787, 077
Total	124, 630, 467

For the year 1923 the net income of the corporation was $22,708,858, after operating expense and Federal taxes, and its probable gross was more than $75,000,000. This latter figure is, of course, an estimate, as the corporation does not publish its gross sales. The principal competitors of this corporation in the acetylene, oxygen, and compressed gas industry is Air Reduction Co. This company has an investment in lands and buildings and manufacturing equipment of $6,126,920 (December 31, 1924), as compared with $116,429,819 of the Union Carbide & Carbon Corporation, which corporation has an additional investment in cylinders for the shipment of compressed gas amounting to $22,783,559 (December 31, 1924), which is more than three and one-half times its principal competitor's investment in manufacturing plant and equipment.

The gross income of Air Reduction Co. in 1923 was	$10, 201, 061
Net income before taxes was	3, 725, 597
Federal taxes amounted to	302, 503
	3, 423, 094

So that its net income after taxes, but before depreciation interest, was approximately one-third of its gross income.

From an examination of preceding and following data, it is apparent that the corporation clearly dominates the following industries: Calcium carbide, acetylene, Prest-O-Lite, stellite, oxygen, ferro-alloys, manufacture of oxygen acetylene equipment, stabilized gasoline, dry cells, flashlights, and that it is an important producer but not a dominant one of carbons and storage batteries and certain solvents, intermediates, and hydrocarbon gases.

The gross value of principal products of all the industries affected other than batteries in 1923 was approximately $83,000,000, and as the gross business of the Union Carbide & Carbon Corporation was probably a minimum of $75,000,000, and as the majority of its assets and resources are devoted to products other than batteries, its dominating position is clearly apparent.

TARIFF

The industry is a protected one; practically all products of the corporation which might encounter foreign competition have import duties imposed on them. Among its products on which specific duties are imposed by tariff act of 1922 are the following: Calcium carbide, ferrosilicon, refined silicon, aluminum silicon, copper silicon, high carbon ferrochromium, low carbon ferrochromium, chromium tungsten, standard ferromanganese, low carbon ferromanganese, manganese metal, copper manganese, silico-manganese, zirconium alloys, carbon electrodes, acetaldehyde, acetone, aldol, diethyl sulphate, ethylene dichloride, ethylene chlorhydrin, ethylene glycol, ethylene oxide, glycol diacetate, storage batteries, hydrated lime, dry cells, brushes, illuminating carbons, carbon specialties.

Mr. BRUCE. Mr. President——

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

Mr. McKELLAR. I yield with pleasure.

Mr. BRUCE. Just exactly what disposition does the Senator think ought to be made of Muscle Shoals?

Mr. McKELLAR. I think the same disposition ought to be made of it that was made by the act of 1916 under which it was developed, namely, that the Government should hold it and at all times have it ready for operation for the manufacture of nitrates in time of war, and that in times of peace it should be devoted principally to the manufacture of cheaper fertilizers for the farmers of the United States.

Mr. BRUCE. By the Government itself?

Mr. McKELLAR. By the Government itself in accordance and in exact accordance with the terms on which the plant was built by the American people through their Government.

Mr. BRUCE. Has not the observation of the Senator from Tennessee been that Government operation of industrial plants of every sort has invariably been attended with financial disaster?

Mr. McKELLAR. No; not plants of this kind. When Theodore Roosevelt built the Panama Canal at a cost of about $400,000,000, as I remember the gross figures, it was said that generations a thousand years hence would not have finished paying for the cost of the plant. That great project was carried through by the Government and tolls were established by the Congress, just as tolls ought to be established in connection with the water-power proposition at Muscle Shoals. What has been the result? As I recall the figures, the income from the Panama Canal to-day is something like $25,000,000 a year. It will not be long before the entire indebtedness of the Panama Canal will have been paid, all the bonds which were authorized for its construction will have been taken up, and the Government will be receiving from that great development something like $25,000,000 income a year. I think the Government in business there has been a great success. I believe it would be a like success in business at Muscle Shoals.

I call the Senator's attention to another thing. The farmers of the country have been burdened with enormous rates of interest from time immemorial until the Congress a few years ago, under the leadership of the great Woodrow Wilson, who was admired by both the Senator from Maryland and by myself, enacted a law invading private business. The Congress at his suggestion enacted a law invading the private business of loan companies. We established the farm-land banks, thereby saving to the American farmer millions and millions of dollars in the way of interest rates. We invaded that realm of private business to the great benefit of the great mass of the farmers in America. It has been a marvelous success. I do not believe we could get a single vote in this body to repeal the farm loan act, which was an invasion of private business.

The Senator has been abroad. He knows what kind of postal systems there are in other parts of the world. Here in the United States we have a postal system, not run perhaps as well as it might be—I hope it may yet be run even better—but it is one of the most remarkable successes in the world. As a part of that system we adopted another innovation.

Mr. BRUCE. May I interrupt the Senator?

Mr. McKELLAR. I will yield to the Senator again in just a moment. Upon the suggestion of President Wilson the Congress several years ago during his administration adopted what is known as the Parcel Post System. It was an invasion of private business. It interfered with the business of the express companies of the country. It was fought vigorously by all those who felt that the Government ought not to invade the realm of private business. But we did it, and the users of that system to-day are millions of the American people. It has brought down rates, perhaps cut them in two and even more. It has been a wonderful success. It is more than paying its way to-day, as the post-office records show. The express companies in competition with that system are still doing business and still making money, yet the American people, the users of this great system, have been vastly benefited by it. I say that is another splendid exception to the rule that the Government should not go into business. I doubt if anybody offering a bill to repeal the parcel post law could get half a dozen votes in either body in favor of it.

Those are examples of the Government going into private business. Whenever it has done it, it has been of inestimable value, and if the Senator from Maryland will listen to that part of my speech which I expect to make in a very short time showing how this great plant can be used to cut the prices of electricity at least in half, I believe I will be able to demonstrate to him that possibly the best bill that could be passed at this session of Congress would be a bill directing either the President or a commission to proceed to utilize the great power that has been created at Muscle Shoals for the benefit of the people, for the benefit of the users.

We could cut the rates in half. We could give the people within transmission distance of electrical power down there the means to make them a prosperous and happy people. It ought to be done just as we did it for the users of the parcel post and just as we did it for the use of the farmers of the country in establishing the farm-land banks, and just as we have done it for the benefit of the American people in establishing the great canal at Panama.

Mr. DILL. Mr. President, the Senator omitted to mention the Waterways Corporation that made such a marvelous development on the Mississippi River.

Mr. McKELLAR. That is true. It was an outgrowth in exactly the same way. I thank the Senator for the suggestion. That has been a success. It is making money. What more is it doing? We have that waterway on the Mississippi River. It has reduced the freight rate for the people a long distance from the Mississippi River, because the railroads are required to make combination rates with the carriers on the Mississippi River. It saves the people at least 20 per cent in their freight rates. Is not that a desirable thing? The railroads are doing well and making splendid money——

Mr. DILL. More than they ever did before.

Mr. McKELLAR. Yes; more than they ever did before, and the American people are getting the advantage of the cheap rates.

I am going to show to the Senator from Maryland, when I get to that part of my argument, that out in the city of Los Angeles was a company that was charging 10 cents per kilowatt for electricity to all the people of Los Angeles. As the Senator may recall, Los Angeles had to find a water supply. She did not have an adequate water supply near by, so she went 150 or perhaps 250 miles to the mountains to get a water supply. She brought it from several thousand feet above; she had to build aqueducts to bring the water to Los Angeles. After they had built the plant for the water they found there was an immense power that could be developed, so they issued bonds, as I remember, something like $23,000,000, and established a power plant and generated enough power to more than supply or nearly supply the city of Los Angeles.

What was the result? The first result was that they cut the price of that power in half. They cut it from 10 cents per kilowatt to 5 cents per kilowatt. I believe they had to add a small percentage above that to take care of the bonded interest and the sinking fund and that the rate is actually 5.4 cents per kilowatt. But in 40 years they will have paid off every dollar of that indebtedness. They are using a part of the returns, which more than take care of the sinking fund and the bonded interest and the other expenses, for other city purposes. Marvelous though it may seem, the great private company, which had hitherto manufactured electricity by means of oil burners, and very cheap oil, too, had to cut their rates to 5 and a fraction cents, but the company has paid more dividends than it ever did before. What has been the advantage? By the development of this public institution the rate users of Los Angeles and surrounding territory have been receiving their electricity for about one-half of the price they had previously paid.

That is precisely what we ought to do at Muscle Shoals. There are great cities near by that region. It is the only power site within electrical-transmission distance of cities like New Orleans, Memphis, Nashville, and Birmingham. That power is being generated at 2 mills or less than 2 mills per kilowatt. It is being sold to-day for 2 mills. What is the distributing company charging for it? It is charging 8½ cents per kilowatt. I shall refer to the exact figures in a few moments, but I am now merely answering the Senator's question. Why are we standing here fighting in this way? It is for the purpose of making this great power plant of value not to this great monopolistic corporation with $250,000,000 capital, but to make it a genuine benefit to the people whose money paid for it.

I ask the Senator why should Congress spend $150,000,000 under the pretense of using this plant for military purposes in time of war and for the farmers in time of peace and as soon as we get it built turn it over to a great corporation, such as the Union Carbide Co., and the people not get a cent out of it? That company will make untold millions if it gets it, and the people will not get a cent; they will not even get a reduction of any rates. Electricity is being produced there now at less than one-fifth of a cent, and the people of that community are paying from 8½ to 11 cents for it. The people in Memphis pay 10 cents, in Knoxville 10 cents, in Nashville 11 cents, in Birmingham 8½ cents, and in New Orleans they pay 10 cents. Those are some of the rates. Would the Senator say that we ought to let this monopoly utilize that plant? Did the Senator hear how many things this company does? It is engaged in almost every kind of manufacturing business. It will use all of the power down there for its own purposes, and the price provided to be paid in House bill 518, which we are asked to indorse in this resolution, will be less than the cost of the Government keeping the plant in repair.

Mr. BRUCE. Mr. President——

Mr. McKELLAR. I yield to the Senator from Maryland.

Mr. BRUCE. The Senator from Tennessee ought to feel indebted to me for giving him an opportunity to make an entirely fresh start.

Mr. McKELLAR. No, sir; but I am always indebted to the Senator whenever he interrupts. I will say that the Senator always asks questions that are important; he always contributes to the debate, and I am always glad to yield to him.

Mr. BRUCE. And I am bound to admit that the Senator from Tennessee makes very prompt answers.

Personally, I do not believe that one solitary instance can be cited in the history of the Government where the Government has ever operated any industrial enterprise except at a loss.

Mr. McKELLAR. Mr. President, will the Senator allow me to ask him a question at that point?

Mr. BRUCE. Yes.

Mr. McKELLAR. If I should introduce a bill—which I am not going to do—to repeal the parcels post law, would the Senator vote for such a bill?

Mr. BRUCE. I am glad the Senator brings up the subject of the postal department of the Government. Of course, there are some functions that the Government must perform, whether it performs them at a loss or not.

Mr. McKELLAR. But the parcel post is not one of those functions.

Mr. BRUCE. One of the functions which the Government must perform is the postal function, which, of course, brings the Government into most intimate relations with the people. For that reason and for many other reasons that particular function ought to be taken over by the Government, but surely the Senator from Tennessee is aware of the fact that the postal department of the Federal Government is habitually run and has for years been run at a loss. Several years ago Secretary Burleson on the stand testified that if he could let out the Rural Free Mail Delivery Service of the United States to private contract he would save the Government $18,000,000 a year.

Mr. McKELLAR. Just one moment——

Mr. BRUCE. The Senator from Tennessee is also aware of the fact that a large proportion of the expenses of the postal department of the Government are not charged to postal receipts, but are charged to the general receipts of the Government; that is to say, to the general Treasury of the Government. So, instead of being run at a profit, the postal department of the United States is run every year with a large deficit.

Mr. McKELLAR. Mr. President, I hope the Senator from Maryland will permit me to interrupt him, for I know he does not want to make a mistake about his figures. I happen to be on the Senate Post Office Committee, and have served on that committee for many years. I was serving on the committee when Mr. Burleson was Postmaster General. My recollection is—I will not be positive, but will put the figures into the RECORD so that there can not be any question about it—that during six out of the eight years that Mr. Burleson ran the Post Office Department he ran it at a profit, and during the entire eight years of the Wilson administration, under Mr. Burleson, my recollection is, the Post Office Department showed a substantial profit. The recent changes have not been economical. Notwithstanding what has been claimed about economy, it has not been brought about. While recently the Post Office Department has been run at a loss, I think that condition is temporary, being occasioned by the increase in wages, but I have no doubt economies can be brought about.

However, I asked the Senator from Maryland this question: Would he vote to repeal the parcel post law? The parcel post is no ordinary postal function. Senators stood here when that law was in the process of enactment and stated that it was not a postal matter, but was an invasion of private business; and so it was. It has been, however, a wonderful success. It is paying its way and more than doing that. I will say to the Senator from Maryland—and I serve on the Post Office Committee of the Senate, and I know the facts—that it will produce at least $8,000,000 more than the service costs. Would the Senator from Maryland be willing to vote to repeal the parcel post law of 1913, I believe it was, which has done such great good in bringing down the rates on articles that are sent by parcel post?

Mr. BRUCE. As at present advised, I am not willing to repeal any part of the laws of the United States relating to the Post Office Department, because, as I have said, that is a department which the Government should run, whether it runs it at a pecuniary loss or not.

Mr. McKELLAR. That is a frank statement.

Mr. BRUCE. But I now challenge the statement of the Senator from Tennessee that at any time in recent years the operations of the Government postal department have resulted in a profit.

Mr. McKELLAR. I will ask to have the figures sent me of the receipts and expenditures during the eight years of the Burleson administration of the Post Office Department, and I will later give the Senator the exact figures. There is no use in our differing about figures.

Mr. BRUCE. There is no difference between the Senator from Tennessee and myself, I imagine, despite any figures he may produce. The point is that a large part of the expenses of the Postal Department of the Federal Government are not paid out of the postal receipts but out of the general receipts of the Treasury.

Mr. McKELLAR. That has only been so during the last three or four years.

Mr. BRUCE. I suppose that is as true this year as it has been true in past years.

Mr. McKELLAR. It is true this year because the increase in the wages of postal employees, as I remember, amounted to $68,000,000. We raised the postal rates to make the increase pay for itself, under the direction of the President and at his earnest insistence, and the result was that we raised postal rates higher than the traffic would bear in some instances, and we have not obtained the revenue which was anticipated. We had a hearing on that last summer. I was a member of the commission, and I am thoroughly familiar with it. I heard all the evidence, and I have no doubt that a bill can be prepared which will rearrange those rates in such a way that the Post Office Department can be made absolutely self-sustaining, just as it was during the Wilson administration. The people have been enormously benefited by these invasions into the realms of private business.

Mr. BRUCE. I am not speaking of the increases in rates to which the Senator refers. They have resulted, of course, in an additional deficit; I am not speaking of those, but I am speaking of the general course of experience of the Postal Department of the Government. The Senator is aware, I am sure, that a large part of all the expenses of the Postal Department of the Government are paid out of the general receipts of the Treasury. Is not that true?

Mr. McKELLAR. Oh, no.

Mr. BRUCE. Suppose a post office is erected, we will say, in Cleveland or some other city in the West or in some city in the South; is the expense of erecting that post-office building paid out of the postal receipts? The Senator knows it is not.

Mr. McKELLAR. I have been a Member of the Senate for nine years, and we have practically spent nothing for the erection of post offices during that time. I do not believe we have had a public buildings bill since I have been in either body of Congress. But, since the Senator says he would not vote to repeal the parcel post law, I want to ask him about another invasion of the Government in the domain of private business.

Mr. BRUCE. Will the Senator let me continue a little longer on the line that he has opened up, and then I will be very glad to answer any question.

Mr. McKELLAR. Very well.

Mr. BRUCE. The salaries of postal employees, at any rate, of the chief officers of the postal department are paid out of the general receipts of the Treasury, are they not?

Mr. McKELLAR. All salaries are paid out of the general receipts.

Mr. BRUCE. Precisely.

Mr. McKELLAR. But let me show the Senator what the fact is. My recollection is that we have appropriated this year for the Post Office Department, in the bill which was recently passed, something like $700,000,000. It is estimated that because of the increase in postal salaries there will be a deficit of about $30,000,000 this year. That is, $30,000,000 out of $700,000,000. In other words, the postal receipts of the Government to be covered into the Treasury will probably amount this year to $670,000,000, and the amount paid out of the general fund will be $30,000,000, as compared with $670,000,000. The Senator sees that that is not a very great discrepancy. During the Burleson administration a number of millions were made on the other side of the ledger, but after 1921 when our Republican friends came in there some added extravagances in the department; there was, of course, the natural growth of the department, and there were, perhaps, additions to salary. Those additions caused a loss of, I think, one year $6,000,000, and another year of, perhaps, $10,000,000, and the deficit reached as high probably as $20,000,000 before the last addition to postal expenses. However, I will say to the Senator that the receipts from the Post Office Department increase about $36,000,000 a year; that is merely the ordinary increase; and it can not possibly be longer than two years under the present arrangement before the department will be more than self-sustaining; indeed, there is no reason, except extravagance, why it is not self-sustaining now.

Mr. BRUCE. If I am correctly informed, for years past, if the expenses of the Postal Department paid out of the General Treasury of the United States are taken into account, the Postal Department of the United States has been run at a deficit.

Mr. McKELLAR. I have explained to the Senator that in the Democratic administration it was run at a profit. In the last two administrations it has been run with a comparatively small deficit. That is the fact about it.

Mr. BRUCE. It is not a great deficit, but I say when we take into account——

Mr. McKELLAR. I have said it is $30,000,000 as compared with $670,000,000, which is not a very large deficit in governmental figures.

Mr. BRUCE. To repeat what I said a little while ago with regard to the Rural Free Delivery Service, I myself read with my own eyes the testimony of Secretary Burleson to the effect that if he were allowed to let out the Rural Free Mail Delivery Service of the United States to private contract he could save the Government of the United States $18,000,000 a year, and I have not the slightest doubt that the same thing would be true of the Parcel Post System.

Mr. McKELLAR. All I can say about the parcel post is to refer to the report of Postmaster General New, who is a very fine and a very accurate man, and is making a splendid Postmaster General. We have his report; I have it in my office now; it is confidential until given out by the chairman of the Post Office Committee; but I will show it to the Senator in confidence. That report shows that the parcel post service is making a profit of about $8,000,000 a year. So that service has been a success.

Now, I want to ask the Senator would he vote to repeal the farm-loan bank system? That was an invasion into the domain of private business. Would the Senator vote for its repeal?

Mr. BRUCE. No; I would not simply——

Mr. McKELLAR. I am glad to hear the Senator say so.

Mr. BRUCE. Simply because that falls within the same category of Government enterprises as that of which I spoke a few moments ago. I think the Government ought to furnish the farmers with banking accommodations of that sort, even if it does so at a loss.

Mr. McKELLAR. The Government does not to-day furnish the general public and business with banking facilities.

Mr. BRUCE. I am talking about industrial enterprises.

Mr. McKELLAR. It does not furnish industries banking facilities. They have to get their banking facilities as they can and upon their merits. The farmers are allowed to borrow not from a Government-aided bank but a Government-established bank under the control of the Government. The Government lends them the money, and I think it is one of the wisest invasions of business that I have ever known, and I am glad to hear the Senator say that he would not vote to repeal it. I would not do so either. I am sure the Senator would not vote to repeal the Panama Canal tolls act.

Mr. BRUCE. I am not so certain about that. I should like to know from the Senator from Tennessee whether he has ever seen any detailed statement showing every dollar of receipts received by the Panama Canal agency and every dollar of expense.

Mr. McKELLAR. Yes, sir.

Mr. BRUCE. And I also want to know how far the expenses of operating the Panama Canal come out of the general Treasury of the United States Government.

Mr. McKELLAR. All of the expenses come out of the Treasury.

Mr. BRUCE. And I should like to know the same thing in regard to the Waterways Corporation, of which he speaks.

Mr. McKELLAR. I will give the Senator the facts in both cases if the Senator will permit me to do so.

Mr. BRUCE. Of course the fact that the Government gives the people lower rates is not a matter of any real significance if the Government is covering up its deficits in the tax rates or is increasing the general burden of taxation to its people.

Mr. McKELLAR. If the Senator asks me a question, if he will let me answer it, I shall be glad to do so.

Mr. BRUCE. Why, of course, I will.

Mr. McKELLAR. The Senator asked two questions, and I want to answer them both.

The Senator asked me about the receipts and expenses of the Panama Canal, and whether I had the detailed figures. If the Senator will look into the report of the Secretary of the Treasury for the last year of receipts and disbursements, he will find that the gross receipts from the Panama Canal are stated there, and the gross amount of the expenses is stated there. There will be no trouble in the world about that. If the Senator will write a letter to the Comptroller General of the United States and ask for those figures he will have them in his office to-morrow.

As to the river barge line, that is somewhat different. That is run by the Government; but it is run through a commission, and that commission runs its own affairs. By the way, the expenses of this line are not paid out of the Government Treasury. They are paid by the barge line, and the receipts go to the barge line. It is Government owned, Government controlled, of course. For the first two or three years there were very great losses on the Warrior River, which is a small river in Alabama, running from near Birmingham to Mobile, and there were profits on the Mississippi River at the same time; but, as I recall, for the first two or three years there were not sufficient profits on the Mississippi barge line to overcome the losses on the other. For the last two or three years, however, there has been a big profit on the Mississippi line, and the losses on the Warrior line have become less; and the result is that there is a net profit to the Government in running both of those lines, taken together.

Manifestly, if the users of freight, the merchants and business men of the country, can get their transportation for 20 per cent less by reason of these barge lines, they have done a great work, and their existence certainly has been a great thing for the whole Mississippi Valley. I hope to present a bill before a great while, and I hope the Senator will vote for it, to give us a barge line all the way from Chicago to the Gulf. It will be an inestimable boon——

Mr. BRUCE. To be run by the Government?

Mr. McKELLAR. To be run by the Government.

Mr. BRUCE. The Senator will never gain my assent under any circumstances.

Mr. McKELLAR. I am sorry.

Mr. BRUCE. It was only at the last session of Congress that persons interested in water transportation on the Mississippi came before the Interstate Commerce Committee and said it could not stand up under competition with the railroads and asked for the passage of the Gooding long and short haul clause bill in order that it might be able to compete with the railroads.

Mr. McKELLAR. The Gooding long and short haul bill, as I understand, has not the slightest connection with the barge line on the Mississippi.

Mr. BRUCE. Yes; it has all the connection in the world.

Mr. SMITH. Mr. President——

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

Mr. McKELLAR. I do.

Mr. SMITH. If the Senator from Tennessee will allow me, I intend this afternoon, if I can get the floor, to include in my remarks a detailed story by General Ashburn of the history of this barge line on the Mississippi.

Mr. McKELLAR. It has been a success.

Mr. SMITH. And I think it will convince the Senator, not against his determination that the Government should go into things of that kind, but that they have made a success, and that they could not make it otherwise.

Mr. McKELLAR. The Senator from South Carolina mistakes the position of the Senator from Maryland, because he has already said that he would not vote for the repeal of the farm land bank bill, and he would not vote of the repeal of the parcel post law. Both of those were invasions of public business. I think that is a very valuable admission coming from the Senator from Maryland, and I hope he will grow in grace and come out on the side of the people in this matter.

Mr. BRUCE. Nor would I vote for the repeal of a provision in a city charter empowering the city to conduct its own water department to supply itself with water. I think a large city ought to take over the function of supplying its citizens with water, even though it conducts its operations at a loss; but I am speaking now of industrial enterprises. So far as I can see, the Senator's objection to this corporation that he thinks will become the lessee of Muscle Shoals is simply that it is a big corporation, that it has enormous capital and a vast volume of business.

Mr. McKELLAR. Oh, no; I simply want to know what sort of a corporation it is.

Mr. BRUCE. All those things recommend it to me. The Senator surely does not want some weak, incompetent corporation to take over Muscle Shoals.

Mr. McKELLAR. I do not want any corporation to get it. The law says that no corporation shall have it, and I want to stand by the law as it is.

Now I want to ask the Senator one other question. The Senator says that he wants to turn this plant into the hands of a private institution to lease it. The Senator knows that the United States now has no known source of nitrates sufficient in time of war, except the Chilean nitrates, that are found down near the coast of Chile. If a nation like Japan should become an enemy of ours and should cut off communication between the United States and Chile, we would be cut off from our supply of nitrates which would allow us to manufacture explosives. The Government built this plant at Muscle Shoals with the primary intention and the honest and sincere intention of being removed from that menace. We built this plant to have it ready at all times to manufacture nitrates in case we were cut off from Chilean nitrates. Is the Senator willing to put this plant in the hands of private manufacturers of various other commodities and have it devoted to uses that are wholly antagonistic to the making of nitrates in time of war when the Government will have to condemn the plant if it takes it over in time of war? In all reason, as a matter of national defense, having built this plant at the enormous cost of $150,000,000, and since it is a perfect defense in case of trouble from the outside, does not the Senator think it is a matter of prudence for the Government to keep that plant in its hands, always ready to make nitrates in time of war?

I hope to God we never will have another war. I think war is one of the most awful things in the world, and I hope America never will be subjected to it again; but we never can tell. We ought to keep that plant ready at all times to make nitrates in time of war. If there were not any other question involved, I would be in favor of keeping the plant, and I would be opposed to its disposition to private interests; but it is proposed here not to dispose of it for a consideration, but to give it away. I say to the Senator that the consideration mentioned in House bill 518 is not enough to pay for the cost of keeping up that plant, and the Government has to keep it up.

Mr. BRUCE. When the Senator refers to the national defense, he touches me at a very sensitive point. I feel about that exactly as he does.

Mr. McKELLAR. I am glad to hear it.

Mr. BRUCE. I know very well for many reasons—if I did not have any other reason, because of what we all ob-

served during the war—that Tennessee has a true fighting spirit.

Mr. McKELLAR. I thank the Senator.

Mr. BRUCE. But I answer his question by saying that I see no reason why there should not be inserted in this lease, no matter to whom the lease is made, a provision that the lessee shall turn out a certain amount of nitrates every year for the purposes of the national defense, and that in time of war the Government shall have the same right that it exercised in relation to the railroads of this country during the World War; that is to say, of taking over, if it sees fit, this plant and conducting it through the agency of its own officers and employees. In time of war I would care but little whether Government operation resulted in a deficit or not, just as I cared but little during the World War whether the governmental operation of the railroads resulted in a deficit or not.

Mr. McKELLAR. I am glad to hear the Senator say that.

Mr. BRUCE. So, if the Senator will pardon me just one moment, I think all his objections could be met by giving the proper form to this lease.

Mr. McKELLAR. I have great hopes for the Senator being on our side of the matter before this debate is over for this reason: The company that has been referred to, engaged as it is in manufacturing various articles in this country, will never agree to a lease with the provisions in it that the Senator has stated. It will never go into this lease on those terms. They are not in the one that was proposed here last year. The only rights that the Government would have in that property would be to take it over, if it saw fit, and pay for it just like it would pay for any other property should war come.

Mr. BRUCE. May I interrupt the Senator again?

Mr. McKELLAR. Just a moment. I agree with the Senator that if this great plant should unhappily and unfortunately go into the hands of private interests the provision that the Senator mentions should be in the lease. I say that we ought not to be under the menace at any time of having to keep up communication between here and Chile in order to get nitrogen when it is possible for us to obtain it here in untold quantities. We can take it out of the air at Muscle Shoals with property that we already own; and, so far as I am concerned, regardless of excess power, regardless of what good it may do anyone else, I will never vote for any measure that will put this property into the hands of an individual in contravention of the best interests of the United States, which would be served by holding it there for time of war.

Why, I will say to the Senator that until last October one of the contestants for this power was the Alabama Power Co., which at that time was owned to the extent of 70 per cent by British interests. It has since admitted it. It claims now that it has sold additional stock, and that the majority of its stock is now held in this country. That is the claim.

By manipulations of some kind it may be figured out so; but the real interest in the Alabama Power Co. is in Great Britain. It is unthinkable that we should have our best war asset in the hands of a foreign corporation, one of our rivals in business and trade.

I hope to heaven that we may never have a war with Great Britain. They are kinspeople of ours, and I admire them extravagantly. They are wonderful people; but my idea is that we ought never to turn over our principal war asset to any concern whatsoever, and especially not to a foreign-owned concern. Why, it would be just the same as leasing our battleships to Great Britain. Great Britain is friendly to us now; why not just lease them to her? This war plant down here at Muscle Shoals is infinitely more important than any battleship, because a battleship is useless unless it has explosives, and that plant is the only one in the country where we can get a sufficient amount of explosives. It is an absolute necessity in war. We ought to keep it for that purpose at all times. We ought not to let the title pass out of the hands of the United States.

We should not let the control and possession pass out of the United States to any company whatsoever. I take it that only one of the bids that has really been made amounts to anything, and that is the bid of the Union Carbide Co. I have a notion, because of the quietude of the Alabama Power Co., that they have made an arrangement; that they have found they can not work it if they bid against each other, they have found that if these three companies, the American Cyanamid Co., the Union Carbide Co., and the Alabama Power Co., all fight for it, probably none of them will get it. So I have no doubt that they have concluded to just let one take it over on the best terms they can get, and then divide up the spoils. I can not prove that fact, because I do not know, but I have a very strong notion that there are very accurate moccasin tracks surrounding this.

Mr. BRUCE. The committee would be under no obligation to recommend a lease to the Alabama Power Co. If they did, and if the foreign ownership of its stock was a reason why the lease should not be made to it, the committee might report a lease containing a provision that if war came, then, no matter whether the stock of the lessee were held by foreigners or held by our own people, our own Government should have the right to take the plant over and operate it. It seems to me that meets the objection of the Senator from Tennessee completely.

Mr. McKELLAR. That is a detail, I will say to the Senator. I offered an amendment of that kind to the Underwood bill, and even Senator UNDERWOOD accepted such an amendment. As soon as that amendment was included in the bill the Alabama Power Co. reorganized itself.

It was said that the real Alabama Power Co. that was bidding for the plant had been reorganized so that a majority of the stock was held in this country. But we all know where the ownership is. However that may be, that is immaterial, because, in my judgment, if the Senator will permit me, there will be but one bid, and that the bid to be made by the Union Carbide Co. The Union Carbide Co., through its principal officer, stated that they did not want any change or amendment in this resolution. It is very remarkable that that officer of the company should have taken that course. He did not want the Congress to make any change, and the Senator in charge of the resolution is saying right now that there will be no change in it, that there must not be any change in it. All amendments must be voted down, however proper and right the amendments may be. Whatever safeguards are placed around the disposition of this property, if it is disposed of, must not be provided in this resolution. They must all be left to this committee, under one direction, the direction of the Underwood bill of last year.

Mr. BRUCE. If the committee reports a lease that is not satisfactory to the Congress, of course the Congress will have a right to reject it, will it not?

Mr. McKELLAR. Oh, yes. I want to take just a moment on that subject. I am glad the Senator asked the question. Congress would have a right to reject it, it is true. If a bid is made by the Union Carbide Co. which does not afford an adequate consideration, and it comes before Congress, the Senator from South Carolina [Mr. SMITH], the Senator from Louisiana [Mr. RANSDELL], the Senator from Nebraska [Mr. NORRIS], the Senator from Georgia [Mr. GEORGE], I myself, and some others will be found fighting it if the bid comes in with no provision about the distribution of the excess power, and there will be a number of Senators on the other side, a much larger number, probably, fighting for it.

Mr. BRUCE. I think I would be fighting it, too.

Mr. McKELLAR. I am glad to hear the Senator say so. I want to call to the Senator's attention the fact that there are many Senators from away on out the Pacific coast, many from out in the great West, and up in the North, thousands of miles removed from this project, who are not taking any interest in it. They are not interested in it at all. The only men from up in that country who are interested in it are scholars like the Senator from Maryland, like the Senator from Nebraska [Mr. NORRIS], who is one of the great students of this body, a man of wide information, who has given long and great study to this question. The Senators who are not particularly interested are going to say, "Oh, well, the President wants it to go through. He wants this carbide company to have it. We will just let it pass." And it will pass, and this great institution, which is an absolutely necessary institution in the protection of this Republic in time of war, which cost the American people $150,000,000, will go for a song.

Mr. BRUCE. It seems to me that the further removed a Member of the United States Senate is from Muscle Shoals in point of distance the sounder is his judgment.

Mr. McKELLAR. That may be so.

Mr. BRUCE. That appears so to me. The trouble about the exercise of judgment, it seems to me, on the part of individuals who live in proximity to Muscle Shoals, is that their views are naturally enough colored by all kinds of considerations, I will not say selfish considerations, but all kinds of secondary considerations, which do not appear to influence the minds of Senators from other parts of the United States at all with respect to this plant. I am not speaking of the Senator from Tennessee, because, of course, he has committed himself to this idea of Government ownership, just as has the Senator from Wisconsin, and I know he is perfectly honest and sincere in the views he entertains. But it does seem to me that a network of suspicion, distrust, and competitive selfishness, if I may use such an expression, has been thrown about this whole proposition, and it has created a large part of the difficulty

we find in dealing with it. But, as I have said, I know nothing can be more perfectly honest and perfectly sincere than the position taken by the Senator from Tennessee, and I want to thank him for the opportunity he has given me to express my views about the matter, and for the pleasure and instruction I have derived from the expression of his views.

Mr. McKELLAR. I am very happy that the Senator has interrupted me. I now introduce a statement as to the principal companies making up the Union Carbide & Carbon Corporation group.

The PRESIDING OFFICER. Is there objection?

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

American Ever Ready Co., California Chrome Co., Canadian National Carbon Co. (Ltd.), Carbide & Carbon Chemicals Corporation, Clendenin Gasoline Co., J. B. Colt Co., Dominion Mines & Quarries (Ltd.), Dominion Oxygen Co. (Ltd.), Electric Furnace Products Co. (Ltd.), Electro Metallurgical Co., Electro Metallurgical Sales Corporation, Carbide & Carbon Realty Corporation, Haynes Stellite Co., the Linde Air Products Co., the Linde Air Products Co. of Texas, Linde Air Products Co. (Pacific coast), Michigan Northern Power Co., National Carbon Co. (Inc.), Northern Industrial Power Co., Oxweld Acetylene Co., the Oxweld Railroad Service Co., the Prest-O-Lite Co. (Inc.), Prest-O-Lite Co. of Canada (Ltd.), the Prest-O-Lite Co. of Indiana, Union Carbide Co., Union Carbide Sales Co., Union Carbide Co. of Canada (Ltd.), Union Carbide & Carbon Corporation, Union Carbide & Carbon Research Laboratories (Inc.), Zircon Tool & Alloy Corporation.

Mr. McKELLAR. I next offer a statement as to the detailed uses, competition, duties, and production of various articles manufactured by the corporation.

The PRESIDING OFFICER. Is there objection?

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

DETAIL OF USES, COMPETITION, DUTIES, AND PRODUCTION OF VARIOUS PRODUCTS MANUFACTURED BY THE CORPORATION ARE INCLUDED ON THE FOLLOWING PAGES

CALCIUM CARBIDE

This product is made by the Union Carbide Co., a subsidiary, which is one of the most important of the companies and has outstanding capital stock of $39,757,854.

Calcium carbide is used to produce acetylene gas; the principal uses of acetylene being—

(a) For welding and cutting of metals.

(b) For lighting and cooking.

(c) For use in miners' lamps.

Number of establishments in the United States, 6.

Principal competing companies (i. e., rated $1,000,000 or over):

Air Reduction Co., New York.

Federal Carbide Co.

Production in the United States (1923 census), 118,702 tons.

Value of product (selling price at factory, 1923 census), $8,818,221.

Import duty (tariff act of 1922, sec. 1, par. 16), 1 cent per pound.

Produced by Union Carbide Co. manufacturing plants at Niagara Falls and Sault Ste. Marie, Welland, Ontario.

Product is sold under trade names, Union Carbide, Cameo Carbide, Imperial Carbide, and Amazon Carbide.

Production by Union Carbide Co. is believed by the industry to be well in excess of 50 per cent of total production—its exact production is not available. The company maintains more than 150 warehouses throughout the United States, but no competing company approaches the size or resources of Union Carbide Co. which easily dominates its field.

FERRO-ALLOYS AND ALLOYING METALS

These products are manufactured by the Electro Metallurgical Co., a subsidiary, which has outstanding capital stock of par value of $5,000,000, substantially all of which is owned by the Union Carbide & Carbon Corporation, and $1,165,000 bonds.

Ferro-alloys are used chiefly in the manufacture of steel and are themselves mixtures or compounds of iron with such metals as silicon, chromium, and manganese. Chromium, silicon, and manganese are also produced virtually free from iron and are sold as commercially pure metals.

The plants of this company are at Niagara Falls, N. Y.; Holcomb Rock, Va.; Glen Ferris, W. Va.; and of its foreign subsidiaries at Welland, Ontario, and Sauda, Norway.

The importance of the industry may be shown from Table 30, census manufactures of 1923:

Ferro-alloys.

Number of establishments, 28.

Quantity produced, 215,424 tons.

Value of product, $20,899,083.

Rare metals and alloys, 9 plants.

Value of product, $1,745,996.

Principal competing companies engaged in the production of ferro-alloys are as follows:

United States Ferro-Alloys Corporation, a subsidiary of Vanadium Corporation of America, with authorized capital of $3,000,000.

Metal & Thermit Co., whose principal business is detinning, but one of whose plants makes thermit and alloys. Company has 45,437 shares of no par-value stock and $774,000 of preferred.

Rogers, Brown & Crocker.

Baltimore Electric Alloys Co.

Molybdenum Corporation of America.

Several of the larger steel companies produce manganese as a by-product.

There is no competing company which approaches the Electro Metallurgical Co. and its subsidiary or allied companies in the matter of resources, water power, manufacturing capacity, or sales organization. It clearly dominates the industry and is believed to have more than 60 per cent of the available business.

Details of certain of its products are as follows:

Ferrosilicon is used in the manufacture of steel. Its function is to deoxidize steel, eliminating gases and other impurities, and permitting the manufacture of steel solid and free from blowholes and other imperfections. It is also used in the manufacture of steel castings and in the manufacture of steel springs and transformer cores.

The duty on ferrosilicon (tariff act of 1922, par. 302):

"Ferrosilicon containing 8 per cent or more of silicon and less than 60 per cent, 2 cents per pound on silicon contained therein; containing 60 per cent or more of silicon and less than 80 per cent, 3 cents per pound on the silicon contained therein; containing 80 per cent or more of silicon and less than 90 per cent, 4 cents per pound on the silicon contained therein; containing 90 per cent or more of silicon and silicon metal, 8 cents per pound on the silicon contained therein."

Chromium is used principally as an alloy in the production of steel for automobiles, heavy high-duty machinery, armor plate, and metal working.

Ferrochromium is used for production of high-chromium special steels and is perhaps the most widely used of all the alloying metals.

The import duty is as follows:

"Ferrochrome or ferrochromium containing 3 per cent or more of carbon 3½ cents per pound on the chromium contained therein; ferrochrome or ferrochromium containing less than 3 per cent of carbon and chrome or chromium metal, 30 per cent ad valorem." (Tariff act of 1922, par. 302.)

Manganese is used to give hardness and heat resistance to steel.

It is produced as a by-product by several of the steel companies as well as being a product of the electric furnace.

Duty on manganese is as follows:

"Ferromanganese containing more than 1 per cent of carbon, 1⅞ cents per pound on the metallic manganese contained therein: *Provided*, That ferromanganese for the purposes of this act shall be such iron manganese alloys as contain 30 per cent or more of manganese; manganese metal, manganese silicon, manganese boron, and ferromanganese and spiegel eisen containing not more than 1 per cent of carbon, 1⅞ cents per pound on the manganese contained therein and 15 per cent ad valorem." (Tariff act, 1922, par. 302.)

Molybdenum, used as an alloy to add hardness to steels.

Duty: "Molybdenum ore concentrates, 35 cents per pound on the metallic molybdenum contained therein * * * ferromolybdenum, metallic molybdenum, molybdenum powder, calcium molybdate, and all other compounds and alloys of molybdenum, 50 cents per pound on the molybdenum contained therein and 15 per cent ad valorem." (Tariff act of 1922, par. 302.)

Tungsten in the metallic state used principally in the production of high-speed steels including tool steels.

Duty: "Ferrotungsten, metallic tungsten, tungsten powder, tungstic acid, and all other compounds of tungsten, 60 cents per pound on the tungsten contained therein and 25 per cent ad valorem." (Par. 302, tariff act, 1922.)

Vanadium, used in the production of vanadium steel.

Duty: "Ferrovanadium, vanadium nickel, chromium vanadium, and all alloys used in the manufacture of steel not specifically provided for, 25 per cent ad valorem." (Par. 302, tariff act, 1922.)

STELLITE

Stellite is a trade name for a series of alloys, all of which contain the metals cobalt and cromium and most of which also contain tungsten. This being a patented alloy there is no direct competition for it, though the alloy competes with other alloys and steels from which tools, instruments, and other articles are made and fabricated.

It is claimed that stellite will not rust, stain, or tarnish, and that it is proof against the destructive action of most chemicals and acids and that except for slight changes in color it is not affected by heat up to 1,500° F. It is manufactured at the plant of the Haynes Stellite Co., at Kokomo, Ind., a subsidiary of the Union Carbide & Carbon Corporation.

No duty is specifically provided for stellite as none is imported, the process being a patented one and controlled by the corporation. Competitive articles, however, would carry the duty on any alloys used in the manufacture, as provided particularly in paragraph 302, tariff act, 1922.

GENERATORS, FIXTURES, BURNERS, AND IGNITERS FOR ACETYLENE GAS

These products cover the equipment necessary to install a complete gas plant for lighting and cooking in country homes.

This portion of the business is handled by the J. B. Colt Co., a subsidiary.

There are 31 companies which manufacture acetylene generators in the United States. Only two competing companies are rated at $1,000,000 or over. They are—

Air Reduction Co., of New York.

C. M. Hall Lamp Co., of Wisconsin, which, however, manufactures acetylene generators for auto and motorcycle use. In the manufacture of acetylene burners only the Prest-O-Lite Co., of New York, a subsidiary of the Union Carbide & Carbon Corporation is rated at more than $1,000,000.

In the manufacture of general acetylene machinery there are 15 companies, of which only Air Reduction Co. is the only competitor rated at more than $1,000,000.

The duty on acetylene generators and fixtures is not specifically provided, but it is probably included under paragraph 215, tariff act of 1922, which provides as follows: "Gas retorts, 20 per cent ad valorem; lava tip burners, 10 cents per gross and 15 per cent ad valorem; and magnesia clay supporters consisting of rings, rods, and other form of gas mantles, 35 per cent ad valorem."

SOLVENTS, INTERMEDIATES, AND COMPRESSED HYDROCARBON GASES

These are among the less important products of the Union Carbide & Carbon Corporation from the point of view of present gross sales. They are manufactured by the Carbide & Carbon Chemicals Corporation, a subsidiary. Its manufacturing plants are located at Niagara Falls, N. Y., Clendenin, W. Va., and South Charleston, W. Va. These products are divided into three groups:

1. Products used by other subsidiaries of the corporation, such as acetone, a large amount of which is required by the Prest-O-Lite Co. (Inc.).

2. Products used as solvents and intermediates in the rubber, dye, and varnish industries and tax-free alcohol for industrial and pharmaceutical uses. Included in this class are isopropanol, paraldehyde, ethylene, chlorohydrin.

3. New products commercially available for the first time in quantity for use in the explosive, tobacco, anti-freeze compounds, and flavoring extract industries. Representative products are ethylene, glycol, glycol diacetate, ethylene oxide.

4. Compressed hydrocarbon gases; included in this list are butane, ethylene, ethane, propane, pyrofax, pyrogen. Butane, ethylene, and ethane have value as refrigerating gases and ethylene as an anesthetic. Propane is used for refrigerating purposes, pyrofax as a household fuel, and pyrogen is used to supplement acetylene and oxygen in the process of cutting metals. Stabilized gasoline, another product of the company, is obtained by a patented process from natural gas. This process is of general application, and the patent rights of the company have been actively asserted. Activated carbon is a gas absorbent and is also used for solvent recovery. The duties on these products are as follows: "Acetaldehyde, aldol, ethylene dichloride, ethylene chlorohydrin, ethylene oxide 6 cents per pound and 30 per cent ad valorem." (Tariff act, 1922, par. 2.)

"Acetone 25 per cent ad valorem" (par. 3, tariff act, 1922); "diethyl sulphate 25 per cent ad valorem" (par. 38, tariff act, 1922).

Several of these products are the result of research carried on by the corporation and are either patented or trade-marked.

The business of this subsidiary of the corporation should increase in importance and volume as new and more general uses are developed for its products.

WELDING AND CUTTING APPARATUS AND ACCESSORIES

These products are manufactured by the Oxweld Acetylene Co., which manufactures a complete line of oxyacetylene apparatus and supplies for welding and cutting metals. Among its products are welding torches, cutting torches, pressure-reducing valves for oxygen, and acetylene cylinders, patented and special analysis rods for welding, and fluxes. Its products are marketed under the trade-mark "Oxweld" and "Eveready."

Four subsidiaries of the corporation work closely together in this industry. They are Union Carbide Co., which supplies the carbide; Linde Air Products Co., which supplies oxygen; Prest-O-Lite Co., which supplies the acetylene; the Oxweld Acetylene Co., which supplies the apparatus and equipment.

A special service for railroad companies is conducted by the Oxweld Railroad Service Co., which was formed to supervise all welding and cutting operations, together with instruction of the railroad company's operators, and also to furnish all of the apparatus for welding and cutting necessary to properly equip machine and car repair shops, engine terminals, and track workers' departments.

The company has manufacturing plants at Chicago, Ill., and Newark, N. J., and has outstanding $3,685,000 of common stock, substantially all of which is owned by the Union Carbide & Carbon Corporation. The railroad service department of this company, known as the Oxweld Railroad Service Co., has outstanding 25,000 shares of common stock, substantially all of which is owned by the Union Carbide & Carbon Corporation. This company practically dominates its field, the principal competition being supplied by the Air Reduction Co. No figures on gross sales are available in this industry. No tariff duty is specifically imposed on this equipment. Paragraph 215, imposing a duty of 20 per cent ad valorem on gas retorts, and paragraph 311, would probably apply, which provides: "No article not specifically provided for which is wholly or partly manufactured from tin plate, terneplate, or sheet, plate, hoop, band, or scroll iron or steel, or of which such tin plate terneplate, sheet, plate, hoop, band, or scroll iron or steel shall be the material of chief value, shall pay a lower rate of duty than that imposed on the tin plate, terneplate, or sheet, plate, hoop, band, or scroll iron or steel from which it is made or of which it shall be the component thereof of chief value."

PREST-O-LITE

This product, dissolved acetylene, is manufactured and marketed by the Prest-O-Lite Co. (Inc.), and is made by dissolving carbide in acetone. This gas is marketed in returnable steel containers. There are two principal uses for Prest-O-Lite; the first is in welding and cutting metals, the second for lighting and heating purposes wherever portability is required.

This gas is particularly used on heavy-duty motor trucks, motor cycles, and supplies lighting systems for tractors, camps, boats, and for other services.

In addition to the marketing of Prest-O-Lite the company manufactures storage batteries for automobile and motor starting and lighting, for farm lighting and power plants, for radio sets and railway signals.

The company has 21 gas-manufacturing stations and 2 battery-manufacturing plants.

The Canadian branch has three gas-manufacturing stations and one battery station.

Capitalization of the Prest-O-Lite Co. is 100,000 shares of no par value common stock, of which 91,972 shares are issued and outstanding, substantially all of which are owned by the Union Carbide & Carbon Corporation.

Indication of the size of the company's business may be had from an item in the 1924 balance sheet, which shows among the assets of the parent corporation $22,783,559 worth of cylinders and containers for the shipment of gases. The principal competitor of Prest-O-Lite Co. (Inc.) in acetylene is the Air Reduction Co., and as the total investment of this company in manufacturing plant is listed at some $6,000,000 it is obvious that the Prest-O-Lite Co. dominates its field. While the Prest-O-Lite Co. dominates in the sale of acetylene in cylinders yet it does not take first rank in the sale of storage batteries. Its storage batteries are marketed under the names Prest-O-Lite and Columbia, and there are several companies whose production is in excess of the Prest-O-Lite Co.'s. There is no duty specifically imposed on acetylene, and as Prest-O-Lite is a trade-mark for acetylene in cylinders no duty is imposed thereon. Storage batteries, which are the other product of the company, however, are covered by paragraph 320 of tariff act, 1922; the provision is as follows: "Electric storage batteries and parts thereof, storage-battery supplies, and storage-battery plate material, wholly or partly manufactured, all the foregoing not specifically provided for, 40 per centum ad valorem."

OXYGEN

This product is manufactured by the Linde Air Products Co. and is used for cutting and welding metals, brazing, and lead burning, and is also used in the medical profession and for other special applications. Other products of the company extracted from the air are neon, argon, and nitrogen, used in the illuminating, chemical, fertilizer, rubber, and other industries.

Linde Air Products Co. manufactures oxygen in 37 plants and distributes them from 16 sales offices. The company has two subsidiaries—Linde Air Products Co. of Texas and the Linde Air Products Co., Pacific coast. Canadian business is handled through the Dominion Oxygen Co. (Ltd.). The Linde Air Products Co. has outstanding $11,912,333 of common stock and $750,000 of 6 per cent cumulative preferred stock, the common stock being substantially all owned by the Union Carbide & Carbon Corporation.

No import duties are specifically imposed on these products, nor is there record of the amount imported, which, however, is believed to be small.

The principal competitor of this company is the Air Reduction Co. The Linde Air Products Co. was believed a few years ago to control more than 80 per cent of the business. The amount of the business which it controls at present is not definitely known but is believed to be considerably in excess of 50 per cent.

The census of manufactures (1923) gives the following data concerning the oxygen industry:

Number of establishments (the Linde Air Products Co. has 37 oxygen-producing plants)	121
Cubic feet—thousands	1,057,526
Value	$23,382,236

BATTERIES

Batteries are manufactured by two important subsidiaries of the corporation—

(1) The Prest-o-Lite Co. (Inc.).

(2) National Carbon Co. (Inc.).

Storage batteries sold under the trade names Prest-o-Lite and Columbia are manufactured by the Prest-o-Lite Co.

These batteries are used for automobile and motor-boat starting and lighting, for farm lighting and power plants, and for radio sets and railway signaling.

Some indication of the extent of this industry can be obtained from the following data taken from the Census of Manufactures for the calendar year 1923:

Batteries, parts, and supplies

Storage	$92,843,390
Primary	31,787,077
Total value	124,630,467

The storage-battery value was divided between batteries and parts, as follows:

Batteries	$66,922,291
Parts and supplies	25,921,099
Total	92,843,390

Among the principal competing companies making storage batteries are:

Electric Storage Battery Co., manufacturers of Willard and Exide batteries. The gross business of this company in 1923 was $11,836,000.

Philadelphia Storage Battery Co., Edison Storage Battery Co., Gould Storage Battery Co., United States Light & Heat Corporation, Manhattan Electrical Supply Co., Westinghouse Union Battery Co., American Electric Battery Works, Burgess Battery Co., General Lead Batteries, Hartford Battery Co. of New York (Inc.), Independent Electric Battery Co., International Battery Co., Marko Storage Battery Co.

Primary batteries are further divided as follows:

Dry	$9,848,345
Other	9,054,924
Wet	2,542,829
Parts and supplies	10,340,979
Total	31,787,077

The National Carbon Co., a subsidiary of the Union Carbide & Carbon Corporation, is the predominant maker of dry cells and flash lights, there being no comparable competing company. Its products, Columbia dry cells, Everready radio batteries, and Everready flash lights and batteries, are sold through 60,000 dealers.

There are many small companies engaged in the manufacture of both storage and primary batteries; the Union Carbide & Carbon Corporation, through its subsidiaries, the Prest-o-Lite Co. (Inc.) and National Carbon Co., plays a very important part in the storage-battery industry and dominates the dry cell, radio, and flash light battery portion of the industry.

ELECTORS FOR ELECTRIC FURNACES, BRUSHES FOR ELECTRIC MACHINERY, CARBON SPECIALTIES

These products are manufactured by a subsidiary, the National Carbon Co., which has 14 plants and factories and was the pioneer producer of carbon for arc lights. The company has an authorized issue of 500,000 shares no par value common stock of which 419,250 shares are outstanding, substantially all of which are owned by the Union Carbide & Carbon Corporation. It has also $5,650,000 of 8 per cent preferred. The value at the factory of carbons, electrodes for lighting and furnaces, brushes and specialties was reported at $14,390,177 in the biennial census of manufactures for the year ending 1923.

The principal companies other than National Carbon Co. engaged in the production of carbons are:

Morganite Brush Co., Pure Carbon Co., Thomas Dixon Crucible Co., United States Graphite Co., General Electric Co., Westinghouse Electric & Manufacturing Co., Achison Graphite Co., Republic Carbon Co., Harshaw Fuller & Goodwin, Lincoln Electric Co.

While figures are not available to fix the exact position of the Union Carbide & Carbon Corporation in the industry, yet its position is generally recognized to be a dominant one through the adequacy of its manufacturing and sales organization and the volume of the business which it transacts.

Mr. McKELLAR. I also want to introduce, in addition to the complete history of this organization's activities heretofore inserted, an index for the use of Senators, so that there can be no doubt in their minds of just what this corporation does. I ask unanimous consent that that may be put in the RECORD.

The PRESIDING OFFICER. Is there objection?

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

INDEX

Union Carbide & Carbon Corporation.
Union Carbide & Carbon Corporation balance sheet.
Consolidated statement of income and surplus.
Tariff.
Calcium carbide.
Ferro-alloys and alloying metals.
Stellite.
Generators, fixtures, burners, and igniters for acetylene gas.
Solvents, intermediates, and compressed hydrocarbon gases.
Welding and cutting apparatus and accessories.
Prest-O-Lite.
Oxygen.
Batteries.
Electrodes for electric furnaces, brushes for electric machinery, carbon specialities.
Chemical industry, Table 1.
Chemical industry, Table 2.
Chemical industry, Table 3.

Mr. McKELLAR. I am advertising the Union Carbide Co., and I am glad to do it; but I have a statement here of its plants. I wish I could put in the RECORD a map showing where this company is manufacturing. In this pamphlet there is a complete statement of its plants, factories, and offices, and I ask unanimous consent that that may be printed in the RECORD for reference of Senators when the fight shall come up against the ratification of the sale to this company.

The PRESIDING OFFICER. Is there objection?

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

PLANTS AND FACTORIES

Union Carbide Co., Sault Ste. Marie, Mich., and Niagara Falls, N. Y.

Union Carbide Co. of Canada (Ltd.), Dain Avenue, Welland, Ontario.

Electro Metallurgical Co.: Niagara Falls, N. Y.; Holcomb Rock, Va.; and Glen Ferris, W. Va.

Electro Metallurgical Co. of Canada (Ltd.), Welland, Ontario.

Electric Furnace Products Co. (Ltd.), Sauda, Norway.

Michigan Northern Power Co., Sault Ste. Marie, Mich.

Haynes Stellite Co., Kokomo, Ind.

Carbide & Carbon Chemicals Corporation: Niagara Falls, N. Y. (under construction); Clendenin, W. Va.; and South Charleston, W. Va. (under construction).

Oxweld Acetylene Co.: Thirty-sixth Street and Jasper Place, Chicago, Ill., and 646 Frelinghuysen Avenue, Newark, N. J.

The Linde Air Products Co.: Tenth Avenue and Twenty-eighth Street, Birmingham, Ala.; 605 South Broadway, Denver, Colo.; Pylant Street and Southern Railroad, Atlanta, Ga.; Stiles Avenue and Gwinnett Street, Savannah, Ga.; 3633 South Wall Street, Chicago, Ill.; One hundred and forty-fifth Street and Kennedy Avenue, East Chicago, Ind.; 2919 Roosevelt Avenue, Indianapolis, Ind.; 432 North Anthony Street, New Orleans, La.; Twenty-fifth and Montebello Avenue, Baltimore, Md.; East First and K Streets, Boston, Mass.; 961 Southbridge Street, Worcester, Mass.; 7501 St. Aubin Avenue, Detroit, Mich.; 1809 East Hennepin Avenue, Minneapolis, Minn.; Fourteenth and Charlotte Streets, North Kansas City, Mo.; 4218 Forest Park Boulevard, St. Louis, Mo.; Fifty-sixth and Center Streets, Omaha, Nebr.; Linden Road, Elizabeth, N. J.; 475 Driggs Avenue, Brooklyn, N. Y.; 155 Chandler Street and 1811 Broadway, Buffalo, N. Y. (two plants); Schuyler and Walnut Streets, Utica, N. Y.; Stanton and Mellish Avenues, Cincinnati, Ohio; 803 East Seventy-second Street, Cleveland, Ohio; Marion Road and Champion Avenue, Columbus, Ohio; 601 Jones Street, Youngstown, Ohio; 1011 North Lewis Avenue, Tulsa, Okla.; Norristown, Pa.; Eighteenth and Cambria Streets, Philadelphia, Pa.; 1920–1938 Westhall Street, Pittsburgh, Pa.; Trafford, Pa.; Colonial Avenue and Twenty-second Street, Norfolk, Va.; and 3623 National Avenue, Milwaukee, Wis.

The Linde Air Products Co. of Texas, 2501 South Harwood Street, Dallas, Tex.

Linde Air Products Co. (Pacific coast): Johnson and Mission Road, Los Angeles, Calif.; Watt Street and Santa Fe Railroad, Oakland, Calif.; 863 South Fourth West Street, Salt Lake City, Utah; and Henrietta Street and Eighth Avenue, South, Seattle, Wash.

Dominion Oxygen Co. (Ltd.): Hillcrest Park, Toronto, Ontario, and Point St. Charles, Montreal, Province of Quebec.

The Prest-O-Lite Co. (Inc.) (dissolved acetylene): Del Monte Road, Los Angeles, Calif.; Railroad and Linden Avenues, South San Francisco, Calif.; West Exposition Avenue and Cherokee Street, Denver, Colo.; 23 Kuhrt Street, Atlanta, Ga.; Chicago, Indianapolis & Louisville Railway and Marble Street, Hammond, Ind.; Speedway, Indianapolis, Ind.; 500 South Howell Street, Davenport, Iowa; 532 Southwest Seventh Street, Des Moines Iowa; Jefferson Avenue and Yazoo & Missis-

sippi Valley Railroad, New Orleans, La.; Franklin Post Office Station, Baltimore, Md.; Elkton, Md.; 539 Concorn Avenue, Cambridge, Mass.; Pasco Road, Indian Orchard, Mass.; 7301 Clayton Avenue, Detroit, Mich.; 350 South First Avenue East, Duluth, Minn.; Lake and Monitor Streets, St. Louis Park (near Minneapolis), Minn.; Twelfth and Charlotte Streets, North Kansas City, Mo.; 4018 Duncan Avenue, St. Louis, Mo.; Eleventh Street and Avenue H, Omaha, Nebr.; 351 Doremus Avenue, Newark, N. J.; 90 Hopkins Street, Buffalo, N. Y.; C., H. & D. R. R. and Dempsey Avenue, Cincinnati, Ohio; 1792 La Moille Street, Cleveland, Ohio; 700 North Birmingham Street, Tulsa, Okla.; Lincoln and Tabor Streets, Pittsburgh, Pa.; 1304 South Austin Street, Dallas, Tex.; Fulton, Richmond, Va.; 8800 East Marginal Way, Seattle, Wash.; and 619 Trowbridge Avenue, Milwaukee, Wis.

The Prest-O-Lite Co. (Inc.) (storage batteries): 351 California Street, San Francisco, Calif.; Speedway, Indianapolis, Ind.

Prest-O-Lite Co. of Canada (Ltd.) (dissolved acetylene): St. Boniface, Winnipeg, Manitoba; Merritton, Ontario; and Transmission Avenue, Shawinigan Falls, Province of Quebec.

Prest-O-Lite Co. of Canada (Ltd.) (storage batteries): Hillcrest Park, Toronto, Ontario.

National Carbon Co. (Inc.): 599 Eighth Street, San Francisco, Calif.; Thirty-seventh Street and Jasper Place, Chicago, Ill.; Rock Road, Signal Hill, East St. Louis, Ill.; 580 Henderson Street, Jersey City, N. J.; Thompson Avenue and Orton Street, Long Island City, N. Y.; 237 East Forty-first Street, New York, N. Y.; College Avenue and Fifteenth Street, Niagara Falls, N. Y.; West One hundred and seventeenth Street and Madison Avenue; West Seventy-third Street and Lake Shore, Cleveland, Ohio (two plants); Tiffin and Town Streets, Fostoria, Ohio; West State Street, Fremont, Ohio; 3 Barber Place, Pittsburgh, Pa.; and Phillipi Pike, Clarksburg, W. Va.

Canadian National Carbon Co. (Ltd.), Melita Avenue, Hillcrest Park, Toronto, Ontario.

Union Carbide & Carbon Research Laboratories (Inc.), Thompson Avenue and Orton Street, Long Island City, N. Y.

SALES OFFICES

Union Carbide Sales Co.: Balfour Building, San Francisco, Calif.; Peoples Gas Building, Chicago, Ill.; 30 East Forty-second Street, New York, N. Y.; and Royal Bank of Canada Building, Havana, Cuba.

Union Carbide Co. of Canada (Ltd.), 80 Adelaide Street, East Toronto, Ontario.

Electro Metallurgical Sales Corporation: Balfour Building, San Francisco, Calif.; 30 East Forty-second Street, New York, N. Y.; and 817 Oliver Building, Pittsburgh, Pa.

J. B. Colt Co.: 599 Eighth Street, San Francisco, Calif.; 1001 Monadnock Block, Chicago, Ill.; 716 New York Life Building, Kansas City, Mo.; 31 Exchange Street, Rochester, N. Y.; and Sixth and Market Streets, Chattanooga, Tenn.

Carbide & Carbon Chemicals Corporation: 30 East Forty-second Street, New York, N. Y.

Haynes Stellite Co.: Peoples Gas Building, Chicago, Ill.; General Motors Building, Detroit, Mich.; 30 East Forty-second Street, New York, N. Y.; and 4503 Euclid Avenue, Cleveland, Ohio.

Oxweld Acetylene Co.: 2128 First Avenue, Birmingham, Ala.; 1310 Santee Street, Los Angeles, Calif.; 1050 Mission Street, San Francisco, Calif.; 1109 Broadway, Denver, Colo.; Haynes and Rhodes Streets, Atlanta, Ga.; 3642 Jasper Place, Chicago, Ill.; 609 Iberville Street, New Orleans, La.; 645 North Eutaw Street, Baltimore, Md.; 178 High Street, Boston, Mass.; 338 John R. Street, Detroit, Mich.; 423 South Fifth Street, Minneapolis, Minn.; 1522 Olive Street, St. Louis, Mo.; 115 North Twelfth Street, Omaha, Nebr.; 646 Frelinghuysen Avenue, Newark, N. J.; 884 Washington Street, Buffalo, N. Y.; Thompson Avenue and Orton Street, Long Island City, N. Y.; 30 East Forty-second Street, New York, N. Y.; 1000 West Palmer Street, Charlotte, N. C.; 6 East Court Street, Cincinnati, Ohio; 1909 East Seventeenth Street, Cleveland, Ohio; 305 East Fourth Street, Tulsa, Okla.; 163 East Water Street, Portland, Oreg.; 1615 Vine Street, Philadelphia, Pa.; 102 Bowman Building, Pittsburgh, Pa.; 354 South Main Street, Memphis, Tenn.; 602 Stewart Building, Houston, Tex.; 113 West Second South Street, Salt Lake City, Utah; 119 Jackson Street, Seattle, Wash.; and 507 Matthews Building, Milwaukee, Wis.

The Oxweld Railroad Service Co.: Room 333, Railway Exchange Building, Chicago, Ill.; and 30 East Forty-second Street, New York, N. Y.

The Linde Air Products Co.: 512 Hurt Building, Atlanta, Ga.; 1955 Peoples Gas Building, Chicago, Ill.; 628 Whitney Central Building, New Orleans, La.; 906 Lexington Building, Baltimore, Md.; 947 Old South Building, Boston, Mass.; 2-242 General Motors Building, Detroit, Mich.; 716 First National Soo Line Building, Minneapolis, Minn.; 1028 New York Life Building, Kansas City, Mo.; 1027 Arcade Building, St. Louis, Mo.; 1007 White Building, Buffalo, N. Y.; 30 East Forty-second Street, New York, N. Y.; 409 Union Building, Cleveland, Ohio; 404 First National Bank Building, Columbus, Ohio; 924 City Center Building, Philadelphia, Pa.; 907-909 Fulton Building, Pittsburgh, Pa.; and 1434 First Wisconsin National Bank Building, Milwaukee, Wis.

The Linde Air Products Co. of Texas, 810 Kirby Building, Dallas, Tex.

Linde Air Products Co. (Pacific coast): 1310 Santee Street, Los Angeles, Calif.; 507 Balfour Building, San Francisco, Calif.; 108 West Second South Street, Salt Lake City, Utah; and 304 Railroad Avenue, South Seattle, Wash.

Dominion Oxygen Co. (Ltd.): 80 Adelaide Street, East Toronto, Ontario; and 225 Bourgeois Street, Montreal, Province of Quebec.

Canadian National Carbon Co. (Ltd.): Melita Avenue, Hillcrest Park, Toronto, Ontario; 301 St. Paul Street, West, Montreal, Province of Quebec; and 605 Tache Avenue, St. Boniface, Winnipeg, Manitoba.

The Prest-O-Lite Co. (Inc.) (cutting and welding gas): 1310 Santee Street, Los Angeles, Calif.; 507 Balfour Building, San Francisco, Calif.; 512 Hurt Building, Atlanta, Ga.; 1955 Peoples Gas Building, Chicago, Ill.; 628 Whitney Central Building, New Orleans, La.; 906 Lexington Building, Baltimore, Md.; 947 Old South Building, Boston, Mass.; 2-242 General Motors Building, Detroit, Mich.; 716 First National Soo Line Building, Minneapolis, Minn.; 1028 New York Life Building, Kansas City, Mo.; 1027 Arcade Building, St. Louis, Mo.; 1007 White Building, Buffalo, N. Y.; 30 East Forty-second Street, New York, N. Y.; 409 Union Building, Cleveland, Ohio; 404 First National Bank Building, Columbus, Ohio; 924 City Center Building, Philadelphia, Pa.; 907-909 Fulton Building, Pittsburgh, Pa.; 810 Kirby Building, Dallas, Tex.; 108 West Second South, Salt Lake City, Utah; 304 Railroad Avenue, South Seattle, Wash.; and 1434 First Wisconsin National Bank Building, Milwaukee, Wis.

The Prest-O-Lite Co. (Inc.) (storage batteries and small-tank departments): 599 Eighth Street, San Francisco, Calif.; 213 Atlanta National Bank Building, Atlanta, Ga.; Speedway, Indianapolis, Ind.; 963 Commonwealth Avenue, Boston, Mass.; 5765 Woodward Avenue, Detroit, Mich.; 732 Brandeis Theater, Omaha, Nebr.; 30 East Forty-second Street, New York, N. Y.; 1812 East Twenty-second Street, Cleveland, Ohio; 3577 Bigelow Boulevard, Pittsburgh, Pa.; and 811 Kirby Building, Dallas, Tex.

Prest-O-Lite Co. of Canada (Ltd.) (dissolved acetylene): 605 Tache Avenue, St. Boniface, Winnipeg, Manitoba; 80 Adelaide Street, East Toronto, Ontario; and 225 Bourgeois Street, Montreal, Province of Quebec.

Prest-O-Lite Co. of Canada (Ltd.) (storage batteries): Hillcrest Park, Toronto, Ontario; and 301 St. Paul Street, West Montreal, Province of Quebec.

National Carbon Co. (Inc.): 419 East Second Street, Los Angeles, Calif.; 599 Eighth Street, San Francisco, Calif.; 383 Whitehall Street, Atlanta, Ga.; Thirty-seventh Street and Jasper Place, Chicago, Ill.; Nineteenth and Campbell Streets, Kansas City, Mo.; Thompson Avenue and Orton Street, Long Island City, N. Y.; West One hundred and seventeenth Street and Madison Avenue, Cleveland, Ohio; 502 Artisans Building, Portland, Oreg.; and 1206 L. C. Smith Building, Seattle, Wash.

WAREHOUSE STOCKS

Union Carbide Sales Co.: 12 South Twentieth Street, Birmingham, Ala.; 16 South Commerce Street, Mobile Ala.; 21 Washington Avenue, Montgomery, Ala.; 42 South Central Avenue, Phoenix, Ariz.; 201 Rogers Avenue, Fort Smith, Ark.; 1400 East Sixth Street, Little Rock, Ark.; 932 H Street, Fresno, Calif.; 639 Gibbon Street, Los Angeles, Calif.; 1717 Third Street, Sacramento, Calif.; Seventh and J Streets, San Diego, Calif.; 351 California Street, San Francisco, Calif.; Nineteenth and Wazee Streets, Denver, Colo.; 409 Windsor Street, Hartford, Conn.; Maryland Avenue and Ninth Street SW., Washington, D. C.; 13 Cedar Street, Jacksonville, Fla.; 1702 Grand Central Avenue, Tampa, Fla.; Haynes and Rhodes Streets, Atlanta, Ga.; Ogeechee Canal, south of Bay Street, Savannah, Ga.; 122 South Michigan Boulevard, Chicago, Ill.; 511 Oak Street, Danville, Ill.; 133 West William Street, Decatur, Ill.; 700 Broadway, East St. Louis, Ill.; 856 South Fourth Street, Eldorado, Ill.; 631 North Webster Street, Harrisburg, Ill.; 315 South Granite Street, Marion, Ill.; 509 South First Street, Monmouth, Ill.; 100-110 Edmund Street, Peoria, Ill.; 313 Delaware Street, Quincy, Ill.; 1801 Washington Street, Springfield, Ill.; 501 East Hickory Street, Streator, Ill.; 102 East Mulberry Street, Clinton, Ind.; 1601 Illinois Street, Evansville, Ind.; 2206 Broadway, Fort Wayne, Ind.; 601-637 Kentucky Avenue, Indianapolis, Ind.; 714 North Fifth Street, Terre Haute, Ind.; 118 Harrison Street, Davenport, Iowa; Third and Elm Streets, Des Moines, Iowa; Eighth and Washington Streets, Dubuque, Iowa; Central Avenue and Sixteenth Street, Fort Dodge, Iowa; 207-211 South Washington Street, Ottumwa, Iowa; 410 Court Street, Sioux City, Iowa; 1209 East Fourth Street, Waterloo, Iowa; 1201 North Broadway, Pittsburg, Kans.; 154 North Fifth Street, Salina, Kans.; Douglas and Sycamore Avenues, Wichita, Kans.; Allen, Ky.; 306 Broad Street, Central City, Ky.; Brook and Main Streets, Louisville, Ky.; 1701 Cumberland Avenue, Middlesboro, Ky.; 118 North Front Street, New Orleans, La.; 615 Market Street, Shreveport, La.; 11 Exchange Street, Portland, Me.; 19 East Lombard Street, Baltimore, Md.; 18

North George Street, Cumberland, Md.; 406 Main Street, Salisbury, Md.; Pasco Road, Indian Orchard, Mass.; 15 Federal Street, Worcester, Mass.; 5785 Hamilton Avenue, Detroit, Mich.; 500 Shawmut Avenue NW., Grand Rapids, Mich.; First National Bank Building, Hancock, Mich.; 513 Stephenson Avenue, Iron Mountain, Mich.; 321 Carnegie Avenue, Iron River, Mich.; Ironwood, Mich.; 412 East Division Street, Ishpeming, Mich.; 518 South Water Street, Jackson, Mich.; 617 East Shiawasee Street, Lansing, Mich.; 301 West Western Avenue, Muskegon, Mich.; 1830–1840 North Michigan Avenue, Saginaw, Mich.; Sault Ste. Marie, Mich.; 334 North First Street, Minneapolis, Minn.; 413 Chestnut Street, Virginia, Minn.; 1701–1703 Levee Street, Vicksburg, Miss.; 1422 St. Louis Avenue, Kansas City, Mo.; 920 South Sixth Street, St. Joseph, Mo.; St. Louis, Mo. (see East St. Louis, Ill.); 1007–1011 Jones Street, Omaha, Nebr.; Front and Division Streets, Camden, N. J.; 251–255 Ridgewood Avenue, Newark, N. J.; 108 Third Avenue, Albany, N. Y.; 85 Prospect Avenue, Binghamton, N. Y.; 382 Metropolitan Avenue, Brooklyn, N. Y.; 1345 Genesee Street, Buffalo, N. Y.; 261 Exchange Street, Geneva, N. Y.; Hurleyville, N. Y.; 11 New York Avenue, Jamaica, N. Y.; O'Neil Street, near Broadway, Kingston, N. Y.; Niagara Falls, N. Y.; Smith Street and New York, New Haven & Hartford Railroad, Poughkeepsie, N. Y.; 135 Hotel Street, Utica, N. Y.; 438 Court Street, Watertown, N. Y.; Main Street, Whitehall, N. Y.; 1000 Palmer Street, Charlotte, N. C.; McCullough and Lenoir Streets, Raleigh, N. C.; Surry Street, between Castle and Queen Streets, Wilmington, N. C.; 700 South Goldsboro Street, Wilson, N. C.; Fifth Street and Second Avenue north, Fargo, N. Dak.; Factory and Moore Streets, Athens, Ohio; 618 Mulberry Road SE., Canton, Ohio; 67 Plum Street, Cincinnati, Ohio; 631 Hannah Building Annex, Cleveland, Ohio; 330 Dublin Avenue, Columbus, Ohio; 104–114 South Wayne Avenue, Dayton, Ohio; 700 First Avenue, Gallipolis, Ohio; 338 East High Street, Lima, Ohio; 40 West Third Street, Mansfield, Ohio; 324 North Seventh Street, Steubenville, Ohio; 414 South Erie Street, Toledo, Ohio; Jones and Brittain Streets, Youngstown, Ohio; Main and Second Streets, Zanesville, Ohio; 8 North Main Street, McAlester, Okla.; 4 West Park Place, Oklahoma City, Okla.; 1–11 North Boulder Street, Tulsa, Okla.; Fifteenth and Hoyt Streets, Portland, Oreg.; 224 Buffalo Street, Beaver, Pa.; Weber Avenue and Franklin Street, DuBois, Pa.; Clark and George Streets, East Greensburg, Pa.; 1502 Sassafras Street, Erie, Pa.; 25 South Tenth Street, Harrisburg, Pa.; 223 East Mine Street, Hazleton, Pa.; Messenger Street and Baltimore & Ohio Railroad, Johnstown, Pa.; Second Street and Fishers Avenue, Philadelphia, Pa.; North Front Street, Philipsburg, Pa.; 1202 Chamber of Commerce Building, Pittsburgh, Pa.; Railroad and Sanderson Streets, Pottsville, Pa.; Penn Avenue and Vine Street, Scranton, Pa.; Fifth and Walnut Streets, Shamokin, Pa.; Budd Street and South Irvine Avenue, Sharon, Pa.; Bigler Avenue, Spangler, Pa.; 150 East Northampton Street, Wilkes-Barre, Pa.; Canal and Court Streets, Williamsport, Pa.; 3 Liberty Street, Charleston, S. C.; 312 Pound Building, Chattanooga, Tenn.; 426 West Depot Street, Knoxville, Tenn.; 671 South Main Street, Memphis, Tenn.; 102–108 Broadway, Nashville, Tenn.; 366 Liberty Street, Beaumont, Tex.; 400 South Poydras Street, Dallas, Tex.; First and Kansas Streets, El Paso, Tex.; 810–820 Live Oak Street, Houston, Tex.; 115 South Medina Street, San Antonio, Tex.; Thirteenth and Mary Streets, Waco, Tex.; 108 West Second South Street, Salt Lake City, Utah; 1324 Commerce Street, Lynchburg, Va.; Virginia Avenue and Virginian Railway, Norfolk, Va.; 1709 East Cary Street, Richmond, Va.; 304 Railroad Avenue south, Seattle, Wash.; 162 South Post Street, Spokane, Wash.; 195 Roanoke Street, Bluefield, W. Va.; Broad Street and Kanawha & Michigan Railway, Charleston, W. Va.; 608 North Third Street, Clarksburg, W. Va.; Railroad Avenue and First Street, Elkins, W. Va.; Auburn Street, Fairmont, W. Va.; Seventh Avenue and Elm Street, Huntington, W. Va.; 610 University Avenue, Morgantown, W. Va.; Mount Hope, W. Va.; Mullens, W. Va.; Forty-third and McCulloch Streets, Wheeling, W. Va.; Williamson, W. Va.; Front and King Streets south, La Crosse, Wis.; 513–519 Williamson Street, Madison, Wis.; 120 Jefferson Street, Milwaukee, Wis.; 218–234 Industrial Avenue, Casper, Wyo.; 8 main warehouses and 207 distributing points, Cuba.

Union Carbide Co. of Canada (Ltd.), (distributing points): Calgary, Alberta; Drumheller, Alberta; 10238 One hundred and fourth Street, Edmonton, Alberta; 1216 First Avenue south, Lethbridge, Alberta; Nelson, British Columbia; 349 Railway Street, Vancouver, British Columbia; 148 Ninth Street, Brandon, Manitoba; 605 Tache Avenue, St. Boniface, Winnipeg, Manitoba; 73 Prince William Street, St. John, New Brunswick; Minto, New Brunswick; Bracebridge, Ontario; Cobalt, Ontario; 40 McRae Street, Niagara Falls, Ontario; North Bay, Ontario; Port Carling, Ontario; Sault Ste. Marie, Ontario; Sudbury, Ontario; Timmins, Ontario; and Sherbrooke, Quebec.

J. B. Colt Co.: Eighth and Brannon Streets, San Francisco, Calif., and Speedway, Indianapolis, Ind.

Haynes Stellite Co.: Peoples Gas Building, Chicago, Ill.; General Motors Building, Detroit, Mich.; 251 Ridgewood Avenue, Newark, N. J.; and 4503 Euclid Avenue, Cleveland, Ohio.

Carbide & Carbon Chemicals Corporation: South San Francisco, Calif.; 79 Arch Street, Greenwich, Conn.; Maryland Avenue and Ninth Street SW., Washington, D. C.; Thirty-seventh Street and Jasper Place, Chicago, Ill.; 432 North Anthony Street, New Orleans, La.; 7301 Clayton Avenue, Detroit, Mich.; Morristown, N. J.; 351 Doremus Avenue, Newark, N. J.; East Williston, N. Y.; Huntington, N. Y.; Thompson Avenue and Orton Street, Long Island City, N. Y.; 637 West Fiftieth Street, New York, N. Y.; 462 Bedford Road, Pleasantville, N. Y.; 35 Brookfield Street, Westmoreland Avenue, White Plains, N. Y. (two warehouses); 1792 Lamoille Street, Cleveland, Ohio; Lincoln and Tabor Streets, Pittsburgh, Pa.; and Richmond, Va.

Oxweld Acetylene Co.: 2128 First Avenue, Birmingham, Ala.; 1310 Santee Street, Los Angeles, Calif.; 1050 Mission Street, San Francisco, Calif.; 1109 Broadway, Denver, Colo.; 3642 Jasper Place, Chicago, Ill.; 609 Iberville Street, New Orleans, La.; 645 North Eutaw Street, Baltimore, Md.; 178 High Street, Boston, Mass.; 338 John R. Street, Detroit, Mich.; 423 South Fifth Street, Minneapolis, Minn.; 1522 Olive Street, St. Louis, Mo.; 115 North Twelfth Street, Omaha, Nebr.; 646 Frelinghuysen Avenue, Newark, N. J.; 884 Washington Street, Buffalo, N. Y.; Thompson Avenue and Orton Street, Long Island City, N. Y.; 1000 West Palmer Street, Charlotte, N. C.; 6 East Court Street, Cincinnati, Ohio; 1909 East Seventeenth Street, Cleveland, Ohio; 305 East Fourth Street, Tulsa, Okla.; 163 East Water Street, Portland, Oreg.; 1615 Vine Street, Philadelphia, Pa.; 102 Bowman Building, Pittsburgh, Pa.; 602 Stewart Building, Houston, Tex.; 113 West Second South Street, Salt Lake City, Utah; and 119 Jackson Street, Seattle, Wash.

The Linde Air Products Co.: 16 South Commerce Street, Mobile, Ala.; 812 East Second Street, Little Rock, Ark.; 10 Whitney Street, Bridgeport, Conn.; 412 Trumbull Street, Hartford, Conn.; 447 Grand Avenue, New Haven, Conn.; Maryland Avenue and Ninth Street SW., Washington, D. C.; 1008 East Bay Street, Jacksonville, Fla.; Morgan and Water Streets, Tampa, Fla.; 23 Kuhrt Street, Atlanta, Ga.; Thirty-seventh Street and Jasper Place, Chicago, Ill.; 700 Broadway, East St. Louis, Ill.; 113 Depot Street, Peoria, Ill.; 414 East Columbia Street, Fort Wayne, Ind.; Marble Street and Chicago, Indianapolis & Louisville Railway, Hammond, Ind.; Speedway, Ind.; 541 North Fourth Street, Terre Haute, Ind.; 500 South Howell Street, Davenport, Iowa; 537 Southwest Seventh Street, Des Moines, Iowa; 115 North Mead Street, Wichita, Kans.; 128 East Main Street, Louisville, Ky.; Commerce and Lake Streets, Shreveport, La.; 11 Exchange Street, Portland, Me.; Franklin Station, Baltimore, Md.; 541 Concord Avenue, Cambridge, Mass.; Indian Orchard, Springfield, Mass.; 7301 Clayton Avenue, Detroit, Mich.; 500 Shawmut Street, Grand Rapids, Mich.; 401 West Western Avenue, Muskegon, Mich.; 300 Carrollton Street, Saginaw, Mich.; South Seventh Avenue west, Duluth, Minn.; Lake and Monitor Streets, St. Louis Park, Minn.; 1824 Locust Street, Kansas City, Mo.; 1007 Jones Street, Omaha, Nebr.; 251 Ridgewood Avenue, 351 Doremus Avenue, Newark, N. J. (two warehouses); 108 Third Avenue, Albany, N. Y.; 90 Hopkins Street, Buffalo, N. Y.; 637 West Fiftieth Street, New York, N. Y.; 55 Railroad Street, Rochester, N. Y.; Westmoreland Avenue, White Plains, N. Y.; Palmer Street and P. & N. R. R., Charlotte, N. C.; 120 Fifth Avenue, Fargo, N. Dak.; 97 East South Street, Akron Ohio; 638 Mulberry Road SE., Canton, Ohio; 320 Dublin Avenue, Columbus, Ohio; 521 East First Street, Dayton, Ohio; 338 East High Street, Lima, Ohio; 160 McWilliams Court, Marion, Ohio; 703 Market Street, Portsmouth, Ohio; 414 South Erie Street, Toledo, Ohio; 1–5 East Grand Street, Oklahoma City, Okla.; 1 North Boulder Street, Tulsa, Okla.; 311 Gordon Street, Allentown, Pa.; 1502 Sassafras Street, Erie, Pa.; 239 South Cameron Street, Harrisburg, Pa.; Messenger Street and Baltimore & Ohio Railroad, Johnstown, Pa.; 104 South Front Street, Milton, Pa.; Lincoln and Tabor Streets, Pittsburgh, Pa.; Front and Franklin Streets, Reading, Pa.; Penn Avenue and Vine Street, Scranton, Pa.; 150 East Northampton Street, Wilkes-Barre, Pa.; Allens Avenue and Oxford Street, Providence, R. I.; 212 King Street, Chattanooga, Tenn.; 200 Humes Avenue, Knoxville, Tenn.; 475 North Main Street, Memphis, Tenn.; 210 Tenth Street north, Nashville, Tenn.; Richmond, Va.; Penn Avenue and Bridge Street, Charleston, W. Va.; 1639 Seventh Avenue, Huntington, W. Va.; Main, South, and Sixteenth Streets, Wheeling, W. Va.; Sixth and Commercial Streets, Manitowoc, Wis.; and 218 Industrial Avenue, Casper, Wyo.

The Linde Air Products Co. of Texas: Forrest and South Streets, Beaumont, Tex.; Avenue B and Fifteenth Street, Galveston, Tex.; Live Oak and Walker Streets, Houston, Tex.; 321 Fort Worth Street, Port Arthur, Tex.; 15 Medina Street, San Antonio, Tex.; and 810 Scott Avenue, Wichita Falls, Tex.

Linde Air Products Co. (Pacific coast): 932 H Street, Fresno, Calif.; 217 O Street, Sacramento, Calif.; 301 Third Street, San Diego, Calif.; Eighth and Brannon Streets, San Francisco, Calif.; South San Francisco, Calif.; Fifteenth and Hoyt Streets, Portland, Oreg.; Seattle, Wash.; 121 South Madison Street, Spokane, Wash.; and 1721 Jefferson Avenue, Tacoma, Wash.

Dominion Oxygen Co. (Ltd.): 65 York Street, Hamilton, Ontario; Merritton, Ontario; Welland, Ontario; 620 Pitt Street west, Windsor, Ontario; Grant and Des Fosses Streets, Quebec, Quebec.

The Prest-O-Lite Co. (Inc.) (welding and cutting gas): 12 South Twentieth Street, Birmingham, Ala.; 932 H Street, Fresno, Calif.; 1310 Santee Street, Los Angeles, Calif.; 400 Alice Street, Oakland, Calif.; 217 O Street, Sacramento, Calif.; Eighth and Brannon Streets, San

Francisco, Calif.; 1126 Front Street, San Diego, Calif.; Maryland Avenue and Ninth Street SW., Washington, D. C.; Thirty-seventh Street and Jasper Place, Chicago, Ill.; 113 Depot Street, East Peoria, Ill.; 700 Broadway, East St. Louis, Ill.; 541 North Fifth Street, Terre Haute, Ind.; 432 North Anthony Street, New Orleans, La.; 115 North Mead Street, Wichita, Kans.; 128 East Main Street, Louisville, Ky.; Twenty-fifth and Montebello Avenue, Baltimore, Md.; 500 Shawmut Street NW., Grand Rapids, Mich.; 300 Carrollton Street, Saginaw, Mich.; 1824 Locust Street, Kansas City, Mo.; 1007 Jones Street, Omaha, Nebr.; Linden Road, Elizabeth, N. J.; Broadway and Ideal Street, 155 Chandler Street, Buffalo, N. Y. (two warehouses); 637 West Fiftieth Street, New York, N. Y.; Walnut and Schuyler Streets, Utica, N. Y.; 120 Fifth Avenue, Fargo, N. Dak.; 97 East South Street, Akron, Ohio; 638 Mulberry Road SE., Canton, Ohio; 910 Walnut Street, Cincinnati, Ohio; Marion Road and Champion Avenue, 320 Dublin Avenue, Columbus, Ohio (two warehouses); 414 South Erie Street, Toledo, Ohio; 601 Jones Street, Youngstown, Ohio; 1 North Boulder Street, Tulsa, Okla.; Fifteenth and Hoyt Streets, Portland, Oreg.; 311 Gordon Street, Allentown, Pa.; Norristown, Pa.; Messenger Street and Baltimore & Ohio Railroad, Johnstown, Pa.; Eighteenth and Cambria Streets, Philadelphia, Pa.; 150 East Northampton Street, Wilkes-Barre, Pa.; 2308 Avenue C, Galveston, Tex.; Live Oak and Walker Streets, Houston, Tex.; 118 West Second South Street, Salt Lake City, Utah; Colonial Avenue and Twenty-second Street, Norfolk, Va.; Seattle, Wash.; 162 South Post Street, Spokane, Wash.; 1721 Jefferson Street, Tacoma, Wash.; Penn Avenue and Bridge Street, Charleston, W. Va.; and 218 Industrial Avenue, Casper, Wyo.

The Prest-O-Lite Co. (Inc.) (storage batteries and small-tank departments): 1801 South Figueroa Street, Los Angeles, Calif.; 599 Eighth Street, San Francisco, Calif.; 988 Cherokee Street, Denver, Colo.; 304 Peachtree Street, Atlanta, Ga.; 3642 Jasper Place, Chicago, Ill.; 508 North Capitol Avenue, Indianapolis, Ind.; Twelfth and Locust Streets, Des Moines, Iowa; 963 Commonwealth Avenue, Boston, Mass.; 5765 Woodward Avenue, Detroit, Mich.; 2901 Nicollet Avenue, Minneapolis, Minn.; 3001 Gillham Road, Kansas City, Mo.; 1105 North Twelfth Street, St. Louis, Mo.; Seventeenth and Webster Streets, Omaha, Nebr.; Thompson Avenue and Orton Street, Long Island City, N. Y.; 12–14 West End Avenue, New York, N. Y.; 575 East Genesee Street, Syracuse, N. Y.; Park and McMillan Streets, Cincinnati, Ohio; West One hundred and seventeenth Street and Madison Avenue, 1812 East Twenty-second Street, Cleveland, Ohio (two warehouses); 414 Couch Street, Portland, Oreg.; 1343 Brandywine Street, Philadelphia, Pa.; 3577 Bigelow Boulevard, Pittsburgh, Pa.; Bryan and Harwood Streets, Dallas, Tex.; 1021 Main Street, Houston, Tex.; Oakland and Lexington Streets, San Antonio, Tex.; 918 West Broad Street, Richmond, Va.; and 345 Eleventh Avenue, Milwaukee, Wis.

Prest-O-Lite Co. of Canada (Ltd.): 65 York Street, Hamilton, Ontario; 620 Pitt Street west, Windsor, Ontario; 225 Bourgeois Street, Montreal, Quebec; and Grant and Des Fosses Streets, Quebec, Quebec.

National Carbon Co. (Inc.): 419 East Second Street, Los Angeles, Calif.; 599 Eighth Street, San Francisco, Calif.; 383 Whitehall Street, Atlanta, Ga.; Thirty-seventh Street and Jasper Place, Chicago, Ill.; 139 North Santa Fe Street, Wichita, Kans.; Fifth and Congress Streets, Detroit, Mich.; Nineteenth and Campbell Streets, Kansas City, Mo.; Thompson Avenue and Orton Street, Long Island City, N. Y.; 135 West First Street, Oklahoma City, Okla.; 502 Artisans Building, Portland, Oreg.; 1307 River Street, Dallas, Tex.; Campbell and Mills Streets, El Paso, Tex.; and 1113 Vine Street, Houston, Tex.

Canadian National Carbon Co. (Ltd.): 122 Eleventh Avenue west, Calgary, Alberta; 898 Seymour Street, Vancouver, British Columbia; 605 Tache Avenue, St. Boniface, Winnipeg, Manitoba; 301 St. Paul Street west, Montreal, Quebec.

Mr. McKELLAR. What is the argument from all this? The Senator from Maryland says I am objecting because this is a great corporation. I am not. It takes great amounts of wealth to develop power companies, but it does not take a great amount to operate them. If we want to give this to a company for operation, probably a million dollar or a two million dollar company would be just as good as a $250,000,000 octopus.

Why should we turn it over to this concern? Let us see why. It manufactures probably a hundred different articles. If it gets this great plant, it will manufacture fertilizer. The various fertilizer companies will become a part and parcel of it if they have not already done so. It will not be to the interest of the users of fertilizers that a great concern like this shall have a monopoly. Are they going to sell fertilizer to the farmers at any lower prices? We know they are not. Under the provisions of House bill 518 they do not have to manufacture it at all, even for experimental purposes, after six years. How can the farmers get anything out of it? What is the Union Carbide Co. going to do for the farmers in the way of the production of fertilizer?

A committee representing farmers called on me—some of the very best men I know. One of them is a distinguished and splendid gentleman from my own State—one of the best men I know, honest as the day is long. They said they came in to recommend this resolution. I asked them what they expected to get from it, whether they expected to get a reduction of rates. They could not say they would, because there is no reduction of rates provided for in it. I said, "You representatives of farmers are coming here recommending this resolution to me, and I want to show you the letters I got this morning." I had a large bundle of letters which I had received that very morning from citizens of New York urging me to vote for this resolution. What did that mean? It simply meant that the Union Carbide Co. had gotten very busy and were getting letters sent, that is all. It was not the farmers of the country. As I recall, the only farmer who has written to me from my own State about this matter on the side of the Carbide Co., or in favor of transferring the property to a single concern, is this distinguished and splendid gentleman who called on me the other day. The farmers, if they know what is good for them, know that the Union Carbide Co., manufacturing everything except fertilizer, have a contract with the American Cyanamid Co. for the machinery that is in this very plant, and the farmers ought to know that they are not going to get fertilizers any cheaper. We know it. There is not a man in the Senate who does not know that it will never make one cent of difference in the price of fertilizer to the farmer if this plant goes into the hands of any one of these great concerns after it.

What will happen if this concern gets this plant instead of the Government having it? Instead of the Government having this plant for use in time of war, instead of the farmers getting the use of this plant in peace times, instead of the excess current being distributed in a fair and equitable manner to the manufacturers of my State and the States of Alabama, Mississippi, Georgia, and other surrounding States, what will happen? This concern will get the usufruct of every dollar the Government has spent. There will not be a single beneficiary except those who get the concern. We all know that.

If there were any doubt about it, I could give the facts now. The Alabama Power Co. is now using this property, and has been using it since last July. The Government is selling at one-fifth of a cent to the Alabama Power Co. The Government's return for that sale—and I hope the Senator from South Carolina will listen to these figures—the rental, if we may call it that, or the proceeds of the sale of this current at one-fifth of a cent for the month of November was $26,000.

For the month of December it was $27,000, but that is an unusual month, so we will take the month of November, which was probably an average month. The Government got for the power given to the Alabama Power Co. in November $26,000. What does the Alabama Power Co. get for it? If they sold it at 1 cent per kilowatt they would get $130,000 a month. If they sold it at 2 cents it would be $260,000 a month. If they sold it at 3 cents it would be $390,000 a month. If they sold it at 4 cents, approximately one-half what they charge their consumers, it would be $520,000 a month. If they sold it at 5 cents, and the average must be greater than that, it would be $650,000 a month. If they sold it at 6 cents it would be $780,000 a month. If they sold it at 7 cents it would be $910,000 a month. If it sold at 8 cents they would get $1,040,000 a month for it. If it sold at 8.5 cents, which is the highest price, they would get $1,105,000 for it. But if we suppose that it sells on the average at only 4 cents, the company would get $525,000 a month, or $6,240,000 a year profit on this business.

I wonder if any of the people in Alabama represented by my distinguished and beloved friend, the junior Senator from that State [Mr. HEFLIN], would get a reduction of rates if all of this power should go into the hands of the Alabama Power Co. at one-fifth of a cent per kilowatt? I am sorry the Senator from Alabama is not here so he could answer that question. I venture to say, based on the very great number of letters I have received from Alabama urging me, in the words of Colonel House to the distinguished Senator from Virginia [Mr. GLASS], to "stand firm," that there is not a reduction in the price of current to any consumer in Alabama. We all know that there will be no reduction. The Alabama Public Utilities Commission not only said that they would regulate the rates—and under their regulation the users are charged on a basis of 8.5 cents—but they are not going to let the power go out of Alabama at all, and it does not make any difference what the Government of the United States does, that is their attitude.

More than $6,240,000 of profit! They have already made, according to the figures General Taylor furnished, something more than $3,000,000 during the six months' time referred to. The Carbide Co., who manufacture all these other things, including fertilizer, under this arrangement with the American

Cyanamid Co., will continue to make them and the American people will not benefit a particle, just as the people of Alabama have not benefited a particle in a reduction of rates up to this time. The people of the country know, and we all know, and every Senator in this body knows better than to think there is going to be any reduction of rates for electricity if this property is turned over to a private interest.

Let me show now how the property could be managed so as to be a boon to the American people. Suppose that the Government, according to the bill of the Senator from South Carolina [Mr. SMITH], or the bill of the Senator from Nebraska [Mr. NORRIS], or the bill of the Senator from Louisiana [Mr. RANSDELL], or the bill I had the honor to introduce, should continue to keep the plant for service in time of war. Suppose it should experiment and make fertilizers for the farmers at reasonable prices in times of peace, and after it had done all that, suppose the Government should dispose of the surplus current, what would happen? It would be similar to just what happened in Los Angeles or Cleveland or Seattle where the government built the plant.

Mr. KING. Does the Senator mean the Government or the city?

Mr. McKELLAR. I mean the city government, the municipalities which did it in those cases, and here exactly the same thing would happen. Here is a large surplus that the Government could sell at a profit for two-fifths of a cent per kilowatt. I was about to take my own city as an example, but I see the junior Senator from Kentucky [Mr. SACKETT] is listening attentively, so I will take his city of Louisville, and a great city it is, too. The Senator's city of Louisville now pays 10 cents per kilowatt, as I recall the figures. It would cost his city about $2,000,000 to build a transmission line from Louisville to the shoals. I have no doubt his city could easily make a contract with the shoals commission, which would be appointed under either of the Government control bills to which I have referred, to furnish the electricity at one-fifth of a cent per kilowatt. His city could afford to pay for those transmission lines and could then supply electricity to the people of Louisville at less than one-half the rate they are paying now, and could pay off every bond and pay all of the expenses of the transmission line and of those who operate it. That is what would happen if either of the bills which have been offered by the four Senators to whom I have referred should be enacted into law.

I doubt even whether they would have to build a line to Louisville, I will say to the Senator from Kentucky. What would happen would be that the moment the city of Louisville undertook to establish and operate an electrical transmission line to get the power and lights from Muscle Shoals, the company now operating there would say, just as the Los Angeles company should have said, "For what figure do you estimate you can get your electricity from Muscle Shoals?"

The city would reply, "We can get it for one-fifth of a cent, and we can afford to sell it to the people of Louisville, when we get it here and put in our distributing system, at about a 5-cent base rate." The company would immediately come to that rate; and if they did not do it, the city could force them to do it just as they did in Los Angeles.

To-day the citizens of Los Angeles, as I said a while ago, by reason of such an arrangement get their electricity on a base rate of 5.4 cents, whereas we in Memphis, Louisville, Nashville, Knoxville, Atlanta, and other cities near by the shoals pay 10 cents, and in one city 11 cents per kilowatt is the base rate. Is it possible that, instead of doing that for all the people and to benefit all of the people, we are going to turn this great institution over to the Union Carbide Co., a concern that is already doing well enough, in order that we may increase the millions of the gentlemen who own the Carbide Co.?

Mr. DILL. Mr. President——

The PRESIDING OFFICER (Mr. KING in the chair). Does the Senator from Tennessee yield to the Senator from Washington?

Mr. McKELLAR. I yield.

Mr. DILL. In this connection I want to say to the Senator that in my State the Stone & Webster interests, which own the private distributing systems of electricity, are charging from three to five times the cost of electricity in Seattle and Tacoma where they have municipal competition. They are charging three to five times that cost in cities adjoining and surrounding Seattle and Tacoma that do not have municipal plants. That is the best illustration of what the Senator is saying will happen. Previous to municipal ownership they charged in those cities similar rates.

Mr. McKELLAR. The same thing I pointed out for the city of Louisville, from which the Senator from Kentucky [Mr. SACKETT] comes, would happen in Memphis, Birmingham, Atlanta, New Orleans, Nashville, Knoxville, Chattanooga, and all surrounding cities, and what would it mean? It would mean that the residents of those cities would be given an infinitely less price for electricity.

What about the manufacturers of those States if this great manufacturing concern, the Union Carbide Co., gets this plant, as it seems probable they will, as they are the only real bidder in effect? They are now manufacturing some 50 or 75 or 100 different articles. They would manufacture every allied article that it would be to their interest to make. They would take the electric power, and what would be the result?

The smaller manufacturers all over my State in Memphis, Nashville, Jackson, Lebanon, Gallatin, Columbia, and east Tennessee, would be virtually thrown out of business entirely by this great concern or they would be so hamstrung in the way of interference that they could not make a decent living. That is what would happen to the manufacturers of my State.

I can not imagine a greater calamity than for the Government to give this great enterprise virtually for nothing to the institutions that would disrupt our business interests that are now in existence down there. So far as I am concerned I want to stand by the manufacturers of my State in this great project to get an equal distribution of the great power that comes from this plant that was built with the people's money. I was born in Alabama. I love every inch of her soil, and I love her people, but it is not fair for Alabama to have a monopoly of this power that was created by the money of all the people of the United States. The surplus should be fairly and justly and equitably distributed for the benefit of all the people. It should not go into the hands of the monopoly.

Mr. DILL. Mr. President——

The PRESIDING OFFICER (Mr. McNARY in the chair). Does the Senator from Tennessee yield to the Senator from Washington?

Mr. McKELLAR. I yield.

Mr. DILL. The Senator said this power could be sold at 2 mills per kilowatt, I think.

Mr. McKELLAR. That is what they are selling it for now.

Mr. DILL. At what rate are the companies which buy it selling it to their customers?

Mr. McKELLAR. The Alabama Power Co. is buying it all. It has a base rate of 8.5 cents in Birmingham, and my understanding is it has in other towns and smaller places a base rate all the way from that rate up to 12 cents per kilowatt.

Mr. DILL. Is there any considerable amount of power being sold?

Mr. McKELLAR. I called attention a few moments ago to the marvelous figures disclosed by General Taylor. The Government sold enough power in November last at one-fifth of a cent per kilowatt to bring $26,000 to the Government. If the Alabama Power Co. resold it at just 1 cent per kilowatt, it would make $130,000 a month; at 2 cents it would make $260,000 a month; at 3 cents it would make $390,000 a month; at 4 cents it would make $520,000 a month; at 5 cents it would make $650,000 a month; at 6 cents it would make $780,000 a month; at 7 cents it would make $910,000 a month; at 8 cents it would make $1,040,000 a month; at 8.5 cents it would make $1,105,000 a month from electricity that it buys from the Government for $26,000.

Mr. DILL. Does the Government make no attempt to regulate the rate at which it is sold?

Mr. McKELLAR. None whatever. It just sells it, as I understand it, for practically nothing under the present contract.

Mr. DILL. Does the Senator think that was the intention of those who framed the bill which provided for the construction of the dam?

Mr. McKELLAR. If it had been suggested that any such thing as that could occur the original bill never would have become a law. I was one of its most earnest advocates, and I introduced an amendment through the Committee on Military Affairs of the House which provided for the appropriation of $20,000,000 for the beginning of its construction. I say I never would have offered such an amendment if I had thought that after we had constructed this great improvement the Government was going to turn it over to one individual concern for its benefit, to the exclusion of the Government itself and all of the American people.

Mr. HEFLIN. Mr. President, would it offend my friend from Tennessee if I should remind him that he voted to turn all of it over to one individual—Henry Ford?

Mr. McKELLAR. Oh, yes; I could have answered the Senator's question before he arose. Senators, I say in answer to the question that has been asked me probably 40 times during this debate that, while I did not vote to accept the Ford offer,

because I never got an opportunity to vote, I favored turning it over to Henry Ford for reasons that I have heretofore given. Now, every time the Senator asks me that question I hope the Senator and the Senate will know that that is my answer. I have already stated it 40 times, and if it will do the Senator from Alabama any good, I will say it 40 times more.

Mr. HEFLIN. But every time the Senator says we are trying to turn the Muscle Shoals Dam over to a private individual, I want to show that we are standing for just what he stood for just a few months ago.

Mr. McKELLAR. I know; but he does not stand there any more, I will say to the Senator from Alabama.

Mr. HEFLIN. I want to ask the Senator about the question of equitable distribution. The few Senators who agree with the Senator from Tennessee keep talking about this power down there as though the Government were going to give it to somebody. If that were true, if the Government should give it to somebody, then it would be all right to say that whoever got control of it should distribute a little power here and a little power there to the surrounding States; but the Government is going to lease it to somebody. Now, if the Senator's position is sound——

Mr. McKELLAR. Mr. President, the Senator is not asking me any question; he is merely inserting his remarks in my speech, and I will have to ask him to excuse me.

Mr. HEFLIN. If the Senator wants to refer to me and attack me while I am off the floor at my lunch, and when I come in and ask a question he does not desire to give me the opportunity to interrupt him, then I will wait and reply to him in my own time.

Mr. McKELLAR. I merely want to say to the Senator that I have not said anything about him while he was absent that he would object to in the slightest. I did not know he was absent, for that matter—and I would not have done so. If there is anything that I have said about him of a derogatory character, I certainly did not intend it, and I shall be very glad to withdraw it.

Mr. HEFLIN. I do not know that the Senator has done so; but a Senate page came to me while I was at lunch and told me that Senator McKELLAR was replying to some things that I had said. I hurried through my lunch and came in, and the first question I ask the Senator he objects to my interrupting him.

Mr. McKELLAR. Now, Mr. President——

Mr. HEFLIN. If the Senator will permit me to say what I was going to say about equal distribution of power, it will take but a minute.

Mr. McKELLAR. Very well; if it will take the Senator but a minute, I am willing to yield to him.

Mr. HEFLIN. If it is fair to provide by law for a distribution of this power to the surrounding States, it is fair to divide the pay for that power with the 48 States in the Union. If that theory is to be followed out, why should not the States that can not be reached by the power be entitled to share in the funds derived from the sale of such power?

Mr. McKELLAR. The Senator said something about my mentioning him. If I did, I mentioned him in a way to which he would not object. I wish to call his attention to the fact that he himself has a record in this matter. I want to read from the CONGRESSIONAL RECORD of June 17, 1922; and if there are representatives of the farmers in the gallery, I hope they will listen to this. It is a statement which I entirely indorse. I read from the CONGRESSIONAL RECORD on page 8895:

THE MUSCLE SHOALS PLANT

Mr. HEFLIN. Mr. President, we have been told, and truly, that agriculture is the cornerstone upon which all other industries rest. I want to supplement briefly what my colleague [Mr. UNDERWOOD] said about the Muscle Shoals project.

I hold in my hand an article from the Florence Times, a newspaper published in the county where the Muscle Shoals Dam is located. It deals with the question of fertilizer, and reads:

I want it to be remembered that there is a community of interest between the Union Carbide Co., which is proposing to bid for this plant, and the American Cyanamid Co., in that the Union Carbide Co. and the Cyanamid Co. have the processes and the patents that are used down there now; they do not belong to the Government, but they belong to those companies; and consequently there is a community of interest between them. I ask Senators to listen to this:

"Exposure of fertilizer-sale plans—County agent deal shows up method of imposition upon farmers—112 per cent charged them—Actual contract that nearly 500 Lauderdale farmers have signed is reproduced."

"Lauderdale" in this contract means Lauderdale County, Ala., which is in the northern part of the State and right near the shoals. I ask Senators to listen to this contract:

First. Following is a note or mortgage that came into my hands, and which hundreds of farmers in this county have had to sign in order to get fertilizers for this year's crops. Please note the undue stringency and injustice of it.

INTEREST-BEARING NOTE

"ALABAMA, 1922.

"STATE OF ALABAMA,

"*Lauderdale County:* R. F. D.

"On or before the 1st day of October next I, we, or either of us, jointly and severally, promise to pay to the order of (company's name furnished on request) the sum of ——— dollars, with interest thereon at the rate of 8 per cent per annum from May 1 of the year this note bears date until paid, for value received, in fertilizers. This note with annexed agreements forming one contract. It is agreed that I purchased, received, and used said fertilizers without any warranty whatever on the part of the seller save only that the analysis is true and correct as printed upon each bag, and I admit that the said fertilizers have been inspected, tagged, and branded in accordance with the laws of this State, and no failure of consideration shall be pleaded by me in any action on this note. Further, it is expressly understood and agreed that the seller has neither expressly nor impliedly warranted the effects of said fertilizers on crops, and that I can not hold the said company responsible in any way for practical results. And to further secure the payment of the above sum, and all recording expenses, and all other debts I or we now or may owe payee before the surrender of this note, I or we mortgage to payee the following unencumbered property, to wit, ———, my entire crops and rents of corn, cotton, and other produce for this year and each succeeding year until the same is paid, and I empower payee to take possession of said property whenever it elects to do so, and if, when any part of this indebtedness falls due, it is not paid, to sell said property at public sale after 10 days' notice by posting at the courthouse door. The proceeds it will apply to any indebtedness, whether due or not, and payee is authorized to purchase at said sale. If not paid at maturity, I agree to pay a reasonable attorney's fee and all other expenses for collecting or adjusting same. The makers and indorsers hereof waive all rights of exemption under laws of this and all other States.

"Signed, sealed, and delivered in the presence of ———.

"Witness my hand and seal this day and year above written."

Commenting upon that contract the county agent, Mr. Deal, according to the Senator from Alabama, said:

"You will observe that it could fairly take the shirt off the signer's back, and everything except his wife and child and hope of Heaven. Also note that the company may take possession of his crops or property under this mortgage at any time, even one day after signing. It only requires close reading to appreciate the dastardly unreasonableness of its requirements.

"And, second, the farmer is paying approximately 110 per cent for the privilege of signing. Note the following: Evidently in order to be in line with farm bureau prices, which handles fertilizer materials for cash only, the cost price, for instance, on acid phosphate was set at $13 per ton; but the credit price is $18.50. This means a charge of $1.10 per month for the five months that the note is made for. This might be considered interest No. 1, and on annual basis would mean $13.20, or 101½ per cent interest on a principal of $13. Then, in addition, a regular 8 per cent per annum charge is made, not on the first or cash price but on the $18.50 price, resulting in a total interest charge of one hundred and twelve and a fraction per cent per annum."

Here is what the Senator from Alabama [Mr. HEFLIN] said:

Mr. President, that is why the farmers of America are asking that the Ford offer be accepted. That is why the farm organizations in the North, in the West, and in the South are asking that the Ford offer be accepted. They are seeking to be delivered from the merciless greed of the Fertilizer Trust of the United States.

They are seeking to be delivered from the Fertilizer Trust; and day before yesterday when I asked the Senator from Alabama if the fertilizer company should make a bid for this property would he uphold it. He replied that he would wait and see.

Mr. HEFLIN. Mr. President, I stand by all that I said in the RECORD from which the Senator has read. I am still fighting for those farmers who are oppressed by the Fertilizer Trust. I do not know who is going to bid for this property. The Senator seems to be in the confidence of the power concerns; I do not know; but I will not accept a bid unless it is a good bid and to the best interests of the farmers of the country.

Mr. McKELLAR. I will ask the Senator, will he accept a bid if it comes from the Fertilizer Trust?

Mr. HEFLIN. I do not know what is the Fertilizer Trust.

Mr. McKELLAR. If he believes it to be the Fertilizer Trust, will he vote to accept the bid?

Mr. HEFLIN. No; I would not vote for it.

Mr. McKELLAR. The Senator knows that the American Cyanamid Co. is a part of the Fertilizer Trust.

Mr. HEFLIN. No; I do not.

Mr. McKELLAR. The Senator does not know that?

Mr. HEFLIN. No.

Mr. McKELLAR. Would the Senator be willing to vote to accept a bid if it came from the American Cyanamid Co.?

Mr. HEFLIN. I am not sure about that. It is a big fertilizer company. I voted once to let them have a dam on the Coosa River to do business down there.

Mr. McKELLAR. Yes, and they promised to make fertilizer, and I think the Senator's colleague [Mr. UNDERWOOD], then in the House, assured the Congress that that company was going to make fertilizer at that point, but I say to the Senator and to the Senate that it never made a dollar of fertilizer at that plant.

Mr. HEFLIN. That question was up here once before. The Senator is entirely mistaken about that. That company never got the plant at all. They went to Canada.

Mr. McKELLAR. Well, that is the record, that there has been no fertilizer made there.

Mr. HEFLIN. That was a power dam; the Alabama Power Co. got the dam, and the Cyanimid Co. went out of the country to Canada.

Mr. McKELLAR. Mr. President, I want to commend some more good doctrine to the Senator from Alabama, a doctrine that I indorse, but if this power plant goes to the Fertilizer Trust or to its allied interests, as the Senator seems to desire that they or others be given a chance to bid on it, he will have to take back what he said when the time comes. I want to read from the RECORD of December 7, 1922, a speech made by the Senator on the Muscle Shoals question. The Senator from Alabama said:

> I know, and I think every other Senator here knows, that the fertilizer concerns of this country are so big and powerful that they are not going to permit those who now control the Government to manufacture fertilizer to be sold in competition with their products.

And we all know it. What the Senator said was as true as Holy Writ. He goes on to say:

> At this time the mere suggestion of that course would seem to mean another effort to postpone favorable action on the Ford offer for Muscle Shoals.

Ah, Mr. President, the Senator then was opposed to any of the allied interests, including the Power Trust, getting this property.

Mr. HEFLIN. I am opposed to them getting it now.

Mr. McKELLAR. Well, the Senator is doing exactly what they want. The Senator even goes so far as to use the very words of Mr. Davis, the representative of the allied interests, one of the men who owns in part the cyanimid process now in use at Muscle Shoals. Mr. Davis says the pending resolution must not only be adopted without the crossing of a "t" or the dotting of an "i," but there must be no amendment of any kind; it must be adopted just as these large interests demanded in the hearings. He is not willing even to give a little time for honest debate, because no one here wants to postpone this matter, but we want to talk about it. We want to let the people of America know just exactly what kind of a concern is going to get this power down there; and we all know in our hearts—I am sure the Vice President knows in his heart, and I am not asking him for an expression—that if it goes into the hands of private interests, the people, the users of fertilizers, the users of power, the plain people of this country, never will get a cent's benefit from it. We own it, and yet Senators stand here on this floor and demand that this concurrent resolution turn it over to some private interest for an inconsequential consideration, not enough to keep up the plant.

Mr. HEFLIN. Mr. President——

Mr. McKELLAR. I will yield to the Senator in just a moment. It is demanded that that shall be done without the dotting of an "i" or the crossing of a "t"; that it must be instantly done; that the name of any man who stands up here and pleads for the rights of the plain people ought to be anathema; that he ought not to be permitted to stand on this floor and talk in opposition to the judgment of the great Union Carbide Co., with their $250,000,000 of capital, manufacturing hundreds of articles. They want it, and no man should stand up and say them nay.

I yield to the Senator from Alabama.

Mr. HEFLIN. Mr. President, the Senator says that Mr. Davis said that the concurrent resolution ought not to be amended, and that he represents some power company.

Mr. McKELLAR. No; he represents the fertilizer people incidentally, jointly.

Mr. HEFLIN. I want to ask the Senator what he says about the National Grange, and the Farm Bureau Federation of America and the farm bureau men of his State and my State who are here asking that the concurrent resolution be not amended at all. Does he put them in with the trust?

Mr. McKELLAR. I have already discussed that matter. The Senator evidently was not here.

Mr. HEFLIN. Why does not the Senator line me up with the farmers instead of trying to put me in with the trust?

Mr. McKELLAR. I will tell the Senator exactly what I think. I think several gentlemen here in this city who are agents for farmers' organizations—and I do not mean to criticize them in the slightest—have been misled about this matter, just as I think the Senator from Alabama has been misled in all sincerity, because I know that the Senator from Alabama is a true friend of the farmer. He has been preaching for the farmer here, to my certain knowledge, for 15 years. I served in both Houses with him, and I think he is a sincere believer in the farmer and the plain people; and I think he has been misled about this matter. This is the first time I ever saw him on the wrong side of a proposition of this sort.

Mr. HEFLIN. The Senator thinks I have the zeal of God without knowledge?

Mr. McKELLAR. I think the Senator has been misled. I think the great power interests in his State and the great fertilizer interests in his State have misled the Senator, and have misled these splendid representatives of the farmer; and I want to tell you how they have done it. They have said to the farmer and they have said to the Senator from Alabama: "What you are going to get is a command to make 40,000 tons of nitrogen a year, and sell it at cost, or even less than cost, according to the Ford offer." That is what they are telling him. Now, House bill 518 is not the Ford offer at all. It is the Underwood bill. The Ford offer has been stricken out. House bill 518 is the simple statement that they are to experiment with it for six years. The Senator from Nebraska will recall that that was a very ingenious step on the part of the interests that are seeking this power plant down there. An amendment was offered to the bill of the Senator from Nebraska [Mr. NORRIS] under which the Government would control it, and the Ford provision for the manufacture of the absolute amount of 40,000 tons a year was stricken out, and this provision that applied only to a Government bill was inserted.

Mr. HEFLIN. Mr. President, before the Senator gets away from that——

Mr. McKELLAR. Just one moment. Here is the Ford bill in the first part of House bill 518. It has all been marked out; and I think the Senator from Alabama, when he saw H. R. 518, overlooked that and thought that was still in there. He has had so much to say about the Ford offer that he thought it was still in House bill 518. It is not in House bill 518 at all.

Mr. HEFLIN. My friend wants to forget the Ford offer.

Mr. McKELLAR. No; I am calling attention to it. Every line of the Ford offer has been stricken out of this bill. I ask Senators to send for it and get it. Every line has been stricken out of it. There is not a line of the Ford offer in House bill 518.

Mr. HEFLIN. That was the McKenzie bill.

Mr. McKELLAR. Yet the Senator's resolution, House Concurrent Resolution No. 4, indorses House bill 518, which is not the Ford offer at all but the Underwood bill of last year; and we all remember what the Underwood bill was.

Mr. HEFLIN. The concurrent resolution refers to House bill 518, the McKenzie bill, which had the Ford offer in it.

Mr. McKELLAR. It had not the Ford offer in it. It is stricken out. I ask the Senator to look at it and see if it is not stricken out.

Mr. HEFLIN. I know it is not. The same number was given to the Underwood bill, and it is substituted for it.

Mr. McKELLAR. The Ford offer is stricken out of House bill 518.

Mr. HEFLIN. But the concurrent resolution refers to House bill 518.

Mr. McKELLAR. Of course, I knew my friend from Alabama had been misled about it.

Mr. HEFLIN. Misled? I am giving the Senator the record.

Mr. McKELLAR. Just one moment; we can not both talk at one time. I knew he thought that we were still talking about the Ford offer and that we were going to get something

like the Ford offer, but it is not the Ford offer at all; and I want to say this to the farmers of the country:

I do not believe any man has ever been more loyal to the interests of the farmers than I have. I have gone to every length to serve them, and I am willing even to go to still further lengths to serve them. I think they are the groundwork of all of our prosperity in this country. They are the men that ought to be more considered than any other class in our country, because they have to stand the greatest hardships of all of us. I have been a farmer myself. I was a farmer's boy. I was born and reared on a farm. I know all the hardships that the farmers have to undergo; and I am here to-day pleading for the farmers of my State and surrounding States when I ask that this enormous plant shall not be turned over for the benefit solely of private interests, but that it may be used by the Government of the United States for the making of fertilizers—cheaper fertilizers, better fertilizers—for the farmers of the United States.

Now, Mr. President, I want to refer again to the Senator from Alabama. The Senator from Alabama used to be on the same side of the house that I am on. In the same speech of December 7, 1922, the Senator from Alabama said:

The Senator from Nebraska went so far as to try to defend the Fertilizer Trust—

The idea of accusing the Senator from Nebraska of defending the Fertilizer Trust! He may have done it at some time—the Senator from Alabama may have been correct about it—but I want to stop here long enough to say that during my service in the Senate—now nine years—I have never been associated on any committee with the Senator from Nebraska, but I have been associated with him on this floor, and he and I have been here most of the time—we are rarely absent—and I want to say that I have never known the Senator from Nebraska to be on the side of any trust. I believe that if there is a sincere friend of the farmers in this country, a sincere friend of the people, a sincere friend of good government, a sincere friend of honest government, that man is GEORGE NORRIS. He is able to take care of himself, and needs no defense from me, and I am not attempting to defend him; but after the splendid fight he has made to prevent these monopolies from getting this great plant away from the people and putting it into private use, where it will benefit but one concern, I think it is as little as I can do to thank the Senator from Nebraska for his great work. Whether we win or lose, my admiration and respect for him will continue, because he is an honest and a true man.

The Senator from Alabama said:

The Senator from Nebraska went so far as to try to defend the Fertilizer Trust, saying there was no trust, and he said they had a man over there before the committee who was supposed to be the head of it, and that I did not ask him any questions.

Mr. NORRIS. Was not that true? The Senator did not ask him a question. I got him there on purpose so that the Senator could develop the fact if there was a Fertilizer Trust. I did not say there was none; I said "I do not know." The Senator has said there was so often that I gave him an opportunity to produce the evidence, and he did not do it. I do not know anything about it.

Why, he had said that as often as he has said that I have changed my views on the Ford bill, which is not before the Congress in any way.

Mr. HEFLIN. Mr. President, the farmers around the country say there is a Fertilizer Trust.

The farmers say it! I wonder if the farmers do not think there is a trust now! I want to say that if this great concern, the American Cyanamid Co., or the Union Carbide Co., or any of the allied interests, get this plant, every farmer in the Senator's State will know that there is a Fertilizer Trust and every farmer in the State of the Senator and every farmer in my State who uses fertilizer will be paying tribute to that trust, and the Senator will be rejoining me in demanding cheaper prices for fertilizers for the farmer.

Mr. HEFLIN. Mr. President, the farmers around the country say there is a Fertilizer Trust. They pass resolutions in the South, and some in the West, denouncing the Fertilizer Trust and the treatment of the farmers by the Fertilizer Trust, and the Senator says now that he wanted me to develop the case against the trust by the testimony of the individual at the head of it. Now, think of that—a trust magnate, the fellow who engineers the thing that sucks the lifeblood of the farmers of the country and makes him millions of dollars—expecting him to tell how it was done and to plead guilty to engaging in crooked conduct.

Ah! and yet day before yesterday, when I asked the Senator from Alabama: "Are you willing to transfer this property, belonging to all the people, to the Fertilizer Trust?" he said he did not know that there was one, as I remember his language; and when I asked him the specific question: "Are you willing to transfer it to the American Cyanamid Co. or the Union Carbide Co., which are believed to be allied with the Fertilizer Trust?" he said he would wait until the bids came in. He has changed somewhat.

Mr. HEFLIN. Mr. President, I said that I would be the judge as to whether the thing was a trust or not; that I could not take my friend's judgment on that, because he might change the next day and leave me alone.

Mr. McKELLAR. Mr. President, I may be a very changeable man, but I have never in my service in either House knowingly been against the plain people of America. I am for the farmers. I am for the laboring men.

I am for the men who make an honest living by the sweat of their brows or by the work of their brains, wherever they are. I think it is little short of criminal for us to take the money of all the people and build this great plant for the benefit of the Government first, and afterwards for the benefit of the farmers, who need help at this time as never before, and then turn it over to the private interests, who, no doubt, the moment they signed the contract, for it would issue probably somewhere between $300,000,000 and a billion dollars' worth of stock, and sell it to a gullible American public and earn dividends on it and make the people of my section and the people of this country pay the income from which to declare those dividends.

Some of these gentlemen toil not, neither do they spin, but they are very shrewd at making combinations and making the people pay incomes on values which they get in this way.

I have another excerpt which I would like to read. This occurred on December 20, 1922. How the spirit of change comes over our dreams. I will have to quote myself in order to make the connection. I am speaking to the Senator from Alabama, my good, esteemed, and delightful friend. I read:

Mr. McKELLAR. I call the Senator's attention to the fact that the Alabama Power Co. is using Plant No. 2 now in just the way the Senator has pointed out. It does not have to wait for the future; it is being done right now. They are renting the plant at a nominal figure and using it.

Speaking of the steam plant:

Mr. HEFLIN. I understand that is true. I have no objection to Plant No. 2 being used by the Alabama Power Co. while the matter is pending. Of course, I would rather it would be used and the Government get a little something for it than to have it stand idle. But the aim and end of those who are opposing the Ford offer is to defeat the Ford offer and then to put the Norris bill to sleep, and then come to the Government and get the project at Muscle Shoals for a song.

He was just anticipating by four years what he proposes to do to-day. The Ford offer was withdrawn, the proposed Underwood disposition of the plant was defeated, and now what has happened?

Mr. HEFLIN. I am still——

Mr. McKELLAR. The Senator said, "Then come to the Government and get the project for a song." That is precisely what is happening here to-day. The Union Carbide Co., the only one that has offered to bid, its associate, the American Cyanamid Co., and perhaps the Power Co. will get in late, but I doubt it. I think these three great companies have made a deal, although I have no proof of it. I want to say that to them if they are listening. I say to the Senate in all frankness that I have no proof of it but the moccasin tracks, as my old law partner used to say, are all there. What are those moccasin tracks?

There has been the greatest rivalry in the world between the Power Co. and the Cyanamid Co. and the Carbide Co. heretofore. They have been very jealous of one another. They have been fighting. They fight on one side and then on the other. But now everything is lovely. They have a resolution here by which they can get this for a song, and as I just pointed out, the power alone that is being made in the units now developed gives them a return of more than $6,000,000 a year, after paying the Government one-fifth of a cent for the power.

Six million dollars a year is a large sum. That does not take into consideration the steam plant, it does not take into consideration the other units of this plant now being built. Three companies could very well afford to go in together on $6,000,000 a year. Three companies have combined many times for less than that per year. Two million dollars a year is a very substantial amount. I do not know that they are

going to combine but it looks peculiar. I wonder if they are. I wonder——

Mr. HEFLIN. I wonder if my friend is going to yield to me.

Mr. McKELLAR. I beg the Senator's pardon. I yield.

Mr. HEFLIN. The Senator says I want to dispose of it for a song. I said that was what they would probably do if they beat the Ford offer. Now we are going to provide that they shall pay the Government anywhere from two to five million dollars a year, I understand, and in 50 years the Government will get back more money than the plant cost in the outset.

Mr. McKELLAR. Mr. President, they will get back a million six hundred thousand dollars a year. The replacements, of the gates, for instance, and other things, are immensely expensive. The painting and all other expenses which the Government will have to bear will probably cost more than the $1,600,000 that is proposed under this offer.

If that language of the Senator did not suit him, I call his attention now to a doctrine which I know he must have felt honestly then, and I can not believe but that he feels it now. He had just said that they would be here, just as it is proposed here now, to get it for a song. Then he said:

> I repeat they are not going to do that with this project. The Government has been imposed on many times in the past that way, but the people are getting wise to it.

Thus spoke the Senator from Alabama on December 20, 1922.

> They are not going to do it, because the people are getting wise to it.

Mr. HEFLIN. Now, if the Senator will yield——

Mr. McKELLAR. What has changed the spirit of the dreams of the Senator from Alabama? Is it possible that he believes that the people are not wise to it now? I assure him and assure the Senate that if this property is transferred to any private concern, in violation of the sacred compact made between the Government and the people when this plant was built, the people will get wise to it, and even farmers' representatives here will get wise to it, if they have not already gotten wise to it. I want to urge those representatives of the farmers, whom I believe to be good men, not to be misled, but to take the advice of the Senator from Alabama given in 1922. Just call on him again to stand by what he said then. As Colonel House said to Senator GLASS, "Stand firm; stand firm for the rights of the people," just as the colonel said to Senator GLASS when the Federal reserve bill was before the Congress, and was about to go by the board because of what he called the vacillating position of Senator GLASS. He urged him to "stand firm, and I will stand by you." It will not do me any good to stand by the Senator from Alabama. He is capable of standing by himself; but I ask him to stand firm to the doctrine he so well and so eloquently put before the Senate of the United States in 1922.

Mr. HEFLIN. Mr. President——

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

Mr. McKELLAR. I yield.

Mr. HEFLIN. At that time the Senator from Tennessee and I were standing side by side. We were supporting the Ford offer. He was right up by me, and he helped me to stand firm. I am standing where I stood then. Look where he is. He has gone off and left me.

Mr. McKELLAR. The Senator has left the Ford offer.

Mr. HEFLIN. I want to get him back before it is everlastingly too late. And I want to say to the Senator, Mr. President, that the people are wise. The farmers ought to know what they want. They are here supporting this resolution. The Senator keeps saying we are favoring the trusts. The trusts are against the resolution, the farmers are for it, and the Senator from Tennessee is fighting it.

Mr. McKELLAR. I want to quote the Senator again. The Senator, not satisfied——

Mr. HEFLIN. Keep that up, because that is the best part of your speech. [Laughter.]

Mr. McKELLAR. It is. I do not think there is any man in this body, as many eloquent men as we have and as many splendid speakers as we have, more forceful or more attractive in presenting any subject to the Senate, whether it be one side or be the other, than the Senator from Alabama. He is always eloquent and always forceful when he is standing for the plain people, when he is not asking that bids be made by some big concern that will go down and take the people's property.

Mr. HEFLIN. I thank my friend for his compliment, although he may not feel that way to-morrow. [Laughter.]

Mr. McKELLAR. I am sure I will feel that way all the time. I want to call the attention of the Senate to what the Senator from Alabama said on March 10, 1922, and he presented our case splendidly:

> Another thing, Mr. President: The Fertilizer Trust of the United States is bitterly opposed to Henry Ford getting the Muscle Shoals plant, because he would manufacture fertilizer, and that would bring down the price they now charge, and millions of farmers in the South and West would profit by that very thing. The Fertilizer Trust wants to be let alone and permitted to have a monopoly of fertilizer production in the United States.
>
> Senators, that raises a very nice question. Are we going to be dominated by a power like that?

Yet here we are about to let this power company come in and take this Government property. The Senator said further:

> We ought to do that which is best for the people. We ought not to serve a special interest.

Are the farmers asking to bid on this property? Has the Senator or anyone else heard of a farmers' organization that is proposing to bid on this property? Has anybody from the people come forward with a bid on this property? The Union Carbide Co.—and what was the other bidder?

Mr. HEFLIN. Hooker Bros., of New York.

Mr. McKELLAR. Hooker Bros., of New York. I do not know whom they represent.

Mr. HEFLIN. They represent themselves. They are fertilizer manufacturers.

Mr. McKELLAR. Let me state how these bids are made. For instance, down in Tennessee the General Electric Co. and the Knoxville Light & Power Co., I believe it was, and perhaps three or four other companies, all put in applications for temporary permits for 11 great power sites in east Tennessee. Day and night they met in Chattanooga for the purpose of putting in the bids, but another company, which was just organized and represented them all, put in the only bid that was presented.

The others had agreed on one concern, and then later on the Union Carbide Co. did put in a bid for part of it. There is a community of interest. There is not a Senator on this floor who believes that if a bid comes in here it will not come from all of those who will profit by it. They are not going to bid against one another. They are going to put in a bid for those who will get the property, as the Senator from Alabama predicted so long ago and so well, for a song. Should we do it?

Mr. HEFLIN. Mr. President, if the Senator will pardon me there——

Mr. McKELLAR. I want to appeal to Senators not to let this great Government project, so necessary in time of war, so necessary for the manufacture of cheap fertilizers for the farmers of the United States, go to a concern of this kind, whose only interest—and I do not criticize that interest—is to make money out of it, which has no interest in the farmer and none in the Government, if it interferes with their making money out of it.

Mr. HEFLIN. I want to say again that I do not know who is going to bid. Two companies gave notice, or stated before the committee in the hearings, that they intended to bid. But whoever bids, the bids will come back to Congress, and the House and the Senate will either accept or reject the bids. If those bids were to be let by the committee, I would not favor it myself, but since Congress will have a right to accept or reject, then we still have a final say as to who shall get the property, and under what terms. That is why I say that I can not understand why the Senator and others are holding back this resolution.

Mr. McKELLAR. I want to say to the Senator that while I am not holding it back, I am opposed to it, and I expect to vote against it if I am here. If I am not able to be here, I want to be paired against it, because I believe it is the first step in the taking over of this property by a private interest that has not the interest of either the Government or the farmers at heart; by a private interest which will use it simply for the purpose of making private profits, as it would have a right to do if it got it. I believe that it is not to the interest of any of the people of this Republic to let a private interest get that plant under these circumstances.

I want to refer for a moment to the Boulder Dam proposition. I do not believe there are present any Senators who are interested in that project. I want to discuss it for just a moment.

I understand the President of the United States has recommended that the Boulder Dam be built. I wonder on what terms it is going to be built. I wonder if it is proposed to build the Boulder Dam, which I understand is to cost $200,000,000, and as soon as we get it built to turn it over to some private concern. If that is the intention we ought not to build it at

all. The American Government ought not to spend money ostensibly for all the people and then after we have spent it turn the property over to some private interest. I do not see how I could support a measure providing for such a course as that. If after the expenditure of $150,000,000 it is proposed that we shall turn over this great plant to a private interest, whatever the consideration, I do not believe I would be willing to vote to do any such thing.

Mr. COPELAND. Mr. President——

Mr. McKELLAR. I yield to the Senator from New York.

Mr. COPELAND. What has the Senator to say about the acquisition of the Cape Cod Canal?

Mr. McKELLAR. We all know what the Cape Cod Canal is. That canal was built by private interests and was not successful and the owners want to unload it on the Government. That is all there is to that proposition. I sometimes wonder if we are doing right in many such matters. Ought we to take these nonpaying propositions off the hands of their owners where they have not been successes? I say to the Senator from New York that I believe in the manhood of the Senate. I believe it has courage. I believe it wants to do the right thing. I have been a long time in the Senate, and I have never seen any other purpose than to do the right thing when it comes down to the crux of the situation. I do not believe the Senate will agree to take over the Cape Cod Canal.

We fought the Muscle Shoals matter for a long time. Ever since the Henry Ford offer was withdrawn I have joined hands with the Senator from Nebraska [Mr. NORRIS] in undertaking to carry out the law as it is. The law now provides that the plant shall be run by the Government in time of war and devoted to the manufacture of fertilizer for the farmers in times of peace. Notwithstanding the resolution which the Senator from Alabama is sponsoring and which may pass tomorrow, that is my attitude. I understand it has been arranged for the resolution to pass, but I do not believe it will ever result in anything. I do not believe the good sense of the Senate will ever permit this plant to be turned over to a private individual or corporation solely for that individual's or corporation's own profit and not for the benefit of the people.

I do not believe it can be done. I do not believe that purpose will be accomplished. I want to say that I think the Senator from Alabama is on a cold trail and the plan will not go through, in my judgment. As a matter of fact, most great questions of this kind in the Senate are settled and settled right, and I believe that this one will be settled right.

Mr. HEFLIN. Mr. President, the Senator has said that he has great faith and confidence in the patriotism and judgment of the Senate in its final action on anything and everything. The Senate must act finally upon this resolution, as I said a little while ago. Why is it that the Senator is not willing for the Senate, in which he has such confidence, to have an opportunity to vote on the resolution?

Mr. McKELLAR. I am certainly not only willing for them to have an opportunity to vote, but there is no possible chance of preventing a vote at any time, and no one is trying to do that. I am unwilling for the Senate to vote on the matter without argument, however. I believe that the arguments which have been made here have been of great benefit to Senators. All of them have not heard all that has been said, of course, but from time to time they come into the Chamber and listen, and many things have been said in the course of the debate that I believe have changed the viewpoint of a number of Senators. That does not often happen, I admit. I do not believe there are many Senators in this body who have not considered the Muscle Shoals problem as long as it has been before the Senate.

Complaint is made that we are dilatory. The Muscle Shoals plant is not yet finished. We authorized day before yesterday a $2,000,000 appropriation for use down there, and, by the way, nothing is said in the pending resolution about that $2,000,000. Are we going to turn the property all over to some private concern, including the $2,000,000 to be used for transformers? Is $2,000,000 such a small amount of money that we are not to give it any consideration at all? I stop here long enough to show what we are doing, and I shall detain the Senate only a little while longer. I want to show the Senate what is being received for this $1,600,000 a year. I think there are many of us who do not understand the enormous value of the property down there. I quote from the Senate report submitted on May 31, 1924, as follows:

It is well to describe somewhat in detail the property that is about to be conveyed to Mr. Ford. In the aggregate, it has cost the Government of the United States nearly $90,000,000.

That was before we had spent the $48,000,000 or $49,000,000.

When the Government commenced the construction of these great plants it was necessary to build homes for the workers. In fact, the Government bought sufficient land and built a town at nitrate plant No. 1 and another town at plant No. 2. It constructed over 48 miles of standard-gauge railroad track on the property.

Forty-eight miles of railroad track is very valuable and cost a lot of money.

It constructed over 48 miles of standard-gauge railroad track on the property. There are 13 locomotive engines. There are a large number of other kinds of cars and railroad equipment. At nitrate plant No. 1 we have 112 permanent houses. At nitrate plant No. 2 we have 186 permanent residences. At Waco Quarry we have 14 permanent residences, and at Gorgas we have 35 permanent residences.

That property has since been disposed of.

The houses at the nitrate plants are fully equipped with every modern convenience. They have electric light, heating plants, running water, bathrooms, and are in every way modern. At nitrate plant No. 1 there is a large water-filtration system, and the water is forced through the streets by means of a standpipe. This water system is so large that it will not be economical to use it until this town has grown into a city. At nitrate plant No. 2 there is another water-filtration plant. Instead of a standpipe, the Government utilized a large hill and constructed a reservoir on its top. These towns are about 5 miles apart and are both capable of almost indefinite expansion.

I understand that real estate down there is worth something like $1,000 to $2,000 an acre. In all I think there are over 4,000 acres of it. That is quite an item of real estate. I suppose the land with the houses on it is worth certainly not less than $1,000,000.

The houses are surrounded by beautiful, well-kept lawns and have macadamized streets and cement sidewalks. There are also at these plants nearly 500 other houses that were built for temporary purposes. Altogether there are 30 miles of macadamized roads on this property. There are 28 miles of sewers, 23 miles of water mains, and 54 miles of electric-light facilities. At the Government town located at nitrate plant No. 2 there is a furnished hotel of 100 rooms.

The Government still owns a large amount of land suitable for the construction of additional homes and for other purposes. At these two Government-owned towns there are altogether 4,200 acres of land, a great portion of which is still vacant and ready for additional improvement. There are also at Waco Quarry 450 acres of land.

So there are 4,650 acres of land instead of the number of acres which I stated a little while ago.

In addition to all this, the Government, under Mr. Ford's offer, will turn over to him more than $2,000,000 worth of personal property, much of which is absolutely new and has a definite market value. For instance, there is a vast quantity of all kinds of building material properly stored in sheds. None of this is second hand, and was all bought with the idea of building permanent homes and other structures. For instance, there is more than 6,000,000 feet of lumber. There are shingles, doors, plaster, windows, several million of various kinds of common and fancy brick, lath, slate shingles, hollow building tile, etc.; there are 10,500 wooden doors, 3,000 screen doors—all of which the Ford corporation could sell on the market the next day after the transfer was made. In addition to this, there are many cars and railroad engines which were used in the construction of nitrate plants Nos. 1 and 2, which are now absolutely unnecessary in the operation of these plants. These engines and cars and much of the railroad track, although second hand, could be sold at a fair value for cash. In addition to this there is a vast amount of other material that has been used in the construction of these plants that is unnecessary in their operation. This consists of a great deal of secondhand lumber, tools, office furniture, consisting of typewriters, desks, etc., and a large amount of camping equipment that was used at the beginning of the construction period, camping furniture of all kinds in enormous quantities, temporary structures for the housing of employees during the construction period, which could be readily sold for cash and in the open market. A careful valuation of property of this description has been made and very conservatively valued, and it shows that $1,500,000 could be realized from this source alone. Putting it all together, the personal property, both new and second hand, that is of no value in the operation of these plants, which could be sold without any injury whatever, there would be a total value, at a very conservative estimate, of over $2,000,000.

There is other personal property there which under Mr. Ford's offer the corporation would get title to, consisting of supplies for these plants, which would not be exhausted in the ordinary course of operation for a long period of time. Much of it has a definite market value and could be sold upon the market if the corporation was in need of ready cash. For instance, there is one item of platinum of a definite and known value of $735,000—enough for use in the operation of ni-

trate plant No. 2 for a very long period. A large portion of it could be sold, and when additional supplies were necessary the same could be bought upon the market.

It must be remembered that with the exception of the machinery in nitrate plant No. 1 all of this property is in first-class condition. None of it is injured in any way. It is all fully protected and cared for.

The two steam plants, capable of developing more than 120,000 horsepower, are as modern as any steam plants in the world. Nitrate plant No. 2 is complete in every respect. There is nothing in the world superior to it. It can be started in full operation upon a day's notice. The residences are ready to be moved into—some of them are even furnished. Never in the history of the world has a town or city been constructed more complete and up to date than these two Government towns. The taxpayers of the country have expended practically $90,000,000 in the acquisition of this property. While it could all be reproduced now at a less cost, the fact remains that if a city grows up in the vicinity of Muscle Shoals, which is very fair to presume, the value of this property, particularly the residences and the large tracts of additional land that would go to the Ford corporation, could be sold at many times their original cost.

It is the acknowledged intention of Mr. Ford, if he gets this property, to build manufacturing plants and utilize the cheap power that he will own by the lease of the dam that will be hereafter described. Owners of adjacent real estate have, in anticipation of the growth of this city, laid their property out in lots and are extensively advertising it now for sale. These real-estate speculators are organizing a wonderful propaganda in favor of the acceptance of Mr. Ford's offer. Some of them are maintaining an office now in the city of Washington for the purpose of disposing of their property. They have flooded the country with their letters and circulars, particularly among the farmers, in which they falsely represent that Mr. Ford has agreed to make fertilizer at one-half its present cost, and thus they have brought to the aid of their real-estate speculations thousands of honest farmers throughout the country. They have platted the country for miles in all directions. If their propaganda is anywhere near true, there will be, if Mr. Ford gets this property, a city spring up there which will make New York look like a country village. Why a warranty deed to the Capitol at Washington is not included in this great transfer of Government property to this wonderful corporation has never been explained. This omission came about no doubt because of some sympathetic feeling that the agents of this corporation felt toward the taxpayers of the country. Notwithstanding this apparent neglect, the transaction still remains the most wonderful real-estate speculation since Adam and Eve lost title to the Garden of Eden.

I refer to that statement not only to show the vast value of what is going to be virtually given away, but to show that there is no use in selling the real estate at all in that way. It ought to be sold on the market. It is not a part of the plant. The real estate to which I have referred is not a part of the plant. Why should it be sold? Why should these town sites be sold? Why should they not be sold to private owners? Why should the corporation get them? Yet under the resolution unamended none of these matters can be taken into consideration, and they all go with the main plant.

I shall conclude in just a moment. I have taken more of the time of the Senate than I intended, and my excuse for it is that I have never in my whole life been more earnestly concerned about the disposition of any of the property of this great Government. If this property is transferred to a private corporation, then no one gets the benefit of it except the stockholders and officers of that private corporation.

If it were kept by the Government and developed for war purposes and for fertilizer purposes and for power purposes, then it would benefit a great number of people all over our common country in the South. It would be of enormous benefit to them. It was never intended that it should go into private hands. It ought to remain where it is.

I now come to what we propose to do, and I can not better state that than as it is stated in an amendment to a bill which I have here. Instead of turning the plant over to a private interest, this is what those of us who believe that the public is entitled to it think ought to be done with it. I want to read very briefly:

(b) In the disposition of such excess power the commission may give preference to the power requirements of States and political subdivisions of States, including municipalities, and thereafter dispose of the remainder to farmers, manufacturers, and all other users or distributers of current, whether individuals, partnerships, associations, or corporations, in territory within economical transmission distance from Muscle Shoals, equitably and without discrimination, and without reference to State lines, and at rates fair and reasonable and as low as practicable. The commission is authorized and directed to make classifications and shall serve all customers in the same class at like rates and under same conditions of service, and no locality or section shall be favored over any other locality or section. Should the commission sell a portion of such power to a public utility company for distribution, it shall have the power and it is hereby directed to regulate by provisions in the contract the prices to be charged by such utility company in the resale of such power to consumers.

Mr. President, that is a fair and just method of distributing the excess current. It is fair to the people of all the States.

The Senator from Alabama has stated, or his argument would seem to lead to the conclusion, because this plant is located in Alabama that Alabama has some different interest in it from the other States. That can not be. This river merely touches the State of Alabama. Its principal source is in the State of Virginia. It runs all through the State of Tennessee, dips down into Alabama for but a few miles, turns back and again runs through Tennessee, and empties into the Ohio River in Kentucky. Nine-tenths of the water that furnishes power at Muscle Shoals comes from Tennessee. The people in Tennessee ought not to be shut out and they should have a fair and equitable proportion of the surplus power; we ought not to be excluded from it; yet, the Alabama commission the other day gave out a statement which the newspapers thought indicated, and they so reported, that the power would not be allowed to go beyond the confines of Alabama. It is perfectly obvious that if this great concern which is bidding for Muscle Shoals gets it the power produced will not go beyond the confines of Alabama; it will all be used there; it will be used within the State of Alabama for the benefit of that particular company and even the citizens of Alabama, outside of the immediate locality, will not profit by it.

Mr. President, I sincerely hope that the Senate of the United States will not adopt this resolution.

Mr. McKELLAR subsequently said: Mr. President, during my speech to-day the Senator from Maryland [Mr. BRUCE] made a statement that there was ordinarily a large deficit in the revenues of the Post Office Department. I told him that he was mistaken about it, and that in the eight years from 1913 to 1921 I thought for most of the years there was a surplus. I told him I would get the figures. The figures were laid upon my desk, but I inadvertently failed to put them in the RECORD, and I ask unanimous consent that they may be printed in the RECORD at the end of my speech.

The surplus for 1913 was $4,510,650.91. For 1914, the surplus was $4,376,463.05. In 1915 there was a deficit of $11,333,308.97. In 1916 there was a surplus of $5,829,236.07. In 1917 there was a surplus of $9,836,211.90. In 1918 there was a surplus of $19,626,774.08. In 1919 there was a surplus of $2,342,851.96. In 1920 there was a deficit of $17,270,482.72. By a simple addition and subtraction we find that during the eight years there was a net profit of $17,918,301.28, or an average of a little over $2,000,000 a year. That verifies the statement I made before.

Mr. McKINLEY obtained the floor.

Mr. JONES of Washington. Mr. President, will the Senator from Illinois yield to me?

Mr. McKINLEY. I yield.

Mr. JONES of Washington. I ask unanimous consent that when the Senate concludes its business to-day it take a recess until 12 o'clock noon to-morrow.

The VICE PRESIDENT. Is there objection? Without objection, it is so ordered.

REGULATION OF RAILROAD RATES

Mr. McKINLEY. Mr. President, Senate bill 575 is one of the most pronounced pieces of class or sectional legislation that has ever been proposed in the history of the deliberations of this Chamber. It was designed with the idea that it would produce a financial advantage for the few jobbers in the so-called intermountain territory, which is the hinterland to the Pacific coast, at the expense and to the financial disadvantage of the millions of people in the great Mississippi Valley. With the interests of the citizens of Illinois in mind, I am, therefore, compelled to oppose this bill because it is inimical to the welfare of our State and for a further and broader reason—that it is directly opposed to the best interests of all of the people of all of the States of this Nation. If enacted into law, it will forever exclude the products of Illinois from the markets of the Pacific coast in competition with territory on and adjacent to the Atlantic seaboard, which enjoys the Panama Canal as a transportation agency. If it shall become a law, it will seriously reduce the revenues of the carriers in the United States who participate in transcontinental traffic. Loss of revenue will mean one of two things: Either an increase in freight rates or deterioration of freight service, and that will vitally affect every man, woman, and child in the Nation. We are now trying to devise means of affording some relief to the farmers of our country.

The commission is investigating the entire rate structure of the country pursuant to the Hoch-Smith resolution with the idea of seeing if it is possible to effect a reduction in rates on agricultural products. The farmers of this country will watch the vote on this bill with a great deal of interest, a bill which has the possibility of an increase rather than a reduction in freight rates on the products he has to sell. The shippers and the traffic men of the entire country, with the exception of the territory which is supposed to be benefited by this bill, are practically unanimously opposed to it, and they are thoroughly alive to the situation. They can plainly see that it is an attack upon the integrity and reputation of the Interstate Commerce Commission. They know that the bill is pointed in the direction of Government ownership and that it is nothing but an attempt at political rate making. The people of my State are waking up to the facts of the case, Mr. President, and I assure you, sir, that the public generally has a better understanding to-day of the dangers of this proposal than it has ever had in times past when it has come up for consideration in different forms.

It is unfortunate, it seems to me, that in the debate between the proponents and the opponents of this bill, as well as others of like nature, the issues have very often become obscured by the introduction of questions of the justice or reasonableness of certain freight rates or freight-rate adjustments. This discussion should be confined primarily to the determination of what is sound governmental regulation. It is undoubtedly admitted by all of us that it is a proper function of Congress to set forth in our statutes a declaration of the principles to be observed by the regulating authority in making rates or administering the law concerning rate structures. Transportation is the second largest industry of our country. It is an intricate problem. Neither oratory nor a superficial citation of so-called maladjustments of freight rates will solve it. It requires intelligent study. With all due regard for the sincerity of the proponents of this measure, I may safely say that Congress is not equipped to consider and pass upon an involved economic question such as each of the thousands of rate adjustments which are embodied in complaints each year by different citizens, groups of shippers, and entire cities, communities, or sections of our land. It is necessary, therefore, that Congress delegate the task of administering the principles laid down in our statutes to some governmental body, and for the past 39 years that duty has been intrusted to the Interstate Commerce Commission.

We have set forth in the statutes the principles that rates shall not be unreasonable nor unduly discriminatory. In order to determine what discrimination is undue it is necessary to exercise judgment on the face of ascertained facts and conditions. To prohibit undue discrimination is within the province of Congress; to apply such a rule is not; and to the extent that Congress undertakes to substitute its conclusions for those of the Interstate Commerce Commission our country is deprived of the experience, impartiality, training, and responsibility of its administrative body in the solution of our traffic problems.

It is stated by the proponents of the bill that for Congress to set forth a rigid long-and-short-haul provision is quite as much a matter of stating principles as for us to declare it a matter of principle that the giving or taking of rebates shall be illegal. This argument is fallacious in that a rebate is a departure from the legal tariff rate in favor of one as against other shippers over the same route to the same destination. The giver and receiver are made criminals and proper penalties are provided. Long-haul relief from the provisions of the fourth section, on the other hand, is simply legal sanction for a published rate available to all shippers.

Since its inception in 1887 the Interstate Commerce Commission has been the one outstanding governmental body in our scheme of government. The high standard of its personnel in character, ability, efficiency, and technical fitness outranks that of any other governmental bureau. Its efficiency, volume of work accomplished, and integrity have not been surpassed. The justice, soundness, and impartiality of its decisions have repeatedly been praised by shippers and carriers alike, although its decisions at times have been adverse to both of these interests. In fact, the Interstate Commerce Commission, to my mind, is the marvel of our form of popular government. There have been many distinguished men who have served upon the commission—men like Judge Thomas M. Cooley, of Michigan; Judge William R. Morrison, of Illinois; Judge Augustus Schoonmaker, of New York; Judge Martin A. Knapp, of New York; Judge Charles A. Prouty, of Vermont; Judge Judson C. Clements, of Georgia; Franklin K. Lane, of California; Francis M. Cockrell, of Missouri; and Edgar E. Clark, of Iowa. It is significant that during the entire 39 years this commission has been in existence but two members of the commission have favored an inflexible long-and-short-haul provision in the act. The two members referred to are on the commission at the present time, namely, Commissioners Campbell and McManamy. Commissioner Campbell was for many years the attorney for the Intermediate Rate Association and other organizations whose main purpose was to obtain an inflexible fourth section. His judgment, therefore, may not be wholly unbiased.

This bill gives an excellent illustration of members of this body trying to be clear-sighted enough to deal with absolute confidence for all time to come with the development of economic principles by the adoption of a dogmatic rule of this kind. Under the law the fourth section of the act, which deals with the long-and-short-haul clause, is subject to the limitations of the first section that rates shall be reasonable; of the second that they shall not be unjustly discriminatory; and the third section, which forbids the giving of any undue or unreasonable preference or advantage to any particular person, locality, or any particular kind of traffic in any respect whatever. In permitting relief from the fourth section the Interstate Commerce Commission is absolutely bound by the provisions of those three sections. In other words, in granting permission to a carrier to make a rate to a point to meet water competition, such rate must be determined by the commission to be not only reasonable but reasonably compensatory. If the carrier is granted permission to hold rates to intermediate points to the normal level, which is higher than the competitive rate to the point beyond, it is necessary that the rates at the intermediate points must not be discriminatory.

The commission has also been charged with administering a matter of principle laid down by Congress in section 500 of the transportation act "to promote and encourage the development of water transportation, service and facilities in connection with the commerce of the United States and to foster and preserve in full vigor both rail and water transportation." It is clearly evident that the present law, if fully administered according to the principles laid down by Congress, can not injure any individual, group of individuals or sections of the country. The proponents of this bill are not willing to leave the administration of the law in this respect to the commission and the mere offering of this sort of legislation is a direct attack upon the integrity of the commission which has been unimpeached for the past generation.

This question of a long-and-short-haul provision has been investigated many times by Congress. The commission has made an intensive study of its every phase as is shown in 90 volumes of its reports dealing with hundreds of cases covering it. It has been given serious consideration by the parliament of Canada and English lawmakers have dealt with it for a generation. Only one conclusion has been reached and that is that some flexibility should be permitted in the long-and-short-haul provision of the law. In 1887 when the first regulatory bill was considered it provided an inflexible rule on the long-and-short-haul question which was debated in Congress and rejected. In 1910 an amendment was proposed by Mr. Hardy of Texas, the effect of which was to establish an inflexible rule. That also was rejected. Mr. Mann of Illinois had charge of the bill in 1910. The question had been raised as to whether the discretion created by the proviso of the act was a limited or unlimited discretion and, therefore, whether or not it was a delegation of legislative power. On page 4796 of the CONGRESSIONAL RECORD Mr. Mann said:

> Remember, whatever the commission does in respect to this matter, it is always bound by the act of Congress that rates shall be just and reasonable and that railroad companies shall not establish unjust and unreasonable rates; so that practically what we do here is to give the commission power to say what in a particular case shall be a just and reasonable rate, although we declare, as a general proposition, that it shall be unjust and unreasonable to charge a higher rate for a short haul than for a long haul.

And on page 4795 of the CONGRESSIONAL RECORD he said:

> The intention of the act—the original act—was undoubtedly to provide that in general, as an ordinary proposition, a railroad company could not charge less between two points than it charged between one of those points and a point midway, or part way, between the original two points. In other words, they should not be allowed to run freight from point A through point B to point C and charge less between A and C than they charge between A and B. And yet water competition seems to prevent a hard and fast rule on that subject, because railroads are necessarily in competition not only with regular passenger and freight steamers, but also with tramp ships on the ocean and on the lakes and rivers, and must compete with these vessels.

And it may often happen that the railroad company under the principles which underlie the making of freight rates can not afford to make its rate lower than it does between points A and B, and yet can afford to make some profit out of carrying freight at a lower rate between points A and C. That theory controlled Congress when it enacted the original act, and I think no one has ever contended that there may not be cases where, under proper management of railroads, a less charge may be made for a long haul than for a short haul.

And again he said:

The commission may say what is a reasonable rate to different points; but if, in order to get some of the business which otherwise would all go to water, the railroad company wants to carry freight at less than is a reasonable rate on all its business, nobody would wish to prevent it doing that, because to that extent you could lower the rates.

And again, on page 4797, in answer to the question—

Is it practical to legislate so as to deprive New York and San Francisco of the benefit of the ocean, that no injustice may be done to the towns inland?

Mr. Mann said:

I think not. I think that San Francisco and New York and other ports on the ocean have a natural advantage which can not, and ought not if it could, be taken away from them. In other words, when you come to the question of fixing freight rates, please remember these propositions: A railroad company must pay its operating expenses. It must pay the cost of maintenance. It must pay the cost of its general offices. It must pay the interest on its bonds. It must pay, if it is successful, dividends on its stock. It must carry some freight at profit enough to make dividends on the stock.

It may carry some freight which will help it to pay interest on its bonds and it may be met by a situation where it can carry a large amount of freight at rates which will more than pay the operating expenses or a proportionate share of the operating expenses, which will more than pay its proportionate share of the cost of maintenance, which will more than pay its share of the cost of the general offices, which will contribute something to the interest on the bonds, but which will not contribute anything toward dividends on the stock or which will not even contribute enough toward the interest on the bonds to pay more than 1 or 2 per cent, whereas the rate would be 4 or 5 per cent. Now, with that large amount of freight which it may get if it competes successfully with other methods of transportation, it is the duty of the railroad company to secure that freight at lower terms than are practicable to pay interest and dividends if it carried all freight on the same basis, and that will be true forever in railroads in competition between New York and San Francisco, competing with ocean methods of transportation, and ought to be so. It is true through many parts of the United States, and ought to be so, because in the end it tends to reduce the rates on freight through the country.

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Of course, under the existing law, as construed by the courts, the long-and-short-haul clause amounts to nothing. Under the proposition which we have presented, if enacted into law, there must be application made in special cases to the commission which grants authority to charge a less amount for the longer distance than for the shorter distance, and we think the power can safely be lodged in the hands of the commission. It is perfectly patent it must be lodged somewhere.

We will never reach a basis in this country, and ought not, with our immense railroad mileage and with our great water carriage, with our long lines of road, where we charge railroad rates on the mileage basis or where we put all classes upon the same basis.

It is thus clear that the framers of the present law recognized the fact that transportation is a commodity which must be sold on a competitive basis (influenced by the natural law of supply and demand) just the same as any other commodity is sold.

In the case of the Louisville & Nashville Railroad Co. *v.* Behlmer (175 U. S. 674) Judge Cooley said:

Every railroad company ought, when it is practicable, to so arrange its tariffs that the burden upon freights shall be proportional on all portions of its line and with a view to revenue sufficient to meet all the items of current expense, including the cost of keeping up the road, buildings, and equipment, and of returning a fair profit to owners. But it is obvious that in some cases, when there is water competition at leading points, it may be impossible to make some portion of the traffic pay its equal proportion of the whole cost. If it can then be made to pay anything toward the cost, above what the taking of it would add to the expense, the railroad ought not in general to be forced to reject it, since the surplus under such circumstances would be profit. As has been tersely said by M. de la Gournerie, formerly inspector general of bridges and railways in France, a railroad "ought not to neglect any traffic of a kind that will increase its receipts more than its expenses"; and long-haul traffic which can only be had on these terms may sometimes be taken without wronging anyone, when to carry all traffic, or even the major part of it, at the like rates would be simply ruinous. But we desire to apply generally to every kind of competition herein discussed the observation above made, that when competition leads to the transportation of property below actual cost, fairly computed, it ceases to be legitimate. Fair and reasonable competition is a public benefit; excessive and unreasonable competition is a public injury. Competition is to be regulated, not abolished. The other sections of the law themselves imply authority for its regulation, and in connection with the fourth section support the interpretation that it is wholly inadmissible to press competition to a point where expenses are increased beyond the increase of income.

The Joint Commission of Agricultural Inquiry, composed of Members of both the House and the Senate, made an exhaustive investigation of this question in 1921, making their report to the Sixty-seventh Congress, first session. On page 405 of part 3 of this report the commission in considering the long-and-short-haul-rate rule said:

In a country where there is as wide a variation of local conditions of competition both as between industries and as between different means of transportation as in this the application of a rigid proposition against charging higher rates for short hauls than for long hauls under any circumstances would result in greater discrimination and more rigid restriction upon competition as between industries and means of transportation than would result from the exceptions which might be permitted under a more flexible provision.

A careful examination of the report of the hearings before the Senate Committee on Interstate Commerce on this bill shows clearly that the shippers of the great Mississippi Valley section of our country are united in opposition to the bill. It shows that a large majority of the shippers on both the Atlantic and Pacific coasts are opposed to the bill. It also shows that the so-called intermountain territory from which the main support of the bill comes is not unanimously in favor of it.

The flood of oratory and the heated arguments put forth by the friends of this measure is an effort to make you believe that they are fighting for the very "homes and firesides" of their constituents in the so-called intermountain territory. They would have you believe that the situation is critical and desperate. I submit, sir, that a calm survey of the facts should be made before a vote is taken on this proposition. In just what ways will this proposal change the situation in that strip of territory known as intermountain from what it has been during the past eight years? No departures from the fourth section of the act have been permitted by the Interstate Commerce Commission on traffic to the Pacific coast since 1918. Applications made by the carriers for such departures have been denied. The products of this intermediate territory are essentially those of the soil. In other words, whatever difficulties it has been experiencing in the economic readjustment since the war are the same difficulties experienced by the farmers generally throughout this broad land of ours. Whatever depression there may be is brought about by some other causes than the long-and-short-haul principle of the present law, because for eight years their rates have been on a basis exactly the same as they would have been if this law had been made effective in 1918. This clearly shows how fallacious and unjustifiable is their attack upon the Interstate Commerce Commission in general and the present fourth section of the act in particular. An application is pending for permission to depart from the fourth section on a selected list of commodities. The commission has that matter under advisement. Its decision will undoubtedly be in accordance with the law as its decisions have been in the past, and I repeat that if the provisions of the fourth section as now constituted are justly administered it is impossible that any part of this country will be injured thereby. Whether or not the commission shall in the future permit departures in regard to this long-and-short-haul clause, under changed conditions which may arise in the future, will depend entirely upon a full and complete development of the facts in each case, and judging by the experience of the commission during the past generation its decision will be based upon a cold and calculating prudence and an absolutely impartial judgment. What more could any fair-minded man require?

The unwillingness to rest their case with the commission under the present law makes it plain that this bill providing for political rate making is an attempt to secure for its constitutents an unfair advantage at the expense of the mid-west.

If this bill becomes a law, the carriers will not meet the water competition at Pacific coast points. That fact is attested to by the railways' representative in his testimony before the Senate committee regarding this matter. In other words, they feel that the loss of revenue in reducing rates at intermediate points will far more than offset any gain in through transcontinental traffic at Pacific coast points. Congress has very

properly refused to make any provision in the law whereby the carriers may be compelled to meet this water competition. If the coast rates are not reduced, certainly the rates at the intermediate or so-called intermountain territory will not be reduced. The rates by the boat lines to and from the Pacific coast will be advanced. This is a certainty, because the eastbound rates, due to lack of rail competition, have already been advanced 10 per cent January 1, and a similar or greater advance on seasonal commodities, such as wool, dried fruits, cotton, canned goods, and so forth, took effect March 1. These advances were agreed to by members of the United States Intercoastal Conference, and there is no legal way by which their decision may be reviewed by any governmental body and the effectiveness of the new rates prevented. The rates on westbound traffic as a matter of good business on the part of the boat lines will undoubtedly also be advanced. In fact, if the carriers are not able under the law by reason of the enactment of this bill to meet the competition at the Pacific coast, it is a foregone conclusion that the boat lines will advance their rates to a point just sufficiently low enough to enable them to secure all of the business. This will certainly be a violation of the principle laid down by Congress that both rail and water transportation is to be fostered and developed to its full strength and vigor. The law as now constituted carries out that principle in the only way it can be carried out to-day, by making the rates at the coast points such as will develop a healthy competition between both the boats and the railroads, giving them an equal chance at the traffic on an equal footing. If the water rates are advanced on account of this legislation, the Pacific coast will be deprived of its natural geographical advantage. The proponents of this bill have charged that the manufacturers of Chicago desire to move the Atlantic seaboard westward to that city. No more inaccurate statement could be made. But it is a fact that their attempt in this instance is to move the Pacific coast eastward as far as Spokane, Salt Lake City, and so forth.

The friends of this bill have argued that the tonnage handled through the Panama Canal is so small that it is only a drop in the bucket compared to the total tonnage of all the railroads operating in western territories. By this comparison they attempt to show that the revenue derived from competitive business to the Pacific coast is so small that its loss will be insignificant. This argument must fail completely for two reasons. In the first place, if only the matter of tonnage is to be considered the tonnage handled through the Panama Canal should be compared with only the tonnage of like kind handled to Pacific coast points by the railways. In the second place, a ton of freight handled one mile is one thing and a ton of freight handled two or three thousand miles is a thing vastly different from the standpoint of revenue. It is therefore necessary that if any just comparison shall be made it shall be made between ton-miles rather than tons. It was developed at the hearings on this bill that if the transcontinental railroads could obtain 50 per cent of the Pacific coast traffic handled through the canal in the year 1923 it would have added over $15,000,000 to their revenue. On page 239 of part 2 of the Senate Committee on Interstate Commerce hearings on this bill is shown a record of the tonnage handled through the Panama Canal. It shows for the year 1923 19,567,875 tons total of all flags. In 1925 there were handled 23,958,836 tons, an increase of approximately 20 per cent. According to the statistics of the Bureau of Railway Economics the volume of freight traffic for the year 1925 exceeded the volume of traffic handled during the year 1923 by only three-tenths of 1 per cent.

We all are familiar with the fact that our western carriers have failed to earn in the aggregate a return which the commission has fixed as being fair when based upon their investment. These roads have applied to the commission for an increase of 5 per cent in their rates. Admitting that the value of the transcontinental business to the railroads can not accurately be determined at this time, we know that if by a just administration of the present fourth section of the act it were found proper to permit these transcontinental carriers to participate in this competitive Pacific coast traffic, it would add materially to their revenue. On the other hand, if this measure is enacted into law they will forever be precluded from securing a hearing on the matter and the door of investigation will be closed for all time even though it is conceivable that changing conditions might make it desirable not only to the carriers but to the people of this country that the rigid provision of the long-and-short-haul clause be departed from in certain instances. It is conceivable that if this bill becomes a law it will result in an advance of all freight rates of our western transcontinental carriers. This may mean not only an advance upon agricultural products of the farmers in the great Middle West, but an advance on all freight to and from the intermountain territory and the Pacific coast as well.

If the carriers are not allowed to earn sufficient revenue to enable them to carry on, common sense would indicate that the only alternative is a reduction in operative expense, a reduction in expense for equipment and maintenance, and a corresponding decrease in service rendered. It has been aptly stated by one witness at the hearings on this bill that the farmers of Idaho, for example, will be very little concerned about the freight rate he must pay on his potatoes if he is unable to secure cars to ship them in before they freeze. One fact has been brought out time and again in connection with this fourth-section matter to which we should give earnest consideration. That is, that if transportation is to be furnished to the intermountain territory on the best possible terms, there must be some way of utilizing the transportation capacity of the railroads west as well as east. It can not be made the cheapest transportation if the cars are handled west empty to be handled east loaded. The preponderance of empty box-car movement in that western country is westbound. During the period January 1 to November 30, 1925, there were handled loaded box cars to the number of 76,611 westbound and empty box cars westbound number 107,268. This count was made through the following gateways: Avery, Idaho; Cutbank, Mont.; Paradise, Mont.; and Huntington, Oreg. During that same time there were handled westbound 9,662 loaded refrigerators and 31,675 empty refrigerators. This vast amount of empty equipment could be utilized in handling some of this competitive Pacific coast traffic, but the possibility of doing that thing will be forever eliminated by the passage of this bill.

The prosperity of any community, and particularly of a developing community, depends upon what it produces and what it gets for its products rather than what it consumes. The intermountain territory is more vitally interested in the freight rates on its outbound products than it is on its inbound shipments from the east. The Pacific coast is the nearest and most natural market for the intermountain territory. Under the present fourth section of the act it will be possible to rapidly develop this Pacific coast territory under freight rates made by competition between both railroads and water lines, and anything which develops that territory will enhance the market for the intermountain country. Eliminate competition and the reverse of this will be the result.

If this bill is passed, it will mean that producers in the interior of the country will be unable to meet the competition of foreign manufacturers at coast cities. The illustration which has been most often used and which has most recently developed is that of the paper mills in Wisconsin which have been granted rates to New Orleans, for example, on newsprint paper which will enable them to sell their product in that city in competition with paper manufactured in Germany and the Scandinavian countries. They were able to do this by reason of a fourth-section departure being granted by the Interstate Commerce Commission. To show that the commission does not treat this matter lightly it is well to note that the same application was made for relief as to Galveston, Tex., but that the proof of competition from a foreign country was not adequate and it was denied in that case.

The Canadian railroads which reach the Pacific coast are not hampered by a rigid long-and-short-haul provision. If this bill is enacted into law, the manufacturers in Canada who are in competition with American manufacturers will be able to lay their products down at Pacific coast points at lower rates than can the American manufacturers. Do you think it wise to legislate to drive business away from our own transcontinental lines to those of the Canadian railroads? Is it wise to give this sort of an advantage to the Canadian manufacturer over the American manufacturer? I, for one, do not think so.

There is another feature in regard to this matter which should be thoroughly considered before we go any further. The proponents of this bill are loud in their statements that it is "absurd for Congress to consider appropriating large public funds to improve our rivers for the purpose of restoring water transportation upon them and at the same time to allow another branch of the Government to put into effect a system of freight rates which will destroy water transportation." There seems to be no question but that the time is ripe for the improvement of our waterways and the completion of the various projects as outlined by Secretary Hoover in his testimony before the Committee on Rivers and Harbors of the House of Representatives. This measure is an entirely different matter, and either its passage or its defeat will have no effect whatever upon water transportation. The policy of Congress as set forth in section 500 of the transportation act that

both rail and water transportation shall be fostered and developed has been rigidly adhered to by the Interstate Commerce Commission in its administraton of the present fourth section of the act. No departure therefrom can be permitted if it results in destruction of the water competition. Let us not be misled by this attempt to cloud the issue in this case.

MEDALS FOR CREWS OF RESCUING SHIPS

Mr. JONES of Washington. Mr. President, during the last month or two there have been some remarkable rescues at sea, and great heroism was shown by the crews of several ships in rescuing crews of other ships which were threatened with destruction.

The House passed a concurrent resolution expressing the thanks of Congress and its appreciation for these acts of heroism. That action extended to all the members of the crews, and those who had anything to do with the conduct of the ships. House Concurrent Resolution 11 has been considered by the Committee on Commerce of the Senate. We are all heartily in favor of the action of the House, but we also believe that special recognition should be given to the special acts of heroism of those who faced the actual dangers in connection with these rescues. So we have recommended a substitute which covers the action of the House, and also provides for medals to be given to those who may be certified by the captains of the various ships as having manifested special heroism.

I report back from the Committee on Commerce, with an amendment in the nature of a substitute, House Concurrent Resolution No. 11, to tender the thanks and appreciation of the Congress of the United States for heroic service rendered by the officers and crews of the steamships *President Roosevelt*, *President Harding*, *American Trader*, *Republic*, and *Cameronia*, and I submit a report (No. 262) thereon. I ask for the immediate consideration of the concurrent resolution.

Mr. COPELAND. Mr. President, I was not present when the matter was considered in the committee. There is no conflict between this action and the Lindsay bill in the House?

Mr. JONES of Washington. There is not.

Mr. COPELAND. This includes all the provisions of his bill, and a little more besides?

Mr. JONES of Washington. It covers everything his bill covers, and the additional matter relating to medals.

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

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

Mr. BLEASE. Does this mean that a man can not get a medal unless the captain says he shall?

Mr. JONES of Washington. The captain is to certify to the conduct of the members of the crew.

Mr. BLEASE. Suppose the captain has some favorites on board, and some poor devil who should get a medal would not be certified?

Mr. JONES of Washington. I can hardly think the captain of any one of these ships would do such a thing under the circumstances. Of course, I know things like that are possible, but I do not know how we can guard against it.

Mr. BLEASE. I have seen that done in private life, and I do not know why it should not be done on a ship. I think there ought to be some provision, in case a captain showed some prejudice toward one of the men, so that we would have a right to investigate the matter.

Mr. JONES of Washington. I think we can take care of that phase of it in conference.

Mr. BLEASE. That is all right.

The VICE PRESIDENT. The amendment reported by the committee, in the nature of a substitute, will be read.

The CHIEF CLERK. Strike out all after the resolving clause and insert:

That the term "crew" as used in this concurrent resolution shall mean and include any person carried on the ship's register or serving on the ship in any capacity, regardless of rank or rating, at the time of the rescue referred to in this concurrent resolution.

SEC. 2. That the thanks and appreciation of the Congress of the United States be, and they are hereby, tendered to the families of Uno Wirtenan and Fritz Steger, who lost their lives, and to the officers and crew of the U. S. S. *President Roosevelt*, as constituted on January 24 to 28, 1926, inclusive, for the heroic conduct shown and noble service rendered in the rescue of the officers and crew of the British steamer *Antinoe;* to the officers and crew of the U. S. S. *President Harding*, as constituted on October 25, 1925, for the heroic conduct shown and noble service rendered in the rescue of the officers and crew of the Italian steamship *Ignacio Florio;* to the officers and crew of the steamship *American Trader*, of the American Merchant Line, as constituted on October 26, 1925, for the heroic conduct shown and noble service rendered in the rescue of the officers and crew of the Norwegian steamship *Elven;* to the officers and crew of the U. S. S. *Republic*, as constituted October 10, 1925, for the heroic conduct and noble service rendered in the rescue of the officers and crew of the U. S. patrol boat *No. 124;* and to the officers and crew of the British steamship *Cameronia*, as constituted on October 11, 1925, for the heroic conduct and noble service rendered in the rescue of the crew of the United States Coast Guard patrol boat *No. 128*.

SEC. 3. That the Secretary of the Treasury and the Director of the United States Mint be, and they are hereby, authorized and directed to prepare a suitable die and to strike suitable gold medals commemorating the heroic conduct and noble services rendered in the rescues described in section 2 of this concurrent resolution, and present, in evidence of the esteem of the Nation for valorous conduct on the high seas in the face of great danger, as demonstrated in such rescues, one of such medals to the captain of each of said rescuing ships, and one to each person certified by the captain of the respective rescuing ships to have shown special courage and to have faced special danger in such rescues, and one to each of the families of Uno Wirtenan and Fritz Steger.

SEC. 4. That there is hereby authorized to be appropriated from moneys in the Treasury, not otherwise appropriated, the sum of $5,000, or so much thereof as may be necessary, to cover the cost of designing, producing, and distributing said medals in the manner described in this concurrent resolution.

The amendment was agreed to.

The concurrent resolution as amended was agreed to.

The title was amended so as to read: "A concurrent resolution recognizing the heroic conduct, devotion to duty, and skill on the part of the officers and crews of the U. S. steamships *Republic*, *American Trader*, *President Roosevelt*, *President Harding*, and the British steamship *Camaronia*, and for other purposes."

Mr. HOWELL subsequently said: Mr. President, in connection with the concurrent resolution which was passed by the Senate this afternoon, I ask unanimous consent to have inserted in the RECORD an article entitled "Passenger log on board steamship *President Roosevelt*," by Mary Washburn Baldwin, appearing in the Outlook for February 24, 1926.

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

PASSENGER'S LOG ON BOARD STEAMSHIP "PRESIDENT ROOSEVELT"

By Mary Washburn Baldwin

(When she wrote this diary Mrs. Baldwin was on her way to Europe to join her husband, Dr. Elbert F. Baldwin, of The Outlook's editorial staff. An experienced traveler, she had no expectation of an adventurous experience. What happened to the steamship *President Roosevelt*, on which she was a passenger, has already been told in the daily press of the world, but not with the graphic skill of this simple and thrilling narrative.—The editors.)

THURSDAY, *January 21, 1926.*

This trip is a perfect joke. My thirty-seventh, and a winter crossing. I was all set for uproarious things. This is Thursday evening. We might well be on a Hudson River boat. Up here in the writing room is vibration from the engines; in my cabin it is absolutely motionless. But it is amazingly restful after my busy month at home. I slept nine hours. I have all my pictures and pretties about and am having a fine time with myself. Such a nice lot of people!

SUNDAY, *January 24.*

The foregoing is the joke. For ever since Thursday we have been piling up the most amazing seas. At midnight my steward—none other than little Miller, who crossed with us three years ago on the *Van Buren*—came in and screwed on both iron shutters. The wind was beginning to sing. At 4 this morning came radio S O S reporting the 8,000-ton *Antinoe* in dire distress. The *Roosevelt* (you would know T. R. would) instantly left our course to follow indicated trouble. Everyone on board, I believe, has been watching out over these wind-swept mountainous seas. I was on the glass-covered deck, saw a huge wave bearing down, stepped aside, and two big, heavy panes of glass burst and fell at my feet. The steward came running, but I was only drenched to the knees. We were rolling beyond belief—the story-book waves-ran-mountains-high effect.

Later; noon: Great excitement; boat *Antinoe* sighted. There she sits, steering gear deranged, half of bridge and lifeboats gone, bulkheads started, cargo of wheat soaked, and cabins flooded. Utterly impossible to reach her. Terrific seas prevent near approach. Captain Tose [of the *Antinoe*] still hopes to adjust his trouble and hold his own. Commander Fried promises to stand by. Twenty-five men are depending on us. Our staterooms, the entire ship in chaos. Several are hurt; my friend Mrs. W. has broken her ankle. Overturned furniture smashed and crockery shattered. We think of those 25 poor souls hanging on our nearness and encouragement. Everyone eager to share, to see it through. It is hazardous to move about. Spent the afternoon in a screwed-down chair in the social hall. Could watch through the porthole behind me. Couch, tables, chairs with people in and about them were picked up by a davenport, accompanied by a stout gentle-

man, and all landed on the other side of the boat in a heap. You never saw such a genial lot of people. Only a few were frankly scared; first voyage, etc. Doctor Cochran, of the American Church, Paris, on board with his nice sister and niece. Commercial Attaché Miller is on his way to his new post in Rome. It really is too rough to write. Our engine is going just enough to help discount storm.

Sunday night: Sleet and rain, waves like bombs batter the ship. I wish you could see my stateroom. Trunk and chair brought up under the washstand; my bed pulled the securing hooks out by the roots and moved right out into the middle of the floor with me in it. It's all in the game—but it was a joke to think of a Hudson River excursion. The *Roosevelt* is splendidly seaworthy and Captain Fried's spirit an inspiration to all. The general morale excellent.

Monday: I am sure Conrad and brother Eb would appreciate the sea we have to-day. Rain and sleet. The *Antinoe* disappeared last night in a blinding snowstorm. She had been reported to be getting into safer shape, so they hope she has not gone down. It is a day of fearful apprehension. The buffeted *Roosevelt* has searched 12 hours; 40-foot waves and 90-mile wind. In the companionway "T. R." looks down from a copy of the familiar Sargent portrait. He would stick this out, we know. The seas are worse than yesterday. A certain few are getting bored and cross, but a man who protested in a note to the captain and wished to proceed for an engagement on Saturday was nearly thrown overboard. Rejoinders to a flapper of 40 who decided we had heard enough of the "ethics of the sea" were not conducive to further similar comments by others.

The stewards are fine. They are hard put to it. They give one a dish at a time—just can not keep anything literally on the table. The silly dining-room chairs, charming mahogany ones that really belong to a summer-home equipment, are not screwed down, so we are all roped together at meals and let in and out by the steward. In this respect this boat is not fashioned for the North Atlantic in winter. All the wandering social hall chairs have been lassoed and are corralled by themselves in a corner. Despite all the tumult, everyone seems to be diligently eating.

I really have deserted my cabin, as my trunk and chair leap blithely around after me and charge at me maliciously from under the bed while I am dressing. It is dreadful, but there is a funny side. Flappers were in shrieks of amusement yesterday, but the novelty grows less; yearnings "to proceed" appear. But we shall stand by. We shall surely find them yet. This is the only chance this poor boat has, and ultimately the storm must abate. We are just uncomfy; they are desperate. We get no word. The inference is that their radio is out of commission but that they still float. I am planted in a deep puffy chair at the head of the stairs, where nothing but the clock and the fire extinguisher could fall upon or charge at me. People go by with varying opinions, but are pretty unanimous not to give up the hunt. These *Antinoe* people are English; they will stick by. Anyway, it is up to us; it is the ethics of the sea, and of humanity; nothing must be left undone. We are cruising slowly, round and round, buffeted terribly.

Monday afternoon: Thrills! The lost boat is found. There she is in a hollow of the sea. Such a sea! Our many turnings in the search have flung us all over the place. The *Antinoe* has a terrible list, rudder and bridge gone, anxiety intense. The *Roosevelt* edges close to the doomed wave-swept boat. Desolate spectacle. Rescue implored. A stupendous afternoon. Eight of our men volunteer for a rescue, led by our First Officer Miller. Commander Fried draws on our own fuel supply to pump oil on the waves. Eager manning and lowering of boat. Just as the boat descends comes a sudden squall of terrific wind. An attempt to reverse the order is too late. Three men are washed from the boat, but get back. She is lifted on a hill of green water, overtaken by a comber, and suddenly all are floundering in an oily sea. Frantic throwing of ropes and life preservers. Six of the eight are dragged back on board. Two are lost. One, knocked senseless, disappears. The other drifts away, waving his arm, and passes within 10 feet of the *Antinoe*, too exhausted to respond to their efforts. This boy was to have been married on landing. Took communion on deck, sent a radio message to his girl, $12 of his wages—and went—

Monday evening: It has been a tremendous experience, if we can only make good. The thought of those 25 marooned men brought out our boys instanter. They know what the peril of the sea signifies. This calm, unconscious, spontaneous heroism casts a glow over all. Doctor Cochran responded to the general need and at 10 to-night a touching memorial service of prayer was held. Four of our battered, bandaged boys came in. The sea is so rough all are obliged to sit on the floor. The captain had prayed all night that he might find the wandering boat. None are without supplicating hearts to-night. May to-morrow mean successful effort and all safely out of this dangerous, tumultuous zone! Toward dawn a calmer sea is apt to come. One just doesn't undress these nights. Nothing matters but the deliverance of these men.

TUESDAY, *January 26—4 a. m.*

A few hours' sleep. Another gale. Cabin in a tumult, noisy with booming water, trundling trunk, etc. Ten disabled, armless, legless chairs are huddled in a corner near my cabin. I came up here in the companionway. Several have been here all night. The *Roosevelt* has continuously circled about the wreck all night, fearing the *Antinoe* might again drift from us in the darkness. Frequent careening turns in trough of sea make great confusion. Dawn comes and the forlorn old boat is still visible. What must these hours have meant to those poor beings over there? We approach closely, see men running about the deck. Surely we must succeed to-day. The two young lives lost yesterday sadden our ship.

10.30 a. m.: More heavy squalls, everyone squeamish about risking more of our men. *Antinoe* urges help. Many vain attempts are made to land a rope with cannon and rockets. One remaining charge is left. Our hearts stand still. Charge falls short. Renewed talk of another attempt to launch a crew. As usual, the effort is discounted by a stiff gale with sleet and snow. Everything seems futile. General despair. Frantic signals from *Antinoe*.

2.30 p. m.: We are beside ourselves with apprehension. Projectiles are all used up. Sending more rockets perfectly helpless in this wind. We passed parlously near the wreck, signals insistent that but short time left. It becomes monstrously horrible.

3.50 p. m.: Only an hour more of daylight, and all efforts fail. Three of our sailors actually offer to swim across. This, after yesterday! No one could live half an hour in this winter sea. It certainly is in the hands of the Lord. "Of ourselves we can do nothing." Situation seems beyond human aid. Night settles down again ominously. The wind comes up. A sort of calmness of despair or faith seems to settle upon us. People ask each other indignantly why we are not all on our knees. But, figuratively, I am sure our spirits really are on their knees. Hasty searching of Psalms—"The waves of the sea are mighty; the Lord, who dwelleth on high, is mightier." "Whoso dwelleth under the defense of the Most High shall abide under te shadow of the Almighty." (This Ninety-first Psalm, he claims, took Stanley through his Rumanian campaign!) "I will say of the Lord, He is my hope, my stronghold; my God; in Him will I trust." "His faithfulness and truth shall be thy shield and buckler." "He shall call upon me and I will hear him, yea, I am with him in trouble, I will deliver him." How dynamic the Psalms! Just to copy this helps.

We frame up a message to the captain. To-night, with seeming failure as a result of his heroic persistency and resourcefulness—to-night we should register our affectionate devotion to our leader in whom the deep responsibility of this great venture is vested. Just suppose we had a captain who was a quitter and we perforce sailing away leaving these helpless men. He is doing for us each an endless boon.

Later: Another attempt at 10 to-night to launch a boat. A little flickering light tells horrible fear of sudden foundering. Again the deck is alive with quick feet. Ropes, chains, ladders, and nets in heaps for readiness. Our searchlight brings the plunging hulk out against the black sky, so nearly reeling over with each sweep of the sea that men urge their wives to leave the deck lest the boat go down before their eyes. New volunteers stand ready; then, as so often before, a sudden wind and blinding squall of snow. Our men, all shining rubber coats and life preservers, are ordered down to wait another chance. Yet another trial at 1.30 a. m., but again the order canceled. But a trailer boat is released with half a mile of cable, but is lost.

WEDNESDAY, *January 28—10.30 a. m.*

Very rough. The sun is out and every effort being made. Impossible to risk a crew. I watched the third lifeboat launched from our ship side, trail at our stern. Again we got so close to the *Antinoe* it seems we could throw a line across. Our boat tries to jockey the lifeboat into position, in circling the wreck with a long rope, but the heavy sunken cable passes under the *Antinoe's* keel. We come terribly near in all this maneuvering. Finally, this lifeboat is also lost. Crew and passengers keeping up wonderfully. They seem to find a second wind and fresh poise. Our ship's morale is high. That all helps.

Later—Wednesday: The officers make heavier projectiles overnight. Finally, at 1 o'clock, boom!—and a shot at last carries a rope across the *Antinoe's* deck. Apparently snatched by every man there! Wild shouts of joy from both boats. The rope attached here to a lifeboat. Everyone nearly weeping with thankfulness. Suddenly they wigwag from the *Antinoe* heartbreaking disappointment. Terrific strain has snapped the cable. Squalls follow an icy wind. Quick aid implored. Situation desperate. Late in the afternoon passengers feel renewed apprehension over proposed launching of another crew. On the way to my cabin I meet our gentle little Miller, my steward. All buttoned up tight in his blue uniform.

"I am leaving to-night," he tells me quietly.

"Where to?" I ask.

"As soon as it's calmer captain can use volunteers," he answers.

I protested, "But, Miller, you've a wife and two children."

"How many children have those men over there?" he rejoins. He looks so small and pitiful.

"But you are not really so very strong, Miller," I venture.

"I was in the Navy nine years," and off he goes.

It seems he has hounded the officers, appeared life-preserver and all in readiness. I found him later on deck, weeping. Of course, they had turned him down. All was ready when the usual squall arose; we seem to have a mortgage on all of the unrest of the Atlantic!

Bit by bit a quieter mood is evident on the ocean. It begins to clear overhead. However, it is with apprehensive hearts we see the lifeboats and a fresh crew of determined men lowered from the upper deck. It has grown quite dark. Breathlessly we watch them pull loose from our ship. They were launched to take advantage of the wind. The *Roosevelt* steams to the farther side of the *Antinoe* to give the same advantage in the return trip to us. It seems incredible, for in 40 minutes we saw them on the way back. The moon had emerged. They came on in the full radiance of our ship's searchlight with half of the *Antinoe's* men. Can you think how all those upturned faces looked to us?

Many collapsed on deck; one was carried by on a stretcher, unconscious. We were hustled behind a stretched rope and saw them pass to the warm cabins and the care prepared for them; a dazed, worn, bewildered lot. I was on pins and needles before they got out the second boat, lest this treacherous sea rise again. The prow of the lifeboat had been smashed by the pounding wreck during the rescue.

Finally, at midnight, the second trip was safely consummated. It seemed incredible, a miracle. Again the heavy lifeboat floundered back with the remaining 13. The waiting had seemed interminable to those on the wreck, so the wireless man, Evans, told me later; they suspected their number, 13, might queer their chances. Captain Tose, of the *Antinoe*, was carried on deck, taken up to the bridge (the Englishman, as ever the courteous gentleman at sea) to thank our commander, and then fainted, utterly spent. Up they all came and our own splendid men. We all gathered up front, shouting for Commander Fried. He came out on the bridge. So fine. He said simply, "It has taken a long time, but it is worth it." We all said, "Amen" in our hearts. It was stirring, solemn. The supremely exalting experience of a lifetime, the very symbol of human dependence, a faith justified. It is all well-nigh incredible. Personally, it seemed to me we should be sailing back and forth, round and round, for the rest of our lives. It was hard to remember there ever had been, ever would be, anything of importance again, so completely dedicated and absorbed did we become sharing vicariously in this supreme effort.

The great whistle sounds our departure. Like our searchlight tonight, the unconscious selfless heroism and devotion casts a radiance over all, as with thankful, reverent spirit we start full speed ahead on our course. Above us a bright moon, a starry sky.

MUSCLE SHOALS

The Senate resumed the consideration of House Concurrent Resolution No. 4, providing for a joint committee to conduct negotiations for leasing Muscle Shoals.

Mr. SMITH. Mr. President, it is a coincidence that the figures which the Senator from Tennessee [Mr. McKELLAR] read, which he asked to have inserted at the end of his speech delivered to-day, are along the line of an article which I want to read and comment upon.

I said this morning that we are face to face with a condition which must be met. It has become intolerable. It can not go on without danger to the whole structure of our Government. There is not a Senator here but who recognizes that the problem which confronts us now, clamoring for solution, finds its first manifestation in the condition of agriculture and stock raising, as compared with the industries, so-called, of this country. It is a rather startling thing to read that our railroads are, perhaps, making an earning greater than ever before in the history of transportation in this country. Manufacturing enterprises of all kinds are giving out a very happy note of prosperity, while the masses of the people are, perhaps, more nearly hopeless and bankrupt than has ever been the case in the history of this country.

As I said, we have to meet a condition. We can not meet it with traditions. We have to meet it with exactly the same force with which our forefathers met the conditions which existed at the time they set up this Government.

I shall not take the time this afternoon—I will do so at another time—to compare the principles of production and the necessary policies of the Government which grew out of it, with the absolutely new condition which confronts us now. It is idle for us to say any more than that the Government shall not enter into business. Government has to hold the balance of equity between the disorganized and the organized until such time as it shall find a means for the organization of the disorganized, so that in the field of opportunity each class of our citizens may win according as they have capacity for winning.

The particular thing I want to call attention to is the slogan that has gone out all over this country that the Government can not run anything because of its inefficiency and its extravagance. I wish I had had the time to get for the Senate, and for the purposes of this argument, a statement of the amounts of money we have spent in improving our rivers and other inland waterways, and the net result to us as a return for that expenditure.

I doubt very much if there has been enough return on that expenditure really to be calculable, because of the presence of a powerful organization, privately owned and operated, that furnished the very thing that we were appropriating money to have our rivers and inland waterways do. What was the result? Why had we no return? Simply because there was power in the organization that furnished the transportation to destroy this competition. It so happened that during the war, when there was a congestion of freight and a necessity for additional transportation, we organized a corporation to try to experiment, with all the taxing power of the Government back of it and with all the other power of the Government back of it, to meet that condition on the part of a river that is always navigable and to carry on until it did prove whether or not it was feasible to maintain railroad transportation profitably and also to maintain river transportation profitably. One is innately and inherently cheaper than the other. The railroad transportation is the more costly, and yet it is very manifest to anyone, it is axiomatic that a railroad can not transport things on water nor can a boat transport things on land, and yet, strangely paradox as it was, the railroads were complaining that the boats were taking their business and the boats proved the fact that the railroads took their business and destroyed the possibility of their carrying freight on the river. But we inaugurated this system, and I want you to hear the official statement of General Ashburn as to what has been the result up to date of the Government maintaining the system in the face of all opposition and in the face of the competition of the railroads, and what he has said in regard to the use of boats under Government control, supported by Government appropriation, and officered by Government employees, for the last seven or eight years. Here is his official report. The point that I want to make—for I shall not comment longer on this matter—is this senseless clamor and propaganda that in this age of the tremendous and universal corporate control of the basic facilities and the basic opportunities of the American people the Government shall not put its hand on that which a trust or combination can run and operate. I wrote and asked General Ashburn to give me a detailed report of what he had done, and here is what he said:

Pursuant to your request, I give you in the following a brief résumé of the history and results of the organization now known as the Inland Waterways Corporation, which is owned by the United States, governed by the Secretary of War, and operated by me as its chairman and executive.

During the war rail congestion became so acute that there was a survey made of the navigable waterways of the United States with the end in view of supplementing rail transportation by water transportation. This was done by the Railroad Administration, and under the general authority lodged in the President, which he delegated to the Railroad Administration, contracts were let for the construction of fleets upon the Erie Canal, commonly known as the New York Barge Canal; the Mississippi River from St. Louis to New Orleans; the joint coastal and river route from New Orleans, via Mobile, to Birmingport, Ala.; and upon the upper river from St. Louis to the twin cities of St. Paul and Minneapolis.

None of these fleets was completely constructed at the time the Railroad Administration passed out of existence on March 1, 1920. But the transportation act of 1920 imposed a mandate upon the Secretary of War to carry on these operations, which had been started with a miscellaneous mass of misfit boats to demonstrate the economic feasibility of water transportation. To do this the Secretary of War created the service which was known as the Inland and Coastwise Waterways Service of the War Department, which functioned until June 3, 1924, when the present corporation was created by the approval of the President to Public, No. 185.

The general policy of Congress to promote, encourage, and develop water transportation and to foster and preserve in full vigor both rail and water transportation was announced in the first paragraph of section 500 of the transportation act of 1920, and the Interstate Commerce Commission was delegated as the agent of Congress to see that both the waterways and railways had a fair show in this development.

The problem that confronted the Inland and Coastwise Waterways Service then was how to carry out the policy of Congress through the instrumentality of the facilities which had been turned over to the Secretary of War by the transportation act. Water transportation had completely disappeared from our rivers—

I want Senators to mark that—

water transportation had completely disappeared.

Water transportation had completely disappeared from our rivers, which formerly had carried a large proportion of the freight, so that it was necessary to consider first:

1. Why water transportation had been driven from the rivers.

2. The methods by which our rivers could be utilized in such a way as to carry out the mandate of Congress.

Here we have, constructed by nature, a means of transportation inherently cheaper, a natural highway that had not to be kept up in an expensive way, a simple process of dredging from time to time answering the purpose. The highway is as eternal as the earth, and yet in spite of its inherent cheapness, in spite of its feasibility, because it ran through the interior, just as the railroad, furnishing for a contiguous territory a natural highway right at their hands, the transportation on it had been utterly destroyed and the people were denied the facility that nature had given them. Now, why? This is the point that General Ashburn is discussing, and this is the point that we have been discussing in connection with the problem of Muscle Shoals. The very force that destroyed the water transportation is the force that is destroying the possibility of an adequate supply of the material that we all acknowledge the agricultural interests of the country stand so sorely in need of. The two things they do stand in need of are the wherewithal to enrich their soil to produce the crops and an adequate transportation that will carry those crops to market.

The Senator from Georgia [Mr. GEORGE], sitting here before me, knows that even within his own State the cost of freight transportation from his farm to one of his own cities on a necessary food article was so exorbitant that it did not pay him to put the roasting ears in the refrigerator car, and he had to feed them to his pigs and had to lose his entire crop. There is not a Senator within the sound of my voice but can bring proof that the freight rates in this country have been the greatest bar to the development and distribution of the necessary articles of food and the other necessities of life. Here is what General Ashburn said:

1. Why water transportation had been driven from the river.

2. The methods by which our rivers could be utilized in such a way as to carry out the mandate of Congress.

Investigation led me to believe that water transportation had been destroyed through the efforts of the railroads, and that our waterways could be utilized by private, contract, and common carriers. We found that while the utilization of our rivers by private and contract carriers advantage certain particular people and did some good, they had in them an element of danger in that they might be used solely by powerful corporations to crush competition.

This is General Ashburn speaking in behalf of the Government in carrying out a mandate of Congress, and as our servant he is making a report over his own signature, and substantiates it by figures which I shall place in the RECORD.

We found that the utilization of our rivers by great common carriers probably offered the solution we were seeking.

Public opinion was not fully aroused as to the advantages offered by river transportation. Very few people were interested in such utilization, and these few people were divided into two groups, one of which was demanding that our streams be made navigable solely for the purpose of using them as a club to force down the rates of railroads which were natural competitors of the rivers; the other group was opposed to the expenditure of public money for such purposes on the ground that it was an inequitable system of taxation whereby the people of the United States were taxed to create conditions favoring certain localities, particularly those located along the banks of navigable streams.

There were various bodies of waterway proponents and opponents scattered throughout the country which were working at cross purposes. It was necessary for this office to formulate some basic principles upon which these various factions could be brought together, and we laid down the following principles which might be accepted, and which to-day are almost universally accepted:

1. That there is not enough transportation presently existing in the United States to meet the increasing needs of our developing commerce. As the transportation demands of the United States normally double in from 10 to 12 years the question that confronted us was how to furnish transportation facilities necessary to meet such increasing demands at the least possible expense to the public.

The railroads announced that it would cost them a billion dollars a year for 10 years to meet such increasing demands, and the thought arose naturally that if the people were compelled to spend this $10,000,000,000, which they undoubtedly would have done in one way or another, to meet such increasing demands, that at the end of 10 years the railroads would again be confronted with a similar problem of congested transportation.

The United States has spent only about a billion dollars in the development of its interior waterways in the hope that there would spring up transportation facilities upon its rivers and canals that would give cheaper transportation to the public at large. But there were no such transportation facilities of any importance operating upon any of the streams for which money had been spent, nor did there seem to be any prospect that such transportation facilities would spring into existence.

The second basic principle was that water transportation was inherently cheaper than rail transportation, and since the money had been spent by Congress to make these rivers navigable they should be utilized to the fullest extent.

The third basic principle was that as this money had been furnished by all the taxpayers of the United States the benefits to be derived from cheaper water transportation should be extended to as many people of the United States as was possible.

As I said before, we decided upon a great common carrier and at once began to study what was necessary to put a great common carrier back upon our streams. It developed that every condition precedent to the success of great common carriers upon our streams was a deterrent to private capital. I will simply enumerate the conditions precedent to the success of a great common carrier which had to be created, and ask you to bear in mind that the creation of these conditions involve in themselves deterrents to the investment of private capital:

1. There must be a suitable navigable stream, which can only be created by the United States or by the States proper, through the building of canals.

2. There must be suitable boats for particular streams, and these boats are matters of experimentation which in itself does not appeal to private capital.

That is the very point that we have been trying to impress upon Congress in regard to the fixation of nitrogen for explosives and for fertilizer purposes. "Experimentation" does not appeal to private capital. Capitalists want the inventor to work out the experiment, to spend hours in his laboratory, at his own risk and cost; but the minute the genius has perfected the device, then capital seizes upon it. The history of our inventors is actually a shame upon the American people. Some of our greatest inventors have died in poverty, while the men who have not had the genius to discover that which was born in the brain of the inventors have made their millions as the result of the inventor's labor. Now, listen:

3. There must be suitable terminals. The proper kind of terminal to be built is a matter of experimentation, dependent largely upon the growth of the transportation facility using it, and its location.

4. There must be balanced freight up and down stream. By balanced freight I mean not only freight up and down stream but freight producing revenue in different degrees. Ordinarily bulk cargo, a low-paying freight, forms the bulk of the great water transportation agency, but it must be, in somewhat technical language, "sweetened." That means that the average revenue per ton must bear a relation to the average cost per ton such that the net result is a profit. Such balanced freight can only be produced through cooperation with the railroads.

The public has also to be offered a durable and dependable service; dependable meaning that there are regular fixed sailings upon which reliance can be placed, as the time involved in the transportation of commodities is frequently a considerable factor in business relations.

Further, in order to reach any of the people not fortunately located upon the rivers, the railroads must bring to and take from such ports as they touch commodities destined to or consigned from the interior.

5. When relations are entered into between the railroads and the waterways whereby freight is jointly hauled, the accruing revenue must be equitably divided between the waterway and the railway, or one of them will fail. The agency created by Congress to see that such divisions are fairly made is the Interstate Commerce Commission.

Up to the time of the passage of the transportation act the principle that any sort of transportation, except rail, should be encouraged, promoted, and developed had never appeared in any of our laws, and it was a most difficult task for us, the commission, and the railroads to arrive at a working basis whereby the waterways could offer joint-rail-water rates to the public cheaper than all-rail rates, dividing the accruing revenue in such a way that both railways and waterways should get a living revenue therefrom. It finally resolved itself into a general enunciation by the commission that this corporation should deal individually with railroads, and if we could not arrive at an amicable adjustment of our differences in regard to the division of the accruing revenue, the Interstate Commerce Commission would take cognizance of that particular case and give a prompt decision. This put in the hands of the Government a power-

ful weapon to force just divisions, but it also put in the hands of the railroads the power to destroy a private corporation operating a common carrier without much trouble.

During the closing days of the Railroad Administration, certain joint rates were approved by the commission over a limited scope of territory. Since that time we have succeeded in extending such joint rates until to-day we have relations with 165 railroads and take into or carry from 39 separate States of the Union offering to all shippers in these States joint rail-water rates at an average of 80 per cent of the all-rail rate.

A lowering of freight rates which the public had hitherto paid over that vast territory.

In the creation of these conditions precedent to the success of the organization created by Congress in the transportation act of 1920, it was found that there were so many handicaps placed upon the operations and the management of the operations that it was futile to attempt to carry out the policy of Congress without some modification of the law.

During the four years that we operated under the old law, and as our expansion became greater, these handicaps became increasingly difficult to overcome, and I laid before the Secretary of War, the mandatory of Congress, a full report of what we had done, pointed out why we had been unable to accomplish more, and suggested to him the creation of a corporation which would overcome all the handicaps of governmental operation. He authorized me to draw up a bill and present it to Congress, which I did. This bill, as finally passed almost unanimously, embodied all the features which are now in Public No. 185.

The old organization was cast aside and the corporation organized along the lines of a private transportation agency, and is operated precisely as if it were privately owned. It probably has more powers granted than any corporation ever created by the United States. In fact, after specifying various powers, the concluding paragraph of the specification of its powers is as follows:

"In addition to the powers specifically granted, shall have such powers as may be necessary or incidental to fulfill the purposes of its creation."

The results of this reorganization were astonishing, as will be shown by figures which I shall attach hereto. I think that its success is due to the fact that it has been practically an organization controlled and directed by one man, where a single individual has had the power to decide and to act.

I believe a fair comparison may be drawn between this corporation and the Emergency Fleet Corporation in this respect.

No matter whether the one individual with power is right or wrong in a business organization which he controls, he can and does decide upon a definite policy which either proves right or wrong. If it is not in all respects right, he has within himself the power to remedy such defects, and there is no internal dissention.

There still remains in our corporation effective means whereby inefficiency on the part of this one man may be promptly remedied. Of necessity the Secretary of War, who is the governor of the corporation, can not give his immediate attention to anything but broad questions of policy, but the law authorizes him to delegate to the chairman of the board, who is the executive of the corporation, all the functions vested in the Secretary by this act.

The law permitted the Secretary of War to detail an officer as chairman and executive, with the rank of brigadier general while so serving.

Please note the power that rests in the Secretary to change this officer or to appoint a civilian provided he is inefficient or unsatisfactory. I think this is a wise provision, as otherwise the Secretary of War might have saddled upon him some chairman and executive who might be exceedingly unsatisfactory and inefficient.

Before I proceed further I wish Senators who are present to compare the almost perfect analogy between what was proposed by our Emergency Fleet Corporation and what is proposed in the Muscle Shoals proposition. Now let us see if we can not get some actual, practical, usable information from this.

If the war-time facilities created purely as a war measure had been sold upon the basis of other war created transportation facilities at 5 cents on a dollar of the cost, which would have been very liberal at that time, the entire amount to be received would not have exceeded $650,000.

When the corporation was created under the terms of the law, we had it appraised, and we had succeeded in building up the organization so that the American Appraisal Co., of Milwaukee, appraised its value as a going concern at slightly less than $10,000,000. This increase in its appraised value is several million dollars more than has ever been appropriated by Congress for either the inland and coastwise waterways service or the Inland Waterways Corporation.

The law creating the Inland Waterways Corporation authorized an appropriation of $5,000,000. Of this only $3,000,000 has been appropriated. Of this $3,000,000 appropriated, $1,500,000 still remains in the Treasury untouched. Of the other $1,500,000 which has been expended, $650,000 was immediately spent to pay off outstanding indebtedness and to put the corporation on a firm financial foundation free of debt. Eight hundred and fifty thousand dollars was spent for new equipment. To offset this $650,000 which went to pay outstanding indebtedness, over $150,000 of additional equipment has been bought.

We have on deposit in cash in the various banks, and in immediately available assets over a half million dollars. Besides this we have properly secured loans with the cities of Memphis, Vicksburg, and New Orleans, payable in yearly installments, nearly three-fourths of a million dollars.

Further, we have notes guaranteed by a bonding company, payable within one year, of $350,000, still due upon the sale of the equipment of the New York Canal.

In the calendar year 1925, the first full year of our existence as an independent corporation, we showed a gain of $505,567.76 in our net income, and this in spite of the fact that during the calendar year 1925 our equipment on the Mississippi was only 60 per cent of the equipment we had in 1924; 40 per cent being in litigation and used by another company.

Herewith inclosed you will find a comparative statement of tonnage, revenues, and expenses for the calendar years 1924 and 1925.

I am going to just roughly give you some figures in round numbers to show you how the tonnage has increased since operation began on the Mississippi section.

In 1918 is was 33,000 tons; in 1919, 235,000 tons; in 1920, 360,000 tons; in 1921, 672,000 tons; in 1922, 860,000 tons; in 1923, 979,000 tons; in 1924, 1,071,000 tons; and in the first 10 months of 1925 it was approximately 1,000,000 tons.

Now, that has increased in seven years from 33,000 tons to over 1,200,000 tons a year.

Now, here is another thing that will astonish you. When we started, the proportion between the all-water tonnage, carried all by water, and that carried by joint water-rail, was as follows:

The all-water the first year was 25,000 tons; the joint rail-water was 8,728 tons.

The next year, 1919, it was 175,000 tons all-water, and 60,000 tons joint rail-water.

The next year, 1920, it was 192,000 tons all-water, and 168,000 tons rail-water.

The next year, 1921, it was 348,000 tons all-water, and 323,000 tons joint water-rail.

Until to-day, in the 10 months of 1925, 315,000 tons is all-water, and 678,725 tons is joint rail-water.

In other words, the astonishing thing has arisen that by working with these railroads the all-water had dropped to a certain extent, but the water-rail has increased tremendously.

I trust that this will give you the information which you desire.

With much esteem, I am,

Very sincerely yours,

T. Q. ASHBURN,
Brigadier General, United States Army,
Chairman and Executive.

Mr. President, I desire to have printed in the RECORD his statistical tabulation, and then I am not going to take any more of the time of the Senate. We have heard so much here to this effect: "Oh, the Government can not run anything. We have spent a billion dollars on our rivers and inland waterways and have not gotten any return," because we have not put a restraining hand on the railroads and have not imposed the power of the Government to demonstrate to these people what could be done in terms of river transportation. We took the case in hand, equipped this company with sufficient capital, backed them up with a law sufficient to carry out the intent of Congress, and in seven years raised the tonnage from 33,000 to 1,700,000 and the profits accruing to the Government to more than $1,000,000, besides lowering the freight rate 20 per cent.

We are sent here to represent the people of America, and to make it as easy as possible to do right and as hard as may be to do wrong; but we have reversed that policy.

Mr. BRUCE. Mr. President——

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Does the Senator from South Carolina yield to the Senator from Maryland?

Mr. SMITH. I yield; yes.

Mr. BRUCE. Will the Senator from South Carolina please refer me to some detailed statement showing all the receipts of the Government from that source and all its expenditures in that connection?

Mr. SMITH. Yes, sir; they are right in this table. The Senator can study them at his leisure, and I hand them in with a great deal of pleasure.

The PRESIDING OFFICER. Without objection, the statement referred to will be printed in the RECORD.

The statement is as follows:

Comparative statement of tonnage revenues and expenses, Mississippi-Warrior service

[Calendar years 1925 and 1924]

	1925	1924
Total tonnage	1,141,973	1,071,848
Total revenue	$3,978,951.93	$3,503,751.59
Total expenses	4,005,994.59	4,036,362.01
Net income (loss in italic)	*27,042.66*	*532,610.42*
Depreciation	329,839.70	353,276.52
Net income before charging depreciation	302,797.04	*179,333.90*
Mississippi division:		
Total tonnage	910,462	849,503
Total revenue	$3,521,495.88	$3,097,348.33
Total expenses	3,252,387.31	3,223,408.30
Net income (loss in italic)	269,108.57	*126,059.97*
Depreciation	254,007.19	285,782.77
Net income before charging depreciation	523,115.76	159,722.80
Warrior division:		
Total tonnage	231,511	222,345
Total revenue	$457,456.05	$406,403.26
Total expenses	753,607.28	812,953.71
Net income (loss in italic)	*296,151.23*	*406,550.45*
Depreciation	75,832.51	67,493.75
Net income before charging depreciation	*220,810.72*	*339,056.70*

NOTE.—Figures for 1925 include estimated results of December operations.

The corporation, as a whole, shows a gain of $505,567.76 in its net income, and this despite the fact that during the calendar year 1925 its equipment on the Mississippi was only 60 per cent of the 1924 equipment—40 per cent being in litigation and used by another company.

This $505,567.76 is made up as follows:

Mississippi division:		
Changing a loss of	$126,059.97	
To a profit of	269,108.57	
		$395,168.54
Warrior division:		
Reducing a loss of	406,550.45	
To a loss of	296,151.23	
		110,399.22
		505,567.76

In 1924 the corporation expended in actual operations $179,333.90 more than its gross income; 1925, the corporation expended in actual operations $302,797.04 less than its gross income.

Mr. SMITH. Now, Mr. President, I desire to define my position, and then I am through.

I think myself that perhaps it might be questionable to open the door of unlimited government interference in business. I think we here have sense enough to know where we should inject the government and where we should stop. Our forefathers set us the example. They delegated to the general government those things that the general government could do for each State better than the State could do them for itself, and reserved to the States those things that the States could the better do. That was in the governmental realm. With the advance of intelligent application of the forces of nature we have reached a point where individual initiative is practically a thing of the past. The necessities of life are produced in their finished form by great corporations, which in themselves are essential. We are not in a position to audit their books or to know their costs, but the people who pay the bills know the cost to them. In justice to these corporations, and in justice to those for whom we legislate, it is the duty of the Government to find out by actual experimentation what is the reasonable cost beyond which it will not allow these corporations, under the franchises and privileges granted to them, to take from the people more than is just and proper.

There is a realm in our economic life where the Government should not go. There is a realm where modern conditions are forcing it to go in behalf of those who can not be the beneficiaries directly concerned in the operation of these great corporations or these great manufacturing plants. We are in a new world, and we have to meet it with new policies and new laws.

When the foundations of our government were laid, the conditions were ripe for producing the perfect flower of democracy. Each man had his own railroad train, his own passenger-freight train, his own factory. His home was a completely equipped plant for producing all that he needed; but with the advent of the imperial power of steam his individual initiative was destroyed and supplanted by this great monopoly, whose product was cheaper perhaps to him, but nevertheless in the cheapening he became a servant of this great power.

The hand loom was replaced by the power loom. It made the man's clothing cheaper, but exacted as a payment of that cheapening his absolute dependence upon and servility to the power loom. And so it went, Mr. President, until the democracy of American economic life was absolutely overthrown and destroyed by the imperial power discovered by genius, and applied in our producing and manufacturing world.

Hence, the law that was so simple and easy when these things were not present can not apply to-day. By virtue of our facilities for communication, transportation, the hauling of enormous tonnage, and the magical power of machines to do at the touch of one hand the work that formerly thousands of hands were required to do, the law that was applicable then is not applicable now; and we are not brave, we are not courageous, we are not fit to sit in this historic place, if we do not modify tradition and modify law that applied a hundred years ago, and meet the situation as it is now.

To say that government has no more concern with business to-day that it had at the time of the foundation of this Government is to fly in the face of the very logic of the situation. We have attempted in an indirect way to do this thing, and have found it an utter failure. We passed the Sherman Antitrust Act, we supplemented it with the Clayton Antitrust Act, and by the very ingenuity of the brain of those against whom it was aimed it has become a breastwork from behind which they may ply more successfully the power that they possess.

If the Clayton antitrust law and the Sherman antitrust law do not meet the situation, shall we, because of a tradition, because of the fetish of an expression of our fathers, not gird ourselves up as they did when they threw overboard the tradition of King George III, and took the crown from his head, and placed it on the head of every sovereign American citizen?

The responsibility that was in King George III has been transmitted, with all of the responsibility of sovereignty, to every American citizen; and you and I have to meet our responsibility in this new world in which we find ourselves as our forefathers met their responsibility at Bunker Hill, and then on through the glorious fight for freedom.

We are to-day face to face with an army as imperial, as autocratic, and more dangerous, because it has not the responsibility of government on its shoulders—the army of entrenched and organized power, expressing itself through modern inventions a million times more efficiently than money was ever capable of expressing itself—and you and I have to meet it, and meet it as American citizens, meet it as democrats who believe that if the powers about us are imperial, if the powers about us are monopolistic, the Government shall see to it that in the great field of opportunity opened by these wonderful inventions the law shall be so framed that each American citizen shall win in that field according as God has given him capacity.

BIG SANDY RIVER BRIDGE, KENTUCKY-WEST VIRGINIA

Mr. BINGHAM. From the Committee on Commerce I report back favorably, with amendments, the bill (H. R. 5043) granting the consent of Congress to the Midland & Atlantic Bridge Corporation, a corporation, to construct, maintain, and operate a bridge across the Big Sandy River between the city of Catlettsburg, Ky., and a point opposite in the city of Kenova, in the State of West Virginia; and I submit a report (No. 263) thereon. I ask unanimous consent for the immediate consideration of the bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

The Senate, as in Committee of the Whole, proceeded to consider the bill.

The amendments were, on page 2, line 4, after the numerals "1906," to strike out the period and insert a colon and the following proviso: "*Provided*, That such bridge shall not be constructed or commenced until the plans and specifications thereof shall have been submitted to and approved by the Secretary of War and the Chief of Engineers as being also satisfactory from the standpoint of the volume and weight of the traffic which will pass over it"; in line 14, after the name "Kentucky," to strike out the comma and the words "or any official agency of either thereof or any political or other subdivision or subdivisions thereof within or adjoining which such bridge is located"; in line 17, after the word "after," to strike out "15 years from"; at the beginning of line 24, to strike out the word "If" and insert a colon and the words "*Provided*, That if"; in the same line, after the word "condemnation," to insert "at any time after five years after the completion of such bridge"; and on page 3, line 7, after the word "acquisition," to strike out "After five years from the date of acquiring such bridge by such State or States or any

official agency or agencies thereof or any political or other subdivision or subdivisions thereof the same shall be maintained and operated as a free bridge," so as to make the bill read:

Be it enacted, etc., That the consent of Congress is hereby granted to the Midland & Atlantic Bridge Corporation, a corporation, its successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across the Big Sandy River at a point suitable to the interests of navigation, one end of such bridge to be in the city of Catlettsburg, in the State of Kentucky, and the other end at a point on the opposite side of said river, in the city of Kenova, in the State of West Virginia, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906: *Provided*, That such bridge shall not be constructed or commenced until the plans and specifications thereof shall have been submitted to and approved by the Secretary of War and the Chief of Engineers as being also satisfactory from the standpoint of the volume and weight of the traffic which will pass over it.

SEC. 2. The said Midland & Atlantic Bridge Corporation, its successors and assigns, are hereby authorized and empowered to fix and charge just and reasonable tolls for the passage over such bridge of pedestrians, animals, and vehicles adapted to travel on public highways, and the rates so fixed shall be the legal rates until the Secretary of War shall prescribe other rates of toll as provided in the act of March 23, 1906.

SEC. 3. That the States of West Virginia and Kentucky may jointly or severally at any time after the completion of such bridge, by agreement or condemnation in accordance with the laws of either of such States governing the acquisition of private property for public purposes by condemnation, acquire all right, title, and interest in such bridge and the approaches and appurtenances thereto for the purpose of maintaining and operating such bridge as a free bridge: *Provided*, That if such bridge is acquired as aforesaid by condemnation at any time after five years after the completion of such bridge, in determining the measure of damages or compensation to be paid for the same, there shall not be included any credit or allowance for good will, going value or prospective revenues or profits, but the same shall be limited to such an amount not exceeding the original cost thereof as shall represent the cash value of the bridge and its approaches and appurtenances and any improvements thereto at the time of such acquisition.

SEC. 4. The said Midland & Atlantic Bridge Corporation, its successors and assigns, shall, immediately upon the completion of such bridge, file with the State highway departments of the States of West Virginia and Kentucky an itemized sworn statement of the actual original cost of such bridge and its approaches and appurtenances, including any reasonable actual expenditures for engineering and legal services and any reasonable fees, discounts, and expenditures incurred in connection with the original financing thereof. Such itemized statement of cost may be investigated by the highway department of either of such States at any time within three years after the completion of such bridge and verified or corrected, and its findings shall be conclusive upon all persons, subject only to review in a court of equity for fraud or mistake.

SEC. 5. That the right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. BINGHAM. Mr. President, in explanation of the proposals contained in the various amendments to the bill, I should like the privilege of stating that recently the Committee on Commerce has gone very fully into the whole problem of toll bridges over navigable streams where the application for the franchise comes from private parties as well as from States and the subdivisions thereof.

The committee believes, in the first place, that all permits for bridges over navigable streams, and all bridge bills, should contain the proviso which will be noted as the first amendment to the bill now before us, that such bridge be not constructed or commenced until the plans and specifications thereof shall be submitted to and approved by the Secretary of War and the Chief of Engineers as being satisfactory not only from the point of view of navigation but also from the standpoint of the volume and weight of the traffic which will pass over it. In the past the only concern of the Chief of Engineers has been as to interference with navigation. In the future, we believe it should be also his concern to see to it that the bridge is properly constructed from the standpoint of the use to which it is to be put.

In cases where the right is sought by private capital to construct a toll bridge over a proposed or main highway, we believe that such permit should be denied unless the highway commission or commissions of the State or States affected approve the application for such permit; and, in general, it is not our intention to report favorably a bridge bill containing permission to construct a bridge over a navigable stream unless we have first satisfied ourselves of the approval of the highway commission of the State or States concerned.

The committee believes that another condition of granting such permit should be the requirement that the State or States, or any political subdivision thereof, may at any time acquire the ownership of such a bridge by purchase or condemnation proceedings, as may be prescribed by the laws of such State or States; provided, that if the bridge be not condemned until after a reasonable period for the amortization of the cost of said bridge has passed, the courts, in determining the compensation to be paid under the condemnation proceedings, shall not include any claim or allowance for good will, going value, prospective revenues or profits, but that in such a case the amount to be paid shall be limited to an amount not to exceed—

(a) The actual cost of constructing the bridge, less reasonable deductions for actual depreciation.

(b) A charge for reasonable promotion and financing charges, not to exceed 10 per cent of the cost of construction.

(c) Actual expenditures for betterments or improvements; provided further, that immediately after the construction of the bridge the company building the bridge must file with the State highway commission a sworn statement showing the actual cost of all items.

It is the recommendation of the committee that the power of condemnation, with full recognition of the actual value of the bridge as a going concern and with due regard to prospective revenues or profits therefrom, shall be limited to a period varying from 5 to 25 years, corresponding with reasonable prospects for amortization; this period to be specified in each bill, and to be determined by the committee after consultation with the Federal engineers as to the length of time likely to be required for amortization of the project; and that thereafter condemnation proceedings be permitted which shall merely remunerate the builders for the cost of the bridge as aforesaid without regard to its value as a going concern or to any prospective profits therefrom. In other words, the committee wishes to give the bridge company the right to full payment for their property as a profitable concern for a limited time sufficient for amortization. And thereafter the committee wishes to give the public the right to condemn it without regard to its earning power but with due regard to its cost.

Furthermore, the committee does not approve the limiting of the rights of the States, or any subdivision thereof, in connection with tolls to be charged, except that the tolls shall be reasonable, as under the general bridge act.

The committee feels that the citizens and communities involved may be trusted to demand from their State or local governments the freeing of the toll bridges as soon as the taxpayers are willing to bear the burden, and that it is not in the province of Congress, in its control of bridges over navigable streams, to do more than limit the tolls to a reasonable amount, as already is done by the bridge act approved March 23, 1906.

These ideas are contained in the amendments and in the bill now presented, and it is proposed and suggested that this bill be passed as amended, in order to enable us, if necessary, after conference with the House committee, to determine a policy with regard to toll bridges.

Heretofore it has been the custom to permit toll bridges to be built provided they did not interfere with the navigable streams, but owing to the enormous amounts of money spent by the Federal Government and by State governments in building roads these toll-bridge franchises have become enormously profitable, and it is the hope of the committee in this way to protect the public against private monopoly.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the committee.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred it.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

EXPORTABLE SURPLUS OF AMERICAN FARM PRODUCTS

Mr. CAPPER. Mr. President, I have copies of the interesting correspondence between Sir Josiah Stamp, the noted British economist, and Mr. Chester C. Davis and Mr. George N. Peek, well-known American economists, on the subject of the exportable surplus of American farm products. This correspondence is the outgrowth of a suggestion from the Vice President of the United States, who, with others, has been deeply interested in this problem of the grain surplus. It is the hope of those who have been interested in the program of relief for the western farmer that some plan could be devised, through an agricultural export corporation, or other marketing machinery, that would make it possible to dispose of this surplus on the world market without adversely affecting the price of the

domestic market. It is through control of this surplus that we hope to stabilize the domestic price. This correspondence throws a great deal of light on what is now regarded as agriculture's greatest economic problem. I ask unanimous consent to have these letters printed in the RECORD.

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Is there objection?

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

THE AGRICULTURAL PROBLEM OF THE EXPORT SURPLUS

DISCUSSION OF GEORGE N. PEEK AND CHESTER C. DAVIS WITH SIR JOSIAH C. STAMP

(This correspondence, which has extended over the period of a year, is a contribution to the economic discussion of the problem)

THE AGRICULTURAL PROBLEM OF THE EXPORT SURPLUS

The following correspondence has been carried on between the proponents of certain measures for agricultural relief and Sir Josiah Stamp of England. The gentlemen who state the American agricultural case are George N. Peek and Chester C. Davis. It is a contribution to the economic discussion of the problem.

The following cables and letter are printed as explaining the reason for publication and the conditions attached thereto:

WASHINGTON, D. C., *December 18, 1925.*

Sir JOSIAH STAMP,

Noble House, Buckingham Gate,

London, S. W. 1, England:

To my surprise one of the agricultural leaders of the West, in a speech yesterday, referred to the debate being carried on by agricultural economists and yourself through me as an intermediary. As a result, to-day I am besieged from all quarters for your comments and theirs. I have stated to the press I am cabling you for your permission to have them published. Sincerely trust you will authorize this. Answer Washington.

CHARLES G. DAWES.

LONDON, *December 21, 1925.*

General DAWES,

Vice President's Chamber, Washington:

Agree if whole documents published, including your letter January 5, showing how I came into it.

STAMP.

MR. DAWES'S LETTER OF TRANSMITTAL

JANUARY 5, 1925.

Sir JOSIAH C. STAMP,

Tantallon, Park Hill Road, Shortlands, Kent, England.

MY DEAR FRIEND: As I signed my letter of January 3, written before I had commenced reading your book, I find that I must write you another, in order, first, to let you know something of the interest and admiration which it excites in me; and, second, to ask a little help in clearing my mind upon an economic question. I am sure you will be willing to give just a little thought to the matter for my sake.

I am inclosing you a typewritten document which a very energetic group of farm associations throughout the country has prepared. In order that you may understand my own attitude, I inclose a copy of an address on agriculture which I delivered at Lincoln, Nebr., in August of last year, a portion of it extemporary but the bulk of it carefully prepared.

Putting to one side the question of the practicability of the plan for an export corporation as one of the means of giving an American market to American agriculture, as outlined in the paper inclosed, let me ask you this: If the Government should pay an export bounty of say 40 cents a bushel on wheat, reimbursing itself by an excise tax upon wheat production equivalent to the bounty paid, would this tend to solve the problem of the exportable surplus, and the present necessity, where a surplus exists, of supplying local demand for wheat at a price based upon the world's price?

Again if the plan would work temporarily, what would be the ultimate effect in stimulating production?

I realize that an increase in production with the farmer means an increase in the number of producing units with no decrease in the cost of production; and this fact differentiates him from the manufacturer. The latter can operate at less than capacity production and would be less liable, after having had a profitable season, to immediately increase his output irrespective of the prospects of profitably disposing of it. Is or is not the regulation of production the only solution of the farmer's problem in the United States in the long run?

Personally, I do want to be constructive and helpful but realize that nothing is such in this problem that is not based upon sound economic principles and the lessons of experience. As a friend I want the benefit of your incomparable economic thought on this question. I fully realize how much I am asking but something tells me you will give me a little help.

Most of my speeches were extempore, but I enclose you one or two others on other subjects which possibly may interest you.

With best regards,

Your friend,

CHARLES G. DAWES.

MEMORANDUM FROM SIR JOSIAH C. STAMP

APRIL 3, 1925.

If 1 in every 5 bushels is exported, the excise tax upon the whole production would need to be 8 cents per bushel to square the Government account. Now, if we assumed that 1 in 5 of every individual farmer is exported then the effect upon his account is, of course, that he pays a tax of 40 cents for every 5 bushels he produces and gets 40 cents as bounty for the 1 exported. On balance, his marginal expenses of production are not altered. There is no incentive to him to produce either more or less. He may think for a moment of the bounty and desire to produce more in order that the surplus available for export shall be greater and he shall get a larger bounty. Let him produce 6 bushels instead of 5 at no increased average cost, i. e., natural cost. Now, he expects a bounty receipt of 80 cents but the Government immediately put up the excise tax to 13⅓ cents per bushel, and once again his account is square.

A similar tendency in the reverse direction sets in if he decides to reduce his production to save excise tax; there is less available for export and the bounty is smaller, and his profit and loss account is again all square. This simple calculation is, of course, affected if, by a reduction in production, he can have smaller expenses of production per bushel or get a higher price on the world market. I am not quite sure what, on balance, is the position of the American agriculturist in regard to an increase or decrease of expenses of the marginal bushel. You merely tell me that he can not increase his producing unit and decrease his cost. I would want to know whether it is not possible that this marginal cost may even increase instead of decreasing.

Now, let us look at the operation of the excise tax by itself first. In the ordinary way it would raise the price of wheat by 8 cents, but when this gets into the world's market against untaxed production, only a slight part of the price due to the increased tax can be upheld, according to the proportion which the United States surplus for export bears to the whole untaxed supply. The tendency must be for the new world price to be slightly higher than the old, but nowhere near the full 8 cents. This would throw back the burden of the tax upon the producer and cause him to diminish his production, and confine it to the most profitable land, in order that the new world price would give him his expenses, plus the tax. But now bring in the effect of the bounty. This encourages him to produce and exactly counterbalances the other tendency.

I do not see that the situation is sensibly altered either way. I would not deny that it is altered to some small amount. Now, if our original assumption is wrong, and some farmers are constantly producing more than the 1 in 5 for export and others more for home, a different state of affairs may come in altogether. But I imagine that farmers supply a common wheat pool which then sells within and outside the States at world prices, with the net effect that 1 in 5 of every farmer's would, technically, be exported. But if farmers were managing their own personal export, some would be more favorably situated for export than others; their accounts would show a surplus under this arrangement, and the accounts of others would show a deficit. You would tend to emphasize the differential advantage for export, not by any means as a whole amount of the bounty, but to some small extent. If, therefore, American export of wheat is dealt with as a whole, I find it difficult to make much difference in the world market unless I know whether the American farmer is working on a basis of increasing costs; i. e., incurs a higher ratio of cost on each additional bushel. If American export of wheat is not dealt with as a whole, I imagine that the proposal would set up very important changes as between different areas.

COMMENTS OF GEORGE N. PEEK AND CHESTER C. DAVIS UPON THE FOREGOING STATEMENT OF SIR JOSIAH C. STAMP

MAY 7, 1925.

The foregoing discussion of an export bounty in its relation to wheat production in the United States is illuminating, and the conclusions incontrovertible, upon a premise that there is no tariff or other trade barrier against imports to permit maintenance of a domestic price above the world level when a shortage exists or is artificially created.

The problem in this particular instance, however, must be considered upon the premises:

1. That the United States has provided an import duty of 42 cents per bushel on wheat, which is now inoperative on the wheat price in the United States because of the fact that a normal surplus above domestic requirements is produced annually which, thrown into the market, holds the domestic price to world levels; and

2. This is a Nation in which general price and cost levels are maintained artificially by a system of protection partly legislative (as by

tariffs, restriction of immigration, the transportation act authorizing rail rates sufficient to earn a fixed return, the Adamson Railroad Labor Act, etc.) and partly by combinations in the fields of industry and labor made possible under our laws and by their own organization.

The illustration used, a 40-cent bounty on the 1 bushel exported out of 5 produced, equalized by an 8-cent excise tax on the entire 5 bushels, thus establishing a balance, with no effect on marginal production, is perfect where a state of free trade in wheat obtains. But this case is different. There is a 42-cent duty on wheat imported into the United States.

The essence of the plan is to dispose of the surplus available for export under the direction of an agency whose buying power in the domestic market, aided by the efforts of cooperative marketing associations, will raise the domestic price for wheat toward the top of the tariff wall above the world price level. This is made possible because this agency, through buyers and exporters commissioned to act for it, can buy for export at a high, protected price, and sell at the lower world price abroad, and its losses on the 1 exported bushel out of 5 marketed will be met by the excise tax on all 5.

Thus, in effect, the Government, with funds secured from the excise tax, would add 40 cents to the world price secured for the 1 bushel exported, while the domestic consumer, out of his earning power increased by the American protective system, would pay approximately an added 40 cents on each bushel of the 4 consumed at home.

This, you see, is something entirely different from the state of balance that would result from an attempt to operate such a plan without the protective tariff or an embargo on imports. In effect, it is an extension of the principle of the protective tariff to include those crops of which, like wheat, a normal surplus is produced. The proponents of the plan contend that such a surplus is inevitable under the present agricultural organization in this country; that it nullifies the attempt to equalize, by a tariff, differences in production costs in this and competing foreign countries where labor and other costs are lower; and that thus there has resulted an unfair division of the rewards of labor between agriculture and those industries and interests on whose behalf protection is effective.

Obviously, such a plan would not be considered except under conditions where the weakening of agriculture constituted a grave national menace. The question naturally arises whether it is equitable thus to raise the costs to the domestic consumer in order to restore a state of balance to agriculture. In answer to that it is pointed out that the labor wage index in this country stands now at above 200 compared with the pre-war 100; and that the index of the National Industrial Conference Board gives wheat, beef cattle, corn, and hogs an average of 53 for the four years, 1920–1923, compared with 1914 as 100.

You very properly question the effect such a plan would have upon marginal production. We know that postwar prices for farm crops have been so seriously out of line that the farm population has been forced from the country to the cities at an alarming rate. It is true, that this process, if its cause continued, would in time correct the malady. But the United States is witnessing the steady gain of population on production, and the wisdom of such a policy of wearing down the farm population, then facing the necessity of building it up again, might well be questioned.

Thus a considerable price gain for agriculture in relation to other prices would be possible before the actual pre-war buying power of farm products is restored. It can be kept in mind that it was this pre-war price relationship or buying power that resulted in the pre-war acreage; its restoration should do no more. Then, too, it is argued that if this plan of extended protection covered other major crops beside wheat, there would be no incentive to shift from one line of production to another.

That is one view of the problem. On the other hand we think it very likely that there would be a tendency toward increase in certain crops like wheat upon which the plan would prove most simple in operation. The fact that an increase in the size of the surplus would result in a corresponding increase in the excise tax without any gain in the domestic price, would tend to act as a brake on this tendency toward increased production.

It is important to consider all this in the light of the knowledge that the United States is a highly protected country. The farmers have been studying the tariff and wondering why it was that it did not seem to help much in the case of their major crops. The plan of which this is written constitutes their most important effort to get in under the operation of this system of protection.

[Extract from letter of Mr. Stamp under date of July 14, 1925, answering the above]

I now send you a brief comment, somewhat hurriedly made, upon your inclosure. To form a more definite idea I need specific information upon the question of relative costs, the question of the relative profitability of agriculture compared with other industries, and the question whether agriculture is on a basis of diminishing returns.

Mr. Stamp's comment follows:

The import duty is in operation because marginal costs abroad are either higher than American costs or, if lower, not lower by more than 42 cents. (If they were lower by 42 cents, then imports would come into the States despite the duty.)

Let us suppose they are lower by 30 cents. No imports take place. Now, let an increased supply come into the non-American market from America, no matter for what cause. The outside price must fall slightly by equation of demand; marginal cultivation will shrink (outside America); marginal costs will slightly fall on a less supply and outsiders accommodate themselves by a reduced output. The total output used outside America is probably more than before, but not more by as much as the increase in the American export. Let the outside world price be reduced 2 cents. This change added to the 30 cents alone still makes only 32 cents and the addition of a 42-cent import tax makes wheat too dear to enter into the United States of America. If the outside costs had been lower by 41 cents (and no imports) and the increased exports lowered price by 3 cents, the total would now be 44 cents. Add the duty and outside wheat is 2 cents below and begins to flow into America, the actual price outside goes up and price inside goes down enough to make a margin of less than 42 cents. But I imagine this condition of marginal costs does not really exist, and outside costs may be as high or higher than America already without the duty. If so, then the lowering of world price by increasing the American export to the outside countries could not conceivably be enough to bring about imports into United States of America.

Let it now be supposed that the total American supply is at first unaltered. More exports entail decreased domestic supply. But domestic prices rise to meet the old demand. This rise is checked by the increased lands brought into cultivation and increased supply to meet improved price. On assumption of marginal increased costs on such supply, the rise will be checked at some point higher in price than the original domestic price. (But the original assumption that 1 in 5 was exported on which the bounty is paid for by the excise fails if more than 1 in 5 is exported—there is a deficit on this account.)

So we might get an equilibrium again on 1 to 5 export on a somewhat higher level of home price and a somewhat lower level of world price. If the original difference between costs was 30 cents a bushel, this is cut into in both directions.

It seems to me that the whole question turns upon whether agricultural pursuits are in the long run at present markedly below the general average return (for capital risk and ability) for other industries. If they are well below, then they can be improved by having a higher domestic price of wheat forced on the country behind a tariff wall, and if such improvements will not be sufficient, to bring into cultivation a lot more land and an increased supply which will lower price. If, however, the improved profits flowing from a higher domestic price do more than restore a negative position, but make agriculture positively attractive compared with other industries, then, of course, nothing can stop more land being farmed, and the supply being greater, the new price can not be wholly maintained. It will settle at a point at which the positive advantages of agriculture cease compared with other industries.

I see no reason why these effects should not have been already brought about. Agriculture is hardly capable of complete trustification to eliminate competition. American prices can only be independent of world prices behind a tariff wall if the margin of difference between American costs and non-American is kept within 42 cents.

PART I

REPLY FROM MR. PEEK AND MR. DAVIS

SEPTEMBER, 1925.

Two things are necessary before this subject can be discussed satisfactorily in correspondence:

a. A simple statement of the problem of the American farmer which both correspondents will accept.

b. A clear statement of the plan which American farmers are discussing as an answer to the problem.

We hope to make clear that the plan discussed does not provide for an export bounty, such as students of English history are familiar with through the corn bounty laws of the early nineteenth century. An agency is proposed to handle the normal volume of exports so as to keep the surplus from pressing on the domestic price. Exponents of this plan contend that, with the surplus kept out of the way, the price of wheat in the United States would tend to rise back of the tariff wall toward its upper price limit which would be the point at which imports would commence to flow into the United States. The bounty plan would sitmulate an unusual flow of wheat out of the country. The export agency proposed would on the other hand go into the market to buy for export whenever a surplus of supply above domestic demand tended to depress domestic prices toward world levels, and would export no more than the amount which would be exported without such an agency.

THE PROBLEM

American farmers produce an annual surplus of their chief crops in excess of the consumptive capacity of the domestic market (wheat,

pork, cotton). Protective tariffs may bar out imports, but the farmer is not always helped by that, since he is compelled to sell in the domestic market the bulk of his crop at the price which his surplus commands when it is sold for export.

The protective principle in America has been extended considerably beyond the original protective tariff. It now includes special acts for labor regulating immigration, hours, and even compensation for some classes; special acts for transportation, banking, and industry of various sorts; and less direct legislation which these groups and classes have been able to turn to their price advantage through organization. Farmers are unable to follow this example because their business is essentially decentralized and because nonmembers profit unreasonably from any organized attempt to dispose of a surplus.

Farmers, therefore, find themselves producing in a country where costs are fixed high by protection. What they receive for their main crops, however, is not determined by what it cost to produce them; or what the domestic consumer can afford to pay for them, but by what the foreign buyer of the American surplus is willing to pay in this country. Certainly it will be no higher than the price at which the foreign buyer can satisfy his demand elsewhere.

The American farmers may have a tariff on their wheat, for example, but when they have a substantial surplus over what their own market can absorb they are compelled to sell their entire crop on a basis of the Liverpool price then prevailing, less the delivery costs.

When they complain that the protective tariff is not effective, they do not mean that it fails to shut out imports, but that they have no advantage in their domestic price because of this tariff.

THE REMEDY

As stated in the opening paragraphs, there has been practically no demand among the farmers of America for an export bounty. It is generally recognized that such a bounty would stimulate exports, and unless they were subject to regulation as to volume, the flow out would exceed the quantity which the current relation between domestic supply and demand would normally free for export.

There is a strong demand, on the other hand, for an export corporation or some similar agency, duly authorized by law, which would have the following powers:

"(a) To buy for export, or to contract for the purchase and export, of any surplus above domestic needs whenever there is evidence that such a surplus exists and is bearing down the domestic price to a point that erases or considerably lessens the effect of the protective tariff on the domestic price.

"(b) If it becomes necessary to sell such surplus abroad at a lower price than the one prevailing at which the purchase was made, such loss to the exporting agency should be repaired from an equalization fund made up of an equalization fee or excise tax collected upon all the units of the special commodity dealt with as it moved in trade."

This might be accomplished by cooperative associations handling the export surplus if the Government would assist by levying a tax or equalization fee to compel all producers alike to contribute to such losses as may be experienced in handling the exports sales at world prices in order to maintain a domestic price in this country that reflects the advantage of the protective tariff. If voluntary cooperative societies attempt to handle the export surplus in this manner by assessing their export losses against their own members, they would be conferring an undue advantage on nonmembers, a course which would speedily destroy the cooperative itself.

There would be no direct bounty. Profit to the producer would result from an increased domestic price level. The loss sustained on the relatively small portion which it might become necessary to buy at this protected level and sell at a lower world level would be distributed over the entire crop, and would be small as compared with the gain in price on that part of the crop sold and consumed at home.

The late Henry C. Wallace, Secretary of Agriculture from March 4, 1921, until his death in October, 1924, described this proposed remedy favorably in his special report on the wheat situation in the United States sent to President Coolidge on November 30, 1923, in which he said:

"Inasmuch as the first step looking toward increasing the domestic price requires the disposition of the surplus over and above domestic needs, * * * the suggestion that the Government set up an export corporation to aid in the disposition of this surplus is worthy of the most careful consideration. Such a corporation necessarily would need rather broad powers. It would not be necessary that it should undertake to handle the entire crop, and it could probably carry on its activities in cooperation with existing private agencies. If it should be found necessary to arrange for the sale of the surplus exported at a price much lower than the domestic price, the loss so incurred would properly be distributed over the entire crop."

In his general report to President Coolidge, made at about the same time, referring to the same project, Secretary Wallace said:

"While the plan proposed could be applied more easily to wheat than to some other agricultural products, obviously, if favorably considered, it should not be confined to dealing in wheat alone. It should include all agricultural products of which we have a considerable exportable surplus, and the prices of which are substantially out of line. Especially should provision be made for handling pork products, of which we export large quantities, and which also were brought under Government control during the war."

PART II

DIRECT DISCUSSION OF J. C. S. MEMORANDUM

For convenience sake, the memorandum may be subdivided and considered as three lines of reasoning:

"1. American prices can only be independent of world prices behind a tariff wall if the margin of difference between American costs and non-American is kept within 42 cents.

"2. Increased American supply will move to the world markets, with certain described effects upon world prices and marginal costs in competing countries.

"3. The whole question turns upon whether agricultural pursuits are in the long run at present markedly below the general average return (for capital risk and ability) for other industries."

(1)

"American prices can only be independent of world prices behind a tariff wall if the margin of difference between American costs and non-American is kept within 42 cents."

Perhaps it is better not to say "independent of world prices," but rather to say that American prices can be maintained above world prices by a tariff and a device to dispose of the surplus; but in no case can the American price be maintained more than the height of the tariff above world prices, since at that point imports commence and the rise is checked.

The import duty will be effective in barring out imports as long as the foreign price level on which competing wheat-growing nations sell is more attractive to them than the American market after they have paid the 42-cent duty.

If these points are conceded, then the correspondents are in substantial agreement that it can be done. The question of its desirability or necessity from the national standpoint is discussed under three (3).

An American student of farm affairs would probably suggest that the English correspondent attaches too much importance, from the American standpoint, to the nice adjustment by which, he reasons, production volume results from the relation of price to costs of production. Costs of production alone do not determine wheat prices, nor do wheat prices alone determine acreage or volume of production. There are many other factors in the problem.

For example, in the United States the present wheat acreage and volume of production have resulted from many things. There has been the rapid development of new lands stimulated by other considerations than a compensatory price, for that was usually lacking.

Such social and industrial changes as prohibition with its effect on demand for barley and rye and the substitution of motor for horse power with its accompanying decrease on demand for oats have forced farmers to adopt wheat in their crop rotations regardless of whether its price is of itself profitable or not. Then the war saw every national force concentrated to increase wheat production from the farms. We have been in an era of the exploitation of natural soil wealth along with other natural resources.

Farmers can not go in and out of business as readily as labor can shift occupations. Nor can shifts be made easily from one line of farm production to another as price relations change. The wheat grower can not grow wheat one year and become a dairy farmer the next and repeat these shifts as prices change again in relation to each other. If his land and equipment are adapted to one sort of production, experience shows that he makes adjustments slowly, and as a rule the changes are toward greater efficiency in his line rather than radically away from it.

In this connection, the following may prove interesting ("The Agricultural Situation," by Doctors Warren and Pearson, Cornell University):

"When a manufacturer is unable to sell his products at a price sufficient to keep the plant going, he closes the plant. This distress in such a period is in part shared by the unemployed laborers, and is in part shared by the owners of the plant, but much of the difficulty is passed back to the producers of materials that the plant uses. The plant remains idle until the stocks on hand and in the channels of trade are disposed of and new orders appear. It does not open until the products are wanted badly enough so that they will sell at a price somewhere near the price that existed before the plant closed. Laborers come back at wages that are somewhere near the previous wage level. The price of the product and the wages paid the workers are very much higher than would have been the case if the plant had continued to operate.

"Agriculture is a personal industry. Less than one-fourth of the labor is hired. In a period of depression the farmer may drop the hired labor, but he can not close his shop, for he is both owner and laborer. His family must live, and his taxes and interest must be paid. If wheat brings little per bushel, he must try to produce more bushels. He works longer hours. His wife helps more with field work. If there are old people in the family, too old to do much, they work

more than they normally would. Children work more than usual, and many of them stop attending school at an earlier age than was anticipated. By these means it is possible to maintain agricultural production for a time with a greatly decreased labor force.

"In 1922 the net movement of population from farms to cities was 1,120,000. Various estimates place the movement in 1923 at another million persons. Since farm families are larger than city families, there are more persons raised on farms than are needed on farms, so that some net movement to cities is normal. The movement in 1922 and 1923 was, however, more than normal.

"Many persons have wondered how such a movement could take place and have the acreage of farm crops decline so little. Yet this is just what would be expected. It is a result of the combined influence of three factors: (1) The long hours and increased family labor on farms; (2) the neglect of farm maintenance and farm improvements; and (3) the increased efficiency with which farm work is done."

Agricultural production in the United States has been speedily falling behind population. It is a matter of two decades only until, if present tendencies continue, some of the important crops now exported will have no surplus. The question is what to do about the normal or occasional surplus in the meantime.

(2)

"Increased American supply will move to world markets with certain described effects upon world prices and marginal costs in competing countries."

The plan discussed here differs from the export bounty plan in that while the purpose of the latter is to increase the volume of exports, the object of the present plan is to regulate exports in order to free the domestic market from the depressing effect of the export surplus. Since no increase in the volume of exports would take place, the illustration used in the memorandum under consideration can probably be overlooked, even though it is perfectly sound reasoning as applied to the premise of increased export flow.

An increase in exports would only result from an increase in the total American wheat production, and not from an increase in the relative volume of exports compared with domestic consumption. Such an increase in total production would follow only, as the correspondent points out, when wheat became unduly profitable in relation to other branches of agriculture, or agriculture in general became unduly profitable in relation to other industry. Since the plan would be operated on the other main surplus crops as well as wheat, the tendency to shift to wheat would be minimized. There is probably little danger of overbalancing in favor of agriculture, in view of the long-time trends discussed under the heading (3):

(3)

"The whole question turns upon whether agricultural pursuits are in the long run at present markedly below the general average return (for capital risk and ability) for other industries."

Agricultural labor has never been other than at a disadvantage in the division of the annual total product of labor in the world. Long ago this was very plainly stated by an English political scientist with whom both correspondents are familiar, when Adam Smith, in the "Wealth of Nations," wrote:

"The superiority which the industry of the towns has everywhere in Europe over that of the country is not altogether owing to corporations and corporation laws. It is supported by many other regulations. The high duties upon foreign manufacturers and upon all goods imported by alien merchants all tend to the same purpose. Corporation laws enable inhabitants of towns to raise their prices without fearing to be undersold by the free competition of their own countrymen. Those other regulations secure them equally against that of foreigners. The enhancement of price occasioned by both is everywhere finally paid by the landlords, farmers, and laborers of the country, who have seldom opposed the establishment of such monopolies. They have commonly neither inclination nor fitness to enter into combinations, and the clamor and sophistry of merchants and manufacturers easily persuade them that the private interest of a part, and of a subordinate part of the society is the general interest of the whole.

"The whole annual produce of the labor of the society is annually divided between those two different sets of people (farmers and townsmen). By means of those regulations a greater share of it is given to the inhabitants of the town than would otherwise fall to them, and less to the country.

"Scarce any nation has dealt equally and impartially with every sort of industry. Since the downfall of the Roman Empire the policy of Europe has been more favorable to arts, manufactures, and commerce, the industry of towns, than to agriculture, the industry of the country."

One can well imagine that the economist quoted would feel that he had sadly understated the case if he might be given an opportunity to view the intricate protective system which society has granted residents of the cities of the United States at this time.

The same condition—that farmers do not receive an equitable share of the national dividend—is dwelt on at length by the late Henry C. Wallace, Secretary of Agriculture for the United States, March, 1921, to October, 1924, in his book, Our Debt and Duty to the Farmer:

"From all evidence it is clear that the farmers as a group have not been receiving an adequate return for their labor and capital nor a fair share of the natonal income. This has been especially true since the depression began in 1920. * * *

"The farmer is clearly not receiving his fair share of the national income. This is plain for the years of the depression. It is not so well known that it was true also before the war. With an investment of over one-fourth of the total capital of the Nation and a labor force employed equal to almost one-third of all people gainfully employed, agriculture according to recent estimates received in 1909 only 18 per cent of the national income. This condition must be corrected. If we are to have a prosperous Nation, we must have a profitable and satisfied agriculture. Farmers must have a sufficient income to pay off debts assumed at war prices to help win the war and to establish and keep the standard of living that American ideals demand. To build a profitable, stable, and attractive agriculture calls for sympathetic help from the Nation as a whole as well as for the individual and collective efforts of farmers themselves.

"During the period of land exploitation and development increase in the value of the farm made a substantial addition to the income from annual production. In the future the income from enhanced land values will be small, and the farmer must depend for his income on average annual production. His income from this source must, therefore, be very much greater than in the past."

These authorities might be reinforced by quotations from many others, but it is probable that the conclusions they express are accepted without substantial difference by both correspondents.

Having in mind this fundamental distinction between farm and urban industry, then, it is illuminating to consider its tragic exaggeration during the post-war years of depression.

The National Industrial Conference Board (247 Park Avenue, New York) has recently made known the results of its statistical study showing exchange value per acre to the farmer at the farm of the principal farm commodities for the years 1920, 1921, 1922, and 1923. This study differs from most others measuring the purchasing power of the farm products, in that it uses retail prices of selected articles required by farmers instead of the more easily quoted wholesale prices; it figures crop value by the acre production rather than the bushel standard; and the price of farm products used is the price to the farmer, rather than terminal market price which includes relatively high freight rates and other factors that have increased rather than diminished since pre-war years.

The following table, taken from those figures, shows the exchange value for the last four years, compared with 1914, on four principal food products, wheat, corn, beef cattle, and hogs:

	1914	1920	1921	1922	1923	Average	4-year average
Wheat	100	54	41	46	41	45	53
Corn	100	56	43	63	69	57	
Beef cattle	100	60	50	49	48	51	
Hogs	100	76	59	62	51	62	

Agriculture can not long survive such a condition, nor can industry expect anything like a normal business permanently when a large proportion of our population has its purchasing power so seriously reduced.

There has been improvement in the relative position of agriculture in the United States during the past two years, due, however, to abnormal conditions affecting production. The short world wheat crop of 1924, lifted the world price to a point that practically restored the prewar purchasing power of wheat; the short domestic crop this year tends to keep prices up. The shortage in the 1924 corn crop with its resultant effect on the hog supply has worked a change in the Corn Belt price ratios. But thoughtful farmers are concerned over what will happen to them when a normal wheat crop returns at home and abroad, and when the hog population increases to normal.

Much of the foregoing discussion has been in terms of wheat. During the past two years, the growers of corn and pork have shown an interest fully equal to that of the producers of wheat. At the present moment the interest in some Government assistance to complement the cooperative efforts of the growers of cotton and tobacco seems to be spreading.

ACCOMPANYING THE FOLLOWING STATEMENT COMMENTING ON THE ABOVE, MR. STAMP WRITES NOVEMBER 27, 1925

I inclose a memorandum which comments on the statement accompanying your letter. You will see that the question of comparative costs still creeps into every consideration and that I am throwing doubt upon the possibility of keeping up the domestic prices without very large and conflicting losses on the export trade. I would draw particular attention to the hint that by considerably raising the price of

wheat you will introduce economic reactions into the rest of American life which may possibly go far to reduce the value of what you have done at the first step.

SIR JOSIAH STAMP'S MEMORANDUM

THE PROBLEM OF THE AMERICAN FARMER

The further memorandum (inclosed with the letter of September 29, 1925), elucidates the matter under discussion very considerably, and, as stated therein, there is a considerable amount of substantial agreement between the correspondents. There are, however, still certain aspects of the matter which will bear further discussion.

1. In the first place, one feels that one must ask how is the domestic price of wheat fixed? It is assumed that the answer to this question is that it is determined by the total domestic and foreign demand in relation to the supply available at the particular time in question.

In the peculiar circumstances of the United States as a very large producer of wheat, and particularly of the situation described in this correspondence, it may not be far wrong to suggest that the price which the farmer receives is largely determined by the saturation point of the domestic demand and that the amount exported is the excess over the demand at that price. It may perhaps be assumed that the same conditions obtain in other wheat-exporting countries, and that the world export price is, therefore, largely determined by the surplus so available, on the one hand, and the demand of the wheat-importing countries, on the other. Support to this view is offered by the statement that an export bounty "would stimulate exports, and unless they were subject to regulation as to volume the flow cut would exceed the quantity which the current relation between domestic supply and demand would normally free for export."

The problem under consideration is how to remove from the domestic price the pressure of the surplus above domestic needs. For this purpose the export corporation or some other similar agency duly authorized by law is proposed. Now, it seems to be assumed that the object of the scheme can be achieved without any increase in the volume of exports, because it is stated that the plan under discussion "differs from the export plan in that while the purpose of the latter is to increase the volume of exports, the object of the present plan is to regulate exports in order to free the domestic market from the depressing effect of the export surplus."

It is added that "no increase in the volume of exports would take place." It seems extremely unlikely that the farmer will be able to secure a larger domestic price for the domestic consumption if the volume of supply is left entirely untouched. The price is almost entirely determined by the flow of demand and supply. Should the supply be left entirely unaffected in each particular season, how can one expect to secure a higher price? The problem can not be discussed on this basis. To get a higher price supply must be restricted; a larger quantity than would otherwise be the case must be exported by the export corporation. With the smaller domestic supply prices will tend to rise, the demand will tend to fall, and these forces will cause the export corporation to export still more. There seems no reason why this process should not be carried on until the domestic price is pushed up to the point at which the return to the farmer will bring his economic position into favorable comparison with that of other producers. It has already been recognized that limits are set to this process by the comparative marginal costs of American farmers and other wheat-producing companies (which comparisons we do not exactly know) taken in conjunction with the United States tariff on wheat imports.

2. The next point to be considered is that the export corporation will tend to be the sole exporter. The additional exports proposed will surely have some effect on export prices in a downward direction and that loss under the scheme is to be recovered by the proposed excise tax. It is assumed that the aggregate excise to be raised will be determined by the loss of the export corporation. It follows, therefore, that any loss sustained by private exporters; i. e., the difference between the price as it would have existed before this scheme and as it will exist after the scheme can not be recovered by them in the form of the excise. In these circumstances it seems certain that the private exporter will be put out of business unless arrangements are made to incorporate him in the scheme, as agent or employee, of the export corporation.

The export corporation will have to buy at the new domestic price, i. e., it seems certain that the farmer will not quote a differential price according to whether the wheat is to be sold at home or exported. At the same time, there is a double loss on the export price, which depends on the ultimate relations between the two movements of price, i. e., (a) the upward movement internally and, (b) the downward movement externally. If the downward movement is very large then the loss on exports, especially in a "bumper" year, may conceivably be so great as to exceed the gain from the increase in the domestic price, though such a result is clearly improbable. It seems very difficult to forecast the relations between these two price movements.

It will depend upon the relations between the demand of the wheat importing countries and the total surplus which the wheat exporting countries can offer. In addition, the position will also be influenced by the relative marginal costs of the wheat exporting countries. If those of the United States are low, it would seem to follow that the scheme can be carried easily, but if they are high relatively to other wheat-producing countries then the movement of the internal price will be limited by the United States import tariff. (I am sorry to keep harping on this comparative cost, but it crops up at every stage in the argument.)

3. Prima facie, the cause of the low price of wheat is that the total world supply is large in relation to the total demand and the present movement in the United States from the land to the town, and the abandonment of farms, etc., is the normal economic way in which this disparity will be corrected.

On the other hand, if the United States authorities view this movement with alarm and desire to maintain the existing rate of supply, and, at the same time, raise the domestic price, then it would seem to follow that the export price may fall considerably so that the farmer's ultimate position, when account is taken of the excise, will not be improved and may even be worse. It has to be remembered, as is emphasized by the extracts from "The Agricultural Situation," by Doctor Warren, quoted in the memorandum under discussion, that the farmer has a considerable elasticity in his costs by way of longer hours, extension of the family activities in the field, and so on. It may even be that a farmer will be unwilling to have his position improved. He may fix his eyes entirely on the rising price, and, forgetting that the excise demand will come along later, he may push his production a little further and increase the total supply on the market. So far as he does this he will jeopardize all attempts to improve his economic position.

4. The preceding discussion has, however, taken no account of the general economic effects of a scheme of this character. If the price of wheat is to go up considerably in the United States, then there seems a very fair possibility that it will have reactions on the whole economic condition of the country. The cost of living may be considerably enhanced and may lead to a wide circle of demands for increased wages. If this should be so, all costs of production will ultimately tend to rise slightly and there would follow, probably after many struggles or at least protracted negotiations, a new division of the product of industry. Such a movement would set up many new political forces, and it is very difficult for an observer on this side even to begin to formulate the ultimate outcome. It is not necessary here to do more than call attention to this aspect of the proposal. It is possible also that the scheme might have international reactions. There is always a considerable amount of feeling on the question of dumping, and it might be alleged that, in effect, the scheme constitutes the dumping of wheat on a very large scale. This aspect of the matter, again, is very difficult to discuss, but it may be desirable just to bear it in mind. (For instance, Mr. Hoover's recent denunciation of restriction schemes for rubber and coffee.)

5. As has already been emphasized in previous correspondence, the ultimate test of the scheme is whether the return on the capital and labor of the farmer is fair and reasonable in comparison with that secured by capital and labor in other economic spheres. The late Henry C. Wallace, according to the views quoted from his book entitled "Our Debt and Duty to the Farmer" holds that it is not. A judgment on this matter can only be formed by those on the spot. In doing so much weight must be given to the other utilities which the farmer's life yields. It is the total economic return which must be considered, in addition to the money income derived from the raising and sale of produce. There is no doubt still something to be added in respect to anticipated increases in land values. While this may be a diminishing factor in fact, an unjustifiable expectation of its continuance may still influence the farmer's view. There are other returns in respect of a farmer's life which he no doubt values—for instance, the mere life itself, with all its benefits of health and interest, not only for himself but for his family. It may very well be that he is and will be content with a smaller money return on his capital and his interest simply because of these other utilities.

COMMENT ON THE ABOVE BY GEORGE N. PEEK AND CHESTER C. DAVIS

DECEMBER 26, 1925.

We find ourselves in essential agreement with the conclusions expressed by Sir Josiah Stamp in his last memorandum (November 27, 1925). The essence of these conclusions appears in two statements which are of utmost importance and which we quote:

"There seems to be no reason why this process should not be carried on until the domestic price is pushed to the point at which the return to the farmer will bring his economic position into favorable comparison with that of other producers." (Pt. 1, November 27 memorandum.)

"As has already been emphasized in previous correspondence, the ultimate test of the scheme is whether the return on the capital and labor of the farmer is fair and reasonable in comparison with that secured by capital and labor in other economic spheres." (Pt. 5, November 27 memorandum.)

At the risk of drawing out this correspondence beyond the limits of propriety in view of the demands which it has already made upon Sir Josiah Stamp's attention, we feel that there are certain points on which we must dwell further if our position is to be made entirely

clear. These points arise in statements contained in his last memorandum setting forth results which, he suggests, may flow from the operation of the plan under discussion. They are summarized for convenience as follows:

1. That in operation the plan must appreciably increase the volume of exports if the domestic price is to be raised. (Pt. 1.)

2. That the domestic price increase will result in decreased demand, thus increasing further the volume that must be exported. (Pt. 1.)

3. That the new method of handling exports will result in a downward tendency in the world price. (Pts. 2 and 3.)

4. That, influenced by a rising price, farmers will push production further and increase the total supply on the market.

5. That cost of living would be enhanced, leading to a wide circle of demands for increased wages. (Pt. 4.)

6. That unfavorable international reactions may result. (Pt. 4.)

The foregoing points should very properly be considered in weighing the advantages against the disadvantages and probable difficulties of the plan. Some of them Sir Josiah Stamp merely raises without implying his belief that they actually will result. Others are set forth as his estimate of probable consequences. In either case, they express questions upon which differences of opinion exist in this country. We wish to set forth our views of them, following the order in which they are stated.

1. THAT IN OPERATION THE PLAN MUST APPRECIABLY INCREASE THE VOLUME OF EXPORTS IF DOMESTIC PRICE IS TO BE RAISED

If the percentage of exports were considerably increased above what would normally be exported, the result would be either (a) reimportation of the commodity when the quantity left in this country had been exhausted, or (b) reduction in the quantity consumed at home. Neither result is desirable, but with the control of the surplus in strong hands neither would be necessary.

The plan presupposes two factors supporting the domestic market to the point that producers would receive the American price, which would be approximately the world price plus the amount of the duty. One of these is the corporation or board, functioning through trading agencies, the other is composed of cooperative associations of producers which would be able to adjust domestic supply to demand, if provision for segregating and disposing of the surplus is made. The price in this country would fluctuate generally parallel with the world-price level for the commodity, but above it within a limit fixed by the height of the tariff wall. Cooperatives, or agents of the corporation, could withhold part of the commodity held or purchased by them and stabilize the domestic market without materially increasing the volume exported.

2. THAT THE DOMESTIC PRICE INCREASE WILL RESULT IN DECREASED DEMAND, THUS INCREASING FURTHER THE VOLUME THAT MUST BE EXPORTED

This question arises in connection with the one first discussed. In the United States the demand for staple foods is relatively inelastic, and does not go up or down inversely with price. If this rule governed, the per capita consumption of wheat, for example, would be double now what it was before the war, because the wage of labor in this country is more than twice that of the pre-war period, but the consumption per capita is not increased. Within reasonable limits, which would not be exceeded under the plan considered, the price adjustment in favor of agriculture would take place with no material reduction of effective demand.

There are many causes of the inelasticity of demand for foodstuffs which need not be gone into at length here, except to suggest that the need for food can not be met by postponement to a later date, as can the need for other goods.

3. THAT THE NEW METHODS OF HANDLING EXPORTS WILL RESULT IN A DOWNWARD TENDENCY IN THE WORLD PRICE

This statement, also, is closely related to the first one discussed, since its validity depends upon a materially increased flow of exports. If no material increase took place, then there would be no tendency toward world price depression. As a matter of fact, control of export sales would be in strong hands, and it may be asked if that in itself might not result in a tendency toward stabilization of the world price, limited by the proportion which the American exportable surplus bears to the total of available exports from all countries.

4. THAT, INFLUENCED BY A RISING PRICE, FARMERS WILL PUSH THE PRODUCTION FURTHER, AND INCREASE THE TOTAL SUPPLY ON THE MARKET

Any conclusive discussion of this point would require space far beyond present limits. We believe it unsafe to assume the correctness of the view stated, and suggest certain reasons.

It is impossible to present this argument without admitting at the same time that it is an argument against any increase in farm price, no matter from what cause it is brought about. Early in this interchange of views the alternative of regulated production was suggested. Using that for an illustration, it must be recognized that if a price increase is secured by reduced production the response of the producers to that price would be identical to their response to the same price, secured by means of the export corporation. If the latter results in increased production, then any of the counter suggestions to solve the problem by doing away with the surplus would result in increased production. If correction is to be secured by the wearing down of agriculture and the abandonment of farms until a satisfactory adjustment of supply and demand factors results in an increased price, does not that price then set in motion exactly the same forces bearing on production, that would be inspired by the same price secured by another method?

It should be very clearly understood that the result of increased production can not be used as an argument against the export corporation or surplus handling proposals exclusively. It is equally valid if applied to any move to secure for agriculture a fair price in the domestic market.

High fixed charges and costs that must be met whether much or little is produced are forcing farmers in the United States to overwork their land, deplete its fertility, and to work themselves, and to make their families work much longer hours than do other groups. The lower the price, the more units of any commodity must the farmer grow if he is to stay in business. Low prices force producers to strain every nerve to produce a maximum quantity of the available cash crops to meet costs that must be paid in cash. Higher prices would not necessarily cause any speeding up of the productive effort which farmers are forced to make. In fact, it may be very properly asked if a better price level for the things the farmers grow would not promote soil conservation and a better standard of life for the farmer and his family more certainly than it would promote an increase in the sum total of production.

If one crop should be singled out, and made more attractive in price than the others, undoubtedly there would be shifts to the better-paying enterprise. But if the major farm crops were given protection from the effect of the surplus on the domestic prices, there would be no incentive to shift from one to the other, and the increase in production would, in the main, have to come from new farms and new farmers.

Any decided change in the relationship between general farm prices and costs would produce effects upon the total acreage employed in farm production. But notwithstanding the heavy losses that have been written off farm exchange values are still far below those of prewar, and there is room for great improvement in the price relationship if the wearing-down process on American farms is to be checked and before any widespread movement to increase farm acreage would take place. Before this time the effect of an increasing population would be felt.

5. THAT COST OF LIVING WOULD BE ENHANCED, LEADING TO A WIDE CIRCLE OF DEMANDS FOR INCREASED WAGES

Factory wages in the United States are well over 100 per cent above pre-war scales. Other indices of consumer's purchasing power indicate not only the equity of bringing up agricultural exchange value, but the ability of other groups to absorb such an equitable increase without setting in motion the vicious circle of wage and price increases.

6. THAT UNFAVORABLE INTERNATIONAL REACTIONS MAY RESULT

This point is merely touched on in the memorandum, and is not brought up for extended discussion. It may be remarked in passing, however, that the surplus farm products of the United States go to nations which themselves are deficient in the production of those crops. These nations would continue to buy our surplus at the world price as they have been doing. It is difficult to see why there would be any clash of economic interests, since this movement aims only to take care of our home consumption at a fair price within the United States. The buyers of our surplus might conceivably be helped rather than harmed by the operation of the plan. Certainly it would be less objectionable to foreign countries than an attack by our Government upon their methods of selling certain of their exportable commodities to us.

Having touched on these points which seemed to invite further comment, we wish to revert to our original expression of agreement with the major conclusions in the memorandum of November 27. From our standpoint we believe the interchange of views has been of great value.

While the foregoing discussion has centered to some extent around an export corporation, it is realized by us that possibly the principles herein upheld may find constructive and practical interpretation through other legislative means.

It should be remembered that the farmer is not demanding special privilege, he is demanding only an extension of the protective system to place him upon a basis of economic equality with industry and labor, or, in the words of Sir Josiah Stamp, to "bring his economic position into favorable comparison with that of other producers."

In conclusion it is interesting to note that in this discussion extending over about a year with Sir Josiah Stamp, whom Lloyd George calls the "world's greatest practical economist" there is no mention of the shibboleth of "price fixing." The comments of Sir Josiah may be well considered as defining the boundary line beyond which much alleged economic discussion of the question becomes an appeal to economic prejudice. The proponents of these economic principles involved in

the agricultural situation have endeavored to keep the basis of debate strictly economic as Sir Josiah Stamp has done. They have realized from the first that to obtain a satisfactory step in advance, partisan politics must not creep into the discussion. Appeals both to prejudice of the business men (by reference to price fixing) and to the prejudice of the gariculturalists (by the injection of irrelevant subjects) should be avoided.

FARM RELIEF

Mr. MOSES. Mr. President, following the suggestion made by the Senator from Kansas, I ask unanimous consent that there may be printed in the RECORD and as a Senate document the manuscript prepared by former Senator Jonathan Bourne, jr., of Oregon, in relation to farm relief legislation.

The PRESIDING OFFICER. Is there objection?

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

IS FARM RELIEF POSSIBLE WITHOUT GOVERNMENTAL PATERNALISM?

By Jonathan Bourne, jr., formerly United States Senator from Oregon

Our oil, automobile, and other industries, huge though they be, are but pygmies in comparison with the agricultural industry. Seventy-eight billion dollars was the value of all farm property in the 1920 census. Crops were worth $14,755,000,000 and livestock products $2,667,000,000. But the lot of the men and women behind that enormous business has not been enviable. Despite the tremendous extent of their operations, most of the producers of foodstuffs have barely made both ends meet. Government has offered aid in a variety of forms, but with little permanent relief. Are there more potent methods, free from official paternalism, that will solve the farm problem?

Since its birth, a century and a half ago, the United States has enjoyed a development of natural resources and in manufactures never before approached in the history of the world. From 1850 to 1922 our national wealth increased from $7,136,000,000 to $320,804,000,000, a gain of 4,500 per cent. Necessities, comforts, and luxuries of life have been so abundantly at hand that our people as a whole have enjoyed a standard of living never dreamed of in other lands.

Our rate of population growth has never been attained by other countries, but, rapid as it is, it has failed to keep pace with expanding wealth. In 1850 the per capita worth of our citizens was placed at $308. In 1922, though our population had increased almost five times, per capita wealth had multiplied over nine times and had risen to $2,918.

The chasm separating the great poverty-stricken masses of the Old World from the proprietor class, insignificant in numbers but all powerful, has been unknown in the United States. Here the material well-being and social status of the individual have been limited only by his own industry. The way to affluence has been open to all, according to the genius of each to follow it.

Our native born have failed to appreciate the conditions under which they have been privileged to live. Accustomed to gratification of most of their desires, they have accepted their station in life as a matter of course, and have known and cared little how the rest of the world fared. But the people of other countries have eagerly devoured reports of the promised land just across the water, and tens of millions of them have left their homes for the opportunities on this side.

As these newcomers have been absorbed into our citizenship they have gradually lost the perspective that impelled them across the ocean. They have acquired the same state of mind as those who have lived here all their lives. Instead of looking upon their Old World lot as the normal condition of humanity and appraising every improvement thereon as a blessed luxury, they have accepted their New World status as the normal and climbed toward higher social and material levels. We have had manifestations of that spirit among the alien members of radical organizations. But lately raised from the squalor of Old World living conditions, they have been quick to follow thoughtless leadership in the demand for more money with which to gratify their newly acquired desires.

The thirst for novel and stimulating diversions, and the craving for more leisure in which to indulge them have seized hold of our people, whether of native or foreign stock. Quite regardless of their station in life at birth or now, they dedicate an ever-increasing part of their lives to the pusuit of pleasure and less and less to productive effort. Temporarily fascinated by some new method of indulgence, their appetite is soon satiated, and they turn in quest of new sensation. Thrills and "kicks" have become the order of the day; duty and service are antiquated notions.

Some of the influences that have led us astray possess much merit otherwise, and it is only their perversion or intemperate use that is open to criticism. The automobile has become a necessary factor in our commercial life, but as a sapper of national vitality it stands supreme. Results that were formerly attained by manual labor in the fresh outside air, with much red blood as a by-product, are now accomplished by the aid of gasoline, with a by-product of evil smells. The individual who formerly put forth beneficial muscular exercise in his work now merely pulls a lever or presses a button to achieve the same thing. Walking is one of the best builders of health known to medical science. If possible, it would be interesting to compute and compare the number of miles walked per individual in 1900 and in 1925. The aggregate difference would doubtless run into the billions. The decline in national health thereby has been enormous, chargeable to the misuse of the automobile as an agency for excessive indulgence.

The moving picture, like the automobile, has great value if not abused. Some of the films are priceless historical documents. But what thoughtful observer will deny the enervating influence of the movies as a whole? Nearly all the films exhibited in the theaters play upon the emotions in some way or other. Many present the most extravagant modes of living as the normal, others depict home and social life at its worst, while still others are merely maudlin. The purely educational film is rare. But though the themes of the pictures are justly the objects of severe criticism, of equal menace are the billions of hours that our people spend in the crowds of the movie palaces, their eyes strained on the brilliant screen, and their lungs filled with the exhalations from thousands of other throats. Of what effect is all this upon our national vitality? It can not be computed, but who will deny its enormously destructive tendency?

The radio has had a phenomenal growth in the past three or four years. It has brought relief, otherwise inaccessible, to thousands of shut-ins, and it has put millions of others in touch with sources of knowledge heretofore denied them. But what has been the net loss to the country in productive effort while our millions of radio devotees have spent billions of hours listening to the voices and alleged music from the air? How can we appraise the devitalizing effect on our occupations by day if we spend midnight hours in listening to jazz orgies hurled forth from a score of high-power stations throughout the country?

The automobile, movies, and the radio may lead the forces that are gradually but surely undermining American stamina, but the list is long. Our appetite for richer and rarer foods and drinks, the increasing habit of thousands of our citizens to make expensive annual foreign tours, whether or not they have seen their own country, are others of the wide variety of means for wasting time, money, and health. Indulgence appears to reach a maximum at our summer and winter resorts, where little restraint hinders the pleasure-mad crowds. The arraignment of influences gnawing at American vitality could be continued at length. That they constitute a rapidly expanding danger, few will deny.

A comparison of the rate of increase in population, and in expenditures for what may be termed luxuries, brings the lesson home.

From 1900 to 1924 population increased about 65 per cent. During the same period the production of passenger automobiles increased 64,800 per cent, or almost 1,000 times faster. The wholesale value of passenger automobiles in 1919 was $155,000,000. In 15 years it had jumped to $2,011,000,000.

The radio industry has grown almost overnight to a valuation of about $600,000,000, opening up another broad avenue along which to dissipate the people's time and money.

The motion-picture industry has had a mushroom development second only to radio and automobiles. Every day the public pours millions of dollars through the movie ticket windows, a drain of otherwise productive capital that would have staggered the imigination 25 years ago.

This tendency away from responsible living—this feverish devotion to pleasure at the expense of creative effort—spells decadence. Candid observers will admit that the physical, mental, and moral well-being of the people is being lowered. Physicians with wide practice testify to a noticeable general impairment of bodily vigor. Educators observe that the average mentality is being dulled by unregulated sensual indulgence. "Crime waves" and an increasing disregard for the restraints of well ordered society point to a weakened moral fiber. In short, our country may be said to have gone over the top—to have reached the maximum of healthy development, and to have started on a long decline that spells ultimate ruin if not checked.

But our diagnosis is worthless if we can not suggest and apply a remedy. The city is the source of the artificiality that governs so many of our people. Huge populations are gathered there not primarily for the purpose of indulgence, but because the cities offer hope of financial gain that not only holds their own people, but lures from the country thousands who have not been able to make a comfortable living in agricultural pursuits. That hope is realized, because it is a fact that businesses of the city are more remunerative, as a rule, than the various lines of agriculture.

The feverish race for money in the crowded city breeds an unhealthy craving for excitement, satisfied only at the expense of much money and health. The serenity of the country, with its fresh air and sunshine, so conducive to long life and happiness, is lost, and there is a very certain impairment of our strength as a nation. Nevertheless, the prospect of material gain remains in the city, and the flow away from the country will continue—our decadence will be progressive—unless means are found to counteract it.

Agriculture must be put into equal competition with other lines of endeavor if farmers are to be kept on their farms and the flow from farm to city reversed. The individual must be shown that if he stays on the farm he will receive at least as much for his labor and investment as he would if he devoted his time and capital to city pursuits. The city dweller can be induced to abandon his unnatural life, with its inordinate tax on health and money, and devote himself to productive effort on the farm, if he can be shown that it will pay in dollars and cents.

Various means have been proposed from time to time to make the life of the farmer attractive and bring him a return more commensurate with his effort. Loans from the Federal Treasury, Federal encouragement of cooperative marketing, irrigation projects constructed by Federal aid, Federal assistance in securing cheaper fertilizer, Federal price fixing of agricultural products, Federal stimulation of the export trade in foodstuffs, and a wide variety of more or less helpful suggestions through the Federal Department of Agriculture have all been tried with the same object in view—making the life of the farmer more contented and stabilizing the agricultural industry. All those efforts have been praiseworthy, but they have all suffered from a common blight. They have all reeked with paternalism and bureaucratic government. Red tape and conflict of authority have combined to defeat the laudable objects their authors had in mind.

Agriculture has not been relatively remunerative heretofore not from any lack of aid from the General Government at Washington or from the States themselves, but because it has not had applied to it the intensive methods that have brought success to so many other lines of business activity. The handling of agricultural products from the farm to the table of the consumer has been more or less haphazard. From the time they leave the field until they arrive in the kitchen their progress is along a variety of channels, usually unrelated, and over which neither the farmer nor the householder has any control. Those who direct that progress are chiefly intent on profits for themselves, with little regard to the price received by the farmer or to the price paid by the consumer. They concern themselves not at all with the stabilization of the agricultural industry, with the maintenance of the farm population, or with the satisfaction of the consumer. Their interest in the distribution of food products begins and ends with a search for the cheapest market where their merchandise can be obtained and the highest market where it can be disposed of.

How different are those slipshod methods from the highly developed distributing machinery of other lines of endeavor. Take the oil industry as an illustration. The Standard and its subsidiaries, and less than a dozen other large companies, dominate the situation. They drill wells, take the oil from the ground, refine it into a great number of marketable products, distribute them throughout the country, and sell them directly to the ultimate consumer. The huge capital behind that undertaking has made possible experimentation and the evolution of a high grade of product and economies in marketing utterly impossible were the oil business to be conducted through a multiplicity of independent units such as now burden agriculture.

The Ford Motor Co. is another remarkable example of what can be accomplished through intelligent centralized control. We are told that most of the things that enter into the construction of a Ford automobile are taken from forests and mines controlled by the company, all the processes for transforming those raw materials into a finished car are carried on in the Ford plants, and the machines themselves are sold by Ford agents to those who use them. The result is unheard-of economies in cost and remarkably low selling prices.

Other instances might be cited of big enterprises that have more or less completely organized their machinery for production, distribution, and marketing. An analysis and comparison of them with independent and unrelated operators in similar fields will, with hardly an exception, disclose economies and a stabilization of supply that work to the tremendous advantage of all concerned—the producer, the distributer, and the consumer.

The 1920 total farm property valuation of about $78,000,000,000 includes land values of fifty-five billions, buildings of eleven and one-half billions, implements and machinery of three and one-half billions, and livestock of eight billions. Enormous as were the products realized on that tremendous investment, the relation of their prices to the capital employed fell below that of nearly all other commodities. Taking wholesale prices in 1913 at 100, the average wholesale price of 404 principal commodities in 1924 was 150, but farm prices rose to only 134.

Now, suppose that business genius and enormous capital, such as have cooperated in making a success of Standard Oil, United States Steel, International Harvester, American Telephone & Telegraph, General Electric, American Smelting & Refining, Ford Motor, and scores of other successful industrial enterprises of to-day, were to be applied to the enterprise of agriculture. Let them take the form of a huge corporation, under the direction of men who have proved their ability as successful organizers and executives. With the confidence of the people in its personnel, and with the very apparent field for profitable operation, the sale of stock in the corporation would be assured, and its success made certain.

There is nothing in the Constitution that would hinder the free development of such an organization. It would be independent of governmental direction and bureaucratic control that have throttled so many farm-relief projects in the past. By a unification of interests, a centralized direction of production and distribution, and the application of methods proved in other lines of business, the present cost of bringing the products of the field to the table of the consumer would be enormously reduced. Out of the total of that reduction it should be ultimately possible to pay the farmer a higher average price over a 5 or 10 year period than he has ever known before over similar periods, materially to cut the cost to the consumer, and at the same time, to assure a reasonable and steady return to those who invested their money in the stock of the company.

Research and experimentation, heretofore impossible among individual producers, would be conducted by the corporation to ascertain what sections of the country were best suited for certain crops and animals; to develop the possibilities of increased refrigeration, storage, and canning of surplus crops; to discover means for producing in our own country more of those products which we now depend upon other countries to send us; to develop foreign markets as outlets for surplus products; to reduce costs of transportation by a more intensive cultivation of acreage near our centers of consumption; and to ascertain whether Porto Rico, Hawaii, and the Philippines can not be made increased sources of supply for products peculiarly suited to their climates.

Special marketing facilities, available to a corporation doing a nation-wide business, but quite out of reach of the farmers themselves, would be operated by the new concern. In agricultural sections auto trucks would make regular calls on established routes to collect the farmers' product and haul it to a shipping point or to near-by markets. Special produce trains would be operated from such shipping points directly to city markets or to storage. Fullest advantage would be taken of cheap water transportation through the company operation of ships and canal boats.

Warehouses, refrigerating plants, elevators, canneries, and factories for transforming raw products into edible food would be established—all located at points carefully selected from the standpoint of economy and efficiency. Their purpose would be not only to preserve food against seasonal fluctuations, but to absorb surpluses as they are produced and regulate the flow to the consumers' market according to the demand. Destructive competition in city wholesale markets would be eliminated, and a far more stabilized price would be established for the benefit of all.

Before our new company had been long in operation its economies would have become apparent and would have proved their practicability. Its cost of operation could be forecast over a period of years with considerable accuracy. It would then be possible to consider measures to guarantee the permanent well-being of the farmer, not only for his sake but to assure a stabilized supply to the corporation, and through it to the consuming public.

A price study could well be made, utilizing the records of the Government departments, supplemented by the corporation's own ascertainments of what the farmer had received for each commodity during the past 5 or 10 years. When safe in the certainty of a low cost of operation, the corporation could afford to guarantee to the farmer for a period of years an average price for his product higher than he had ever received before over similar periods. Similarly, the rest of the people, consumers of farm products, could reasonably expect that in time the average they would be called upon to pay would be materially below present levels.

With a guarantee to the farmer of a price for his crop over a period of years, there might ultimately be worked out an insurance safeguard of the partial value of that crop against destructive forces over which he has no control. This might take the form of insurance against floods, fire, hail, drought, pests, etc.

Average prices guaranteed for a period of years, and at a level proportionate to prices in general, never reached before by the farmer, life on the farm would assume a very different aspect. Desertions to the city would decrease. City dwellers would be quick to discover the change and at least a small portion of them would permanently remove to the country. With financial worries ended, and the birth of a new realization that it pays in terms of money to take up agricultural pursuits, there would grow an appreciation of the blessings of country life that is very lacking to-day.

It is a psychological fact that beauty of nature, fresh air and sunshine, and the quiet serenity of country life lose their appeal when the mind is filled with the problem of disposing of the crops at a figure that will approximate the monthly bills and the interest on the mortgage. The converse is equally true. With those depressive items cleared away, there will come a new awakening to the blessings of outdoor life, especially to those who have been forced to endure an extensive and expensive sojourn in the city.

The drift from country to city will be partially checked, a countermovement will be established, and a partial solution of the social problems that are daily becoming more menacing will have been initiated.

JONATHAN BOURNE, Jr.

PROHIBITION ENFORCEMENT

Mr. BROUSSARD. Mr. President, I ask unanimous consent to insert in the RECORD a speech delivered by the junior Senator from New Jersey [Mr. EDWARDS] on Thursday, January 21, 1926, at the Playhouse, in Wilmington, Del., at a meeting of the Association Against the Prohibition Amendment.

The PRESIDING OFFICER. Is there objection?

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

ADDRESS OF EDWARD I. EDWARDS AT MEETING OF THE ASSOCIATION AGAINST THE PROHIBITION AMENDMENT AT THE PLAYHOUSE, WILMINGTON, DEL., THURSDAY EVENING, JANUARY 21, 1926

Mr. Chairman and fellow citizens, when I was invited to speak before the Delaware branch of the Association Against the Prohibition Amendment by your national chairman, Capt. W. H. Stayton, I was forcibly struck by the following quotation inscribed on the association's letterhead: "The Volstead law has been tried * * * and convicted."

To my mind this phrase is the most apt and concise summation of the varied and sundry reasons why there should be a modification of the Volstead Act that I have yet seen, and this, my friends, is what I propose discussing to-night.

There is another inscription on the association's stationery which I think is worth memorizing and heeding by all proponents of law and order in the United States of America. This inscription reads:

"It is not necessary to amend the Constitution to get back beer and light wines. The Volstead law may be repealed merely by a majority vote of Congress. We are not facing a hopeless task."

As I proceed with my not too exhaustive analysis of the shameful and inexcusable conditions which we find inexorably bound up with law enforcement as it is administered to-day, I will ask that you keep in mind these two timely warnings, namely, "The Volstead law has been tried—and convicted," and "It is not necessary to amend the Constitution to get back beer and light wines."

"The Volstead law may be repealed merely by a majority vote of Congress. We are not facing a hopeless task."

Now, let us approach the subject of prohibition with open, unprejudiced minds; with a willingness to be fair and just to those who, unhappily, are not in agreement with us, and with a determination to see the light and follow it.

First, let me propound this query:

Has the Volstead law been tried?

Is mountain dew moist?

Are the stars above?

Is hell below?

On October 28, 1919, nearly seven years ago, the following entry was made in the records of the United States Senate:

IN THE SENATE OF THE UNITED STATES

Legislative day October 22 (calendar day October 28), 1919

The Senate having proceeded to reconsider the bill H. R. 6810, "An act to prohibit intoxicating beverages, and to regulate the manufacture, production, use, and sale of high-proof spirits for other than beverage purposes, and to insure an ample supply of alcohol and promote its use in scientific research and in the development of fuel, dye, and other lawful industries," returned by the President of the United States to the House of Representatives, in which it originated, vetoed, and passed by the House on a reconsideration of the same, it was

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

Attest:

GEORGE A. SANDERSON, *Secretary*.

3.40 p. m.

On this same date America was doomed to be subjected to the most despotic, corrupt, tyrannical, and autocratic piece of class legislation ever conceived by a rational body and placed upon the statute books of a once free country.

On this day personal liberty was relegated to the limbo of forgotten things, to a Miltonian Styx of human slavery, ignominious serfdom, infamous bondage, and humiliating subjection.

On this day darkness eclipsed the light and a great foreboding settled upon the land.

On this day the grip of a fanatical fate fastened its claws upon the throat of a free Republic and left it to die—unsung.

President Wilson—God have mercy on his heroic soul—envisioned the dire possibilities that would follow the enactment of such a vicious statute; he pictured in his own mind the very conditions which are to-day a festering sore on the body politic; he saw the mockery of it all; he knew it would fail; he knew it was unjust and inequitable; he recognized its poisonous taint, and he had the courage and the splendid manhood to return the original Volstead bill back to the House of Representatives with his unqualified disapproval.

But, as the world knows to-day, it was passed over the presidential veto by a subservient Congress, who knew its own mind but would not register it, would not register it because a sinister minority lobby of "we are better than thou" enthusiasts sat in the Senate and House galleries juggling the destinies of legislators in the hollow of their hands.

And now five years have passed, during which time this pernicious act has been boring its cancerous way through all the different strata of the body politic, poisoning the manhood and womanhood of America, breaking up homes, contaminating our lawmaking and enforcement officials, and leaving wreck and ruin in its wake.

Only last week a Representative in our National Hall of Congress was carried away to prison because this damnable Volstead statute makes certain acts criminal which are in fact not criminal per se. And he now calls upon his southern constituency to support his good wife for his late seat in the House of Representatives, because, as he stated, "I am heavily in debt and my home is mortgaged, and I am not guilty of the charges of conspiracy to violate the prohibition law."

Ladies and gentlemen, I am not seeking to condone the criminal act or acts of this man. The fact that he was a Member of Congress does not whiten his deed. If he is guilty, prison is a just place for him. What I am complaining of are the present statutory conditions which make such acts possible, conditions which make us the laughing stock of the world, conditions which if permitted to remain unremedied will cause a breakdown of all law and a return to a state of unbridled and unrestrained lawlessness.

Sometimes I believe we have reached that state already.

There is no denying the facts that the Volstead Act has tried and condemned itself. I know it. You know it. We all know it.

Then, why, in the name of liberty and fairness, are all these vituperations, strictures of censure, and charges of treason and abuse hurled in the faces of those who are conscientiously and hopefully striving to repeal it. Why am I called a traitor to my country because I stand on this platform and exhort my fellow citizens to employ their best efforts to right a proven injustice?

Why am I vilified, and my name held up to scorn and mockery by a band of unconscionable and inordinate bigots whose only claim to recognition and fame is their moronic normalization? In the words of Shakespeare, let them stalk "with less unconscionable strides" for I shall always be a safe distance ahead unharmed and unafraid, earnestly endeavoring to lead the good people of America from the darkness of narrow intolerance out into the light of a new and better day.

Let their bugles sound and their cannon roar and in the midst of the resulting chaos we will continue to doubt where bigots "had been content to wonder and believe."

Just a few days ago I received in my mail a letter from a lady in Tennessee upbraiding me for referring to Andrew Jackson in a recent Atlantic City address as "a personality who commanded the respect and admiration of friend and foe" and "Like the rugged bark of some broad elm he challenged the tempest to swerve him from the right."

I also made the statement which I shall repeat here for the benefit of the good lady from Tennessee and other misguided patriots who believe that opposition to an established order is treason to one's country; that if President Jackson were living to-day "He would challenge Wayne B. Wheeler to a duel and would defeat him on a field of honor."

Yes; Andrew Jackson would go further; he would put every force at his command in operation to legislate out of existence the Anti-Saloon League and all such agencies who are making a fraudulent and questionable living because of the terrorism and intimidation produced upon duly elected Representatives of this Republic.

They have cowed the American people into a helpless state of morbidity and crime.

Where is the crimson red blood of our forefathers, the unforgettable independence of the Boston Tea Party, the tolerant spirit under whose canopy this Government was founded, that our souls are shriven of all decency and honor by a band of expatriots who are now living off the suffering and degradation of others?

To quote Doctor Hadley, president emeritus of Yale University:

"Our tradition of self-government has more to fear to-day from lawmakers than from law breakers."

Because of my uncomplimentary allusions to Mr. Wayne B. Wheeler in my Atlantic City address (and I meant them to be just as uncomplimentary as a rightful interpretation will allow) that gentleman retorts through the columns of the daily press that "Instead of challenging me (Wheeler) to a duel, Jackson would be more inclined to say to-day, 'If any man violates the American Constitution, shoot him on the spot.'"

My friends, Mr. Wheeler never spoke a more trenchant truth, and he can offer up perfumed incense to the gods that Andrew Jackson has been dead these many years.

In direct contrast to the sentiments expressed by the good lady of Tennessee, I also received the following telegram from the Chattanooga Personal Liberty League:

"Ours, the oldest political organization in Chattanooga, indorses your Atlantic City reference to Andrew Jackson. Tennesseans cherish

mutual inspiration in his illustrious memory for modification of Volstead law that prohibition advocates may not longer insult our homes."

This, my friends, is what certain misbehaved elements in our life to-day call treason to one's country. If it be treason to fight for the personal liberties molded and nurtured by the hardships, sufferings, and privations of the pioneers of these United States, then I am a traitor of the blackest stripe.

If my efforts and your efforts to secure a repeal of the Volstead Act by the dissemination of legitimate propaganda revealing the patent injustices and profound inequality of this act, are treasonable, then Abraham Lincoln was a traitor to his country instead of its savior.

Here is what President Lincoln thought and said of prohibition:

"Prohibition," said Mr. Lincoln, "will work great injury to the cause of temperance. It is a species of intemperance within itself, for it goes beyond the bounds of reason in that it attempts to control a man's appetite by legislation and makes a crime out of things that are not crimes. A prohibition law strikes a blow at the very principles on which our Government was founded."

By what right have "self-appointed keepers of the Nation's conscience" got to criticize you and me for registering our protests against a law which Lincoln said "strikes a blow at the very principles on which our Government was founded." What right has Wayne B. Wheeler to tell me that I am uninformed simply because I happen to disagree with him on a matter with which I was conversant before he was born?

Democracy, my friends, was founded upon the broad principle that a wise Government governs the many as well as the few. Rule by an autocratic minority plunged Russia into chaos, overthrew the Cæsars, and has caused more rack and ruin than all the virulent plagues of history.

Let me repeat—prohibition has tried and convicted itself.

Last Saturday, the 16th day of this month, prohibition celebrated its sixth birthday and entered the seventh year of its existence.

And it is still a burning, palpitating, red-blooded, national issue to-day.

If it has been a success, as its proponents say, why is it a more vital issue now than it was five years back?

If it is a success, why is it branded a failure even by those who gave of their time, money, and effort to place the Volstead Act upon the statute books?

Ministers of all denominations, lawyers, doctors, legislators, and learned men and women in the professional fields are daily condemning its nefariousness.

Crime wave due to laxity in enforcing Volstead Act.

School children carrying hip-pocket flasks.

Seventy-three deaths in year laid to alcoholism—Baltimore.

Prohibition agent charges drinking prevalent in university faculty.

Illicit liquor causes of crime.

How to get good stuff.

Poisoned booze kills 13.

Sheriff is indicted in Ohio beer plot.

Eight are indicted in beer-ring probe.

These, my friends, are a few of the headlines which you daily see in the papers over your coffee cups.

What a monument to Volstead and his kind.

What an inspiration to our growing manhood and womanhood.

What a comfort to our prohibition friends.

What an insult to America.

What a blot on the Federal escutcheon.

And we are traitors because a few of us with stout hearts have the temerity to revolt.

Having been fooled and shamed into the conviction that the Volstead Act is a blessing to humankind, let us lift the veil of "Sham Abraham"—let us pass the lie to those who have deceived us, and resolve to be deceived no more.

"Drys demand right of raiding homes" was the glaring headline I saw in the press of Tuesday.

Since when is "free" America to tolerate Russian or Prussian policies of enforcing the dictation of a presumptuous minority? Has this small minority forgotten the page in their school history which speaks of George III and his efforts to enforce his policy of "taxation without representation"?

Are they familiar with the Revolutionary cry: "Give me liberty or give me death"?

Coming down from New York the day before yesterday I read these three headlines on the front page of the Jersey Journal:

Drunk is dead, not asleep in his cell.

Booze blamed for fall that killed man.

Jersey woman and man die of poison booze.

Just think of it, my friends, poisonous liquor kills five Jersey people in one day. And how many more throughout the country met death in the same way on the same day?

Hundreds, perhaps, and yet the dry forces of this Nation condemn you and me for voicing our protests against statutory conditions which make these unfortunate fatalities possible.

And yet, in the face of their persistency in demanding the enforcement of a statute which can not, I repeat, be enforced, the Anti-Saloon League and allied agencies believe it is quite all right for the farmers and country folk to cause the fermentation of cider and grape juices which contain anywhere from 2 to 8, 10, and 12 per cent of alcohol, while the poor, unfortunate city dweller is arrested and thrown into jail if he has in his possession an alcoholic beverage stronger than one-half of 1 per cent.

In all justice to both drys and wets, I ask you if this is fair? Is it equitable? Is it democracy? Is it common sense?

Is it possible that the farmer vote of this Nation, bought with a glass of cider, can recompense America for her crowded jails, her drunken murders and orgies, and the disgrace and humiliation which daily follows in the wake of the most extensive trade in and barter of illicit liquor ever known in a civilized land? Is this our Volsteadian friends' conception of what a constitutional form of government should mean to its citizenry?

Rather is not the Volstead Act and everything it implies the vilest sort of subterfuge, seeking to register the puritanical will of "holier than thou" fanatics?

The fanatical element in this country have gone to such lengths to bolster up the enforcement of a law that—let me again repeat—can not be enforced that a dry leader made a statement on the floor of the United States Senate last week setting forth that he would be in favor of capital punishment as a means of enforcing the Volstead Act.

What a colossal piece of demagogery!

The Volstead Act!

No law has ever been passed in any nation of the world whose very proponents have been such persistent and insistent violators. What can be expected of the less sympathetic amongst us?

Prohibition is a farce, and every adult human being of normal intelligence knows it.

The farcical endeavors to enforce it are apparent on every hand.

Only the other day the Rev. Dr. George W. Sandt, newly elected president of the Lutheran Ministerium of Pennsylvania and adjacent States, publicly admitted that, in his opinion, the prohibition law is too drastic.

In the creation of an army of bootleggers the eighteenth amendment "had brought something far worse than the saloon," he said. Other ministers, doctors, lawyers, business men, women's clubs, and men's clubs are condemning the Volstead Act each and every day.

Let us away with the mockery of it all. Let us bring sanity back into our lives.

If the people of this country want prohibition, let them have a prohibition that will prohibit intoxicating beverages for every man, woman, and child in the Nation.

Do not make one's financial standing the gauge of prohibition enforcement. The rich man to-day can get liquor of some description in every city, town, and hamlet in these "dry" United States. You can not deny this statement. Facts are against you.

Is this a Government for the rich at the expense of the poor? Is hypocrisy to be made a virtue?

I say no—a thousand times no—and as long as there is breath in my body I am going to advocate sanity in law enforcement and the repeal or revision of any and all laws which permit of or encourage insanity.

The Volstead Act is an imminent, threatening, perilous menace to the very bulwark of our legal stability, and the sooner we recognize this fact the sooner will crime, in all its ugly phases, be checked and curbed.

MUSCLE SHOALS

The Senate resumed the consideration of House Concurrent Resolution No. 4, providing for a joint committee to conduct negotiations for leasing Muscle Shoals.

Mr. HEFLIN. Mr. President, I am wondering whether the Senator from Nebraska [Mr. HOWELL] wants to speak this afternoon.

Mr. HOWELL. At this late hour I think I will defer my remarks.

Mr. JONES of Washington. Mr. President——

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

Mr. HEFLIN. I yield to the Senator.

RECESS

Mr. JONES of Washington. I think under the circumstances it will be well for us to take a recess, and I move that the Senate take a recess, the recess being until noon to-morrow.

The motion was agreed to; and the Senate (at 4 o'clock and 50 minutes p. m.), under the order previously entered, took a recess until to-morrow, Friday, March 5, 1926, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

THURSDAY, *March 4, 1926*

The House met at 12 o'clock noon.

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

Reveal thyself, O Lord, unto us in indwelling light, riches, and gladness. Do Thou multiply Thy gifts to us, and may we honor ourselves by keeping our lives pure and upright. O teach us that when the affections are warmed with a pure flame there need be but little fear of an overmastering worldliness. Thus we shall be made to brave every ignoble thing and every alluring tempter. O God of might and God of justice, stay Thou the hand of cruelty, intolerance, and injustice the world over. Enter the hearts of men and let them know that good will and brotherly love must rest upon spiritual forces. To the homeless, to the strickened, give them Thy help. Enable them to bear up and bear on, and may they count this thing to be grandly true—that all noble sacrifices are so many steps toward God. Amen.

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

CHILD LABOR AMENDMENT TO THE CONSTITUTION

The SPEAKER laid before the House a communication from the Governor of Virginia announcing the rejection by the General Assembly of Virginia of the proposed amendment to the Constitution relating to the labor of persons under 18 years of age.

APPROPRIATIONS FOR DEPARTMENTS OF STATE AND JUSTICE AND THE JUDICIARY, AND DEPARTMENTS OF COMMERCE AND LABOR

Mr. SHREVE. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 9795) making appropriations for the Departments of State and Justice and for the judiciary and for the Departments of Commerce and Labor.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. TINCHER in the chair.

The Clerk read the title to the bill.

Mr. SHREVE. Mr. Chairman and gentlemen of the committee, before beginning the discussion of this bill I wish to take the opportunity to again express my very deep appreciation of the cooperation and splendid teamwork that is being done by the subcommittee handling the appropriations for these four great departments of the Government. It is a heavy bill, not so much in dollars but in the number of items of great importance which must be considered.

The hearings cover some 1,100 printed pages. The committee has been at work on the bill from six to seven weeks. And so we present the bill to you this morning with the hope that it will meet with the approval of the committee and later on with that of the whole House.

I wish to say to you that for the next fiscal year the appropriations covering the Departments of State, Justice, Commerce, and Labor that we have recommended are $79,847,491.90, which are $2,353,403.13 more than the current appropriations and $59,480 less than the Budget estimate. [Applause.]

This amount is allocated to the four departments, as follows:

State	$16,478,792.90
Justice	24,096,547.00
Commerce	29,735,847.00
Labor	9,536,305.00
Total	79,847,491.90

The committee has allowed the exact amount of the Budget estimate, $16,478,792.90, for the Department of State. The amount recommended for the Department of Justice, $24,096,547, is $109,275 less than the current appropriation and $270,480 less than the Budget estimates. The committee's recommendations for the Department of Commerce, $29,735,847, is an increase over the current year of $1,196,718 and a decrease under the Budget estimates of $783,000. The total recommended in the bill for the Department of Labor, $9,536,305, is an increase over the current year of $933,680 and an increase over the Budget estimates of $994,000. I am submitting for the RECORD a tabulated statement which will show the whole situation at a glance:

Department	Appropriations for 1926	Budget estimates, 1927	Amounts recommended in the bill for 1927	Increase (+) or decrease (−) bill compared with 1926 appropriations	Increase (+) or decrease (−) bill compared with 1927 Budget estimates
State	$16,146,512.77	$16,478,792.90	$16,478,792.90	+$332,280.13	
Justice	24,205,822.00	24,367,027.00	24,096,547.00	−109,275.00	−$270,480.00
Commerce	28,539,129.00	[1]30,518,847.00	29,735,847.00	+1,196,718.00	−783,000.00
Labor	8,602,625.00	8,542,305.00	9,536,305.00	+933,680.00	+994,000.00
Total	77,494,088.77	79,906,971.90	79,847,491.90	+2,353,403.13	−59,480.00

[1] Includes supplemental estimates amounting to $119,000 contained in H. Doc. 232.

I am going to mention here, very briefly, the major changes the committee has recommended in the bill that differ from the current law and the Budget estimates. And, if the House will bear with me until my statement is concluded, I will explain in detail these changes where they occur under their respective departments. As I have already stated, we have recommended the Budget estimates for the Department of State. For the Department of Justice there has been recommended some transfers of positions from two appropriations to the Attorney General's office; $100,000 added to the Budget estimate for the salaries and expenses of marshals and their deputies; and the Budget estimates reduced $211,000 for the prosecution of war frauds, and the unexpended balance of the current appropriation for this purpose made available for the next fiscal year. For the Department of Commerce the Budget estimates have been reduced by more than $700,000 by the committee not recommending a helium program under the Bureau of Mines. The committee has added $1,000,000 to the Budget estimates for the Bureau of Immigration for the border patrol and the deportation of aliens.

I will now take up the four departments separately:

DEPARTMENT OF STATE

In viewing the different activities of the Department of State, I believe it would be well if I drew to the attention of the Membership of the House this fact: The activities of the department really are divided into several groups: The department in Washington, for which there is recommended $1,360,440; the Foreign Service—which embraces both the diplomatic and consular branches—for which the bill carries an amount of $8,953,350; and the international obligations entered into either by treaty or international agreement, the expenses of fulfilling which should not be chargeable to the regular activities of the department. For these obligations there is recommended $6,165,002, which amount includes the fifth and last annual payment to the Republic of Colombia of $5,000,000. The total of these three branches, therefore, is $16,614,932.64.

	Appropriations, 1926	Budget estimates, 1927	Committee's recommendations
Department in Washington	$1,326,688.00	$1,360,440.00	$1,360,440.00
Foreign Service:			
Diplomatic branch	2,773,662.00	3,173,150.00	3,173,150.00
Consular branch	5,806,800.00	5,780,200.00	5,780,200.00
International obligations	[1]6,239,362.77	[1]6,165,002.90	[1]6,165,002.90
Permanent and indefinite appropriations	131,139.74	136,139.74	136,139.74
Total	16,277,652.51	16,614,932.64	16,614,932.64

[1] In these amounts the fifth and last annual payment to the Republic of Colombia of $5,000,000 should be taken into consideration.

CONTINGENT EXPENSES, DEPARTMENT OF STATE

For contingent expenses we are recommending an amount of $46,340, which contains an amount and provision for the purchase of a new passenger-carrying automobile for the Secretary of State, the cost of which will be $5,000. This will replace a car that is very old and worn out.

PRINTING AND BINDING

The amount recommended for printing and binding for the department contains a transfer of $11,715 from the appropriation "Contingent expenses, foreign missions," making the total amount available for this purpose $161,500. This transfer, I might say, contemplates the printing of passports, as the department is going to discontinue the present engraved passport now in vogue and issue a passport more in conformity with the style of passport now being used by other governments. The

new passport is to be in book form printed in Tiffany type. Its appearance will be consistent with the form now used and better adapted for use of travelers.

COLLECTION AND EDITING OF OFFICIAL PAPERS OF THE TERRITORIES OF THE UNITED STATES NOW IN THE NATIONAL ARCHIVES

I believe those Members who are here now that were here last session will recall passing a law authorizing an appropriation last year of $20,000 for the fiscal year 1926, and the same sum for each of the two succeeding fiscal years, for the collection and editing by the State Department of the official papers now in the national archives relating to the Territorial history of the several States. The bill became a law too late last session for an appropriation to be made, hence the committee has recommended $20,000 in this bill, which represents the first amount to be appropriated for this purpose. I am happy to state that so far, under the provisions of the act, 28 States have made official requests for copies of the papers and documents relating to the Territorial history of their respective States. This amount will enable the department to go ahead with this work of collecting and copying the more important papers which are desired for the collection.

ACQUISITION OF LAND AND CONSTRUCTION OF BUILDINGS, TOKYO, JAPAN

The bill also carries an amount of $400,000 for the continued construction of the diplomatic and consular buildings on the land already acquired or to be acquired at Tokyo, Japan. The act approved February 21, 1925 (Public, No. 443), authorized an expenditure of $1,250,000 for this purpose. Including the amount just mentioned, there will have been appropriated so far $780,000.

IMMIGRATION OF ALIENS

We are recommending $490,000, an increase of $40,000 over the current year, for the work that the department has to do in connection with the immigration of aliens. The need for this appropriation in the department grew out of the enforcement of the provisions of the immigration act of 1924. That law placed upon the consuls of the State Department the responsibility of passing upon the admissibility of immigrants before emigrating to the United States and, if admissible, of issuing them immigration visas, without which they could not be admitted to the United States. Five hundred thousand dollars was first appropriated in the second deficiency act of 1924 for the fiscal year 1925. The current law carries $450,000, and the additional $40,000 that the committee has allowed will enable the department to elaborate somewhat on the plan put into effect this year after a conference between the Departments of State, Treasury, and Labor to examine immigrants applying for entrance into the United States abroad, and thus relieve the congestion and reduce the exclusions at the immigrant stations in this country. At present this system is being carried on with great success at London, Liverpool, Southampton, Glasgow, Belfast, Dublin, and Cobh. The $40,000 will permit the extension of this plan to five or six other countries.

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

Mr. SHREVE. Yes.

Mr. TILSON. The gentleman speaks of increasing our expenses for the examination of prospective immigrants abroad, which seems to me to be desirable. Is there proportionate decrease in the expense at Ellis Island or elsewhere in this country?

Mr. SHREVE. Not at the present time, but there will be. It will not be a substantial decrease. Ellis Island must be kept open. There must be some examination made on this side, and Ellis Island must be a place where there will be accommodations for those people who are being deported. For many reasons Ellis Island will continue to be on the same plan as at the present time. We might save perhaps twenty-five or fifty thousand dollars.

Mr. JOHNSON of Washington. Mr. Chairman, will the gentleman yield?

Mr. SHREVE. Yes.

Mr. JOHNSON of Washington. It is interesting to note that during the time the Immigration Service was built up to meet the great flood of immigration when it was running as high as a million a year and even more, the whole service cost then between three and four million dollars, say, simply for the purpose of surveying the incoming people, with an occasional rejection of one. Now that immigration is restricted, the service finds its time very much taken up with not only the examination of those who do come in limited numbers, but in an effort to prevent those who want to come in who should be kept out, and that involves the examination of a tremendous number of forged papers, forged visas, and almost every document the Government issues. I have numerous samples of those forgeries in my office.

Mr. TILSON. And the gentleman thinks that this examination of these papers could not be made on the other side?

Mr. JOHNSON of Washington. Oh, no; I did not say anything about that. Examination is being given on the other side; but the law requires and always did require an examination by two persons, and one of those examinations now being conducted as it should be at the port of arrival.

Mr. TILSON. I thoroughly agree with the proposition that the examination on the other side should be made more thorough, in the interest of better selection of immigrants, and also for humanitarian reasons; but it does seem to me that having transferred a great part of the work across the seas, there might be some let-up in the expense on this side, especially in view of the small total number of immigrants received now as compared with the large number formerly received.

Mr. SHREVE. The gentleman from Washington [Mr. JOHNSON], the chairman of the Committee on Immigration, correctly stated the situation. There is very much work to be done on this side, regardless of the number of people coming across, but, as suggested by the gentleman from Connecticut [Mr. TILSON], we are all anxious to see a reduction in the cost at Ellis Island, which will be brought about later on.

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

Mr. SHREVE. Yes.

Mr. BLACK of New York. Is the expense due to the men who conduct medical examination of immigrants on the other side charged up to the Immigration Service or to the Public Health Service?

Mr. SHREVE. Both; to the Public Health Service and the Immigration Service.

Mr. BLACK of New York. Does the gentleman happen to know in all cases whether those men are duly qualified physicians and surgeons?

Mr. SHREVE. Yes.

Mr. BLACK of New York. They are all supposed to be qualified as doctors?

Mr. SHREVE. Yes; and they are selected with the greatest care.

Mr. JOHNSON of Washington. The medical men are charged up to the Public Health Service, but in the overseas examination it is desirable to have an immigration inspector, and he is transferred from the Immigration Service to the overseas pay.

Mr. BLACK of New York. In all cases is the health examination conducted by a doctor?

Mr. JOHNSON of Washington. The medical examination is conducted by a doctor, and the other examination as to qualifications is by an immigrant inspector.

Mr. OLIVER of Alabama. Mr. Chairman, will the gentleman yield?

Mr. SHREVE. Yes.

Mr. OLIVER of Alabama. Referring to the question asked by the gentleman from Connecticut [Mr. TILSON], I think it is the hope of the committee that there will be a large saving hereafter in the upkeep of Ellis Island, but up to the time when we shall have established this inspection abroad in many more countries than we have now, there must be kept at Ellis Island a force that probably could handle a much larger number.

Mr. SHREVE. That is correct.

Mr. NEWTON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. SHREVE. Yes.

Mr. NEWTON of Minnesota. It has been my observation there at Ellis Island, and I have watched the examinations being made, that the force they have had heretofore has been wholly inadequate, and notwithstanding the change that is going on, if the inspection that is made is to be real inspection, there can not be any great reduction in the inspection force.

Mr. SHREVE. Perhaps the gentleman was at Ellis Island during a rush period. There are times of course when it is difficult to hold the crowd, but that condition does not obtain all the time. It will average up pretty well, and they have been able to take care of the work.

Mr. NEWTON of Minnesota. I should not like to see any attempt at economy made which would prevent in every instance a thorough examination.

Mr. SHREVE. Oh, that must be had.

Mr. OLIVER of Alabama. If the gentleman will read the hearings, he will find that is not contemplated, and that the examinations abroad will be very thorough, and will be followed up on the ships bringing them over, and to a large ex-

tent examinations heretofore made at Ellis Island can be dispensed with.

Mr. NEWTON of Minnesota. The examination abroad is a fine thing, but at the same time there are chances for fraud and abuse.

Mr. OLIVER of Alabama. Yes.

Mr. NEWTON of Minnesota. And it would be a mistake to let up on the examination at home.

Mr. SHREVE. That is correct.

Mr. JOHNSON of Washington. The principal thing that the people of the United States are interested in is to keep out the weak minded, the mentally deficient, and that is an examination that is not quickly made, either overseas, on ship, or at Ellis Island.

PAN AMERICAN UNION

Mr. SHREVE. That is correct. The next item in which there is an increase is for the Pan American Union. We are appropriating or recommending to be appropriated at this time $146,713.58. This increase is brought about by reason of the fact of the increase of our assessment. You may recall the fact that the United States is assessed, and every other member country is assessed, $1,000 per million inhabitants, and our population, including the Philippine Islands and Porto Rico, raises it up to 126,000,000, as estimated recently by the Bureau of the Census; and therefore it would increase our assessment—which includes $20,000 for printing—to $146,713.58. I may say, though, that we are always glad to make this appropriation. The Pan American Union, as you all know, is an organization composed of the 21 North and South American Republics. They meet at the Pan American Building.

Their meetings are presided over by the Secretary of State of the United States, and so once a month they assemble, and they discuss the various relations of one country with another, and out of these discussions a great deal of very valuable information is secured and peace and harmony always rests in those meetings. A few years ago a distinguished citizen of the British Isles was over here to make a study of the Pan American Union, and he said that if there had been an organization in Europe like the Pan American Union the World War would never have taken place, and I am satisfied that it was out of our relations with South and Central America, out of our relations with Canada, with the British Empire on the north, where for 3,000 miles of boundary there is not a cannon or a fort to guard the rights of either nation, that out of the idea of peace these Britishers carried home, so delightfully exemplified on the American Continent, north and south, which resulted finally in the Locarno agreement which we have heard so much about. So it gave your committee great pleasure to increase the appropriation by about $20,000. I will insert in the RECORD a statement of the assessments of the other 20 countries who are participants.

Country	1924-25	1925-26	1926-27
Argentina	$7,600.11	$9,548.09	$9,548.09
Bolivia	2,474.83	2,520.54	2,520.54
Brazil	22,576.27	30,635.61	30,635.61
Chile	4,909.37	3,754.72	3,918.29
Colombia	5,373.41	5,855.08	5,855.08
Costa Rica	419.83	485.05	507.00
Cuba	2,362.49	3,143.21	3,382.92
Dominican Republic	645.33	897.41	897.41
Ecuador	1,472.79	2,000.00	2,000.00
Guatemala	2,054.87	2,004.90	2,004.90
Haiti	1,993.18	2,030.00	2,030.00
Honduras	581.90	637.11	637.11
Mexico	14,885.63	14,202.66	14,234.80
Nicaragua	677.36	638.12	638.12
Panama	379.85	446.10	446.10
Paraguay	785.77	1,000.00	1,000.00
Peru	4,417.98	4,620.00	4,620.00
Salvador	1,231.39	1,550.63	1,582.18
United States	99,374.09	107,231.48	126,713.58
Uruguay	1,203.67	1,225.91	1,225.91
Venezuela	2,760.08	2,400.60	2,411.95
Total	178,180.20	196,827.22	216,809.59

PAN AMERICAN SANITARY BUREAU

The amount we have recommended for the Pan American Sanitary Bureau also shows an increase over the current year for the same reason that I have already explained in reference to the Pan American Union: An increase in the population of this country as estimated by the Census Bureau. Last year we appropriated for this purpose $11,154.29. This year our contribution amounts to $29,222.32, an increase of $18,068.03.

GENERAL AND SPECIAL CLAIMS COMMISSION, UNITED STATES AND MEXICO

For the work of the General and Special Claims Commissions, United States and Mexico, we have recommended $350,000 for 1927, which is an increase of $75,000 over the current year. I should like to say a few words about these two commissions for the benefit of those Members who might not be familiar with their duties. By a convention between the United States and Mexico, signed at Washington, September 8, 1923, and proclaimed March 3, 1924, there was created a general claims commission for the amicable settlement and adjustment of general claims by the citizens of each country against the other since the signing on July 4, 1868, of the claims convention entered into between the two countries. By a special claims convention signed at Mexico City September 10, 1923, and proclaimed February 23, 1924, there was created a special claims commission for the settlement and amicable adjustment of claims arising from losses or damages suffered by American citizens through revolutionary acts within the period from November 20, 1910, to May 31, 1920. Now, in order that each commission might be well supplied with cases on which to act and to complete their work in the shortest time possible and thereby settle or adjust within the periods stipulated by the treaties all claims legally presented, an agency was established to handle the claims to be presented to the two commissions. There was appropriated in the second deficiency act of 1924 for the expenses of this agency during the fiscal year 1925 $171,930. Last year our committe recommended an appropriation of $275,000, and, as I have already stated, we have recommended in this bill $350,000. This increase is made necessary to supply additional personnel and certain increased general expenses to prepare and present to the commissions within the time limits specified the large number of claims on hand, which total over 12,000. The work of the general claims commission must be completed by August 30, 1927, and that of the special claims commission by August 30, 1929. I might say that this latter commission has only to do with claims of the United States against Mexico, whereas the general commission has to do with United States claims against Mexico and Mexican claims against the United States. The function of the agency, therefore, is not only to prepare, present, and argue the claims of the citizens of the United States before the commissions, but to defend the general claims presented to the commissions by the Mexican Government on behalf of its citizens. At the conclusion of the proceedings of the general commission it is provided that a balance be struck between the claims allowed in favor of the Mexican Government and those allowed in favor of the American Government, and that the debtor Government shall pay the creditor Government the balance in gold coin.

INTERNATIONAL FISHERIES COMMISSION

We are recommending $28,500, which represents one-half the expenses necessary, for the investigation incident to carrying out the provisions of the convention entered into between the United States and Great Britain on March 2, 1923, for the preservation of the halibut fisheries of the northern Pacific Ocean, including the Bering Sea. Great Britain bears the other half of the expenses.

DEPARTMENT OF JUSTICE

Now the Department of Justice: The total for the Department of Justice we have recommended is $24,096,547. This is $109,275 less than the current appropriation, and $270,480 less than the amount in the Budget. The department's expenditures are somewhat similar to those that I have already explained in the State Department in that there are no separate bureaus in their organization, no separate activities. There is the department proper, for which we have recommended $4,311,400; judicial expenses amounting to $14,842,122; penal and correctional institutions, for which we have recommended $5,213,505.

THE ATTORNEY GENERAL'S OFFICE

We have for the current year an appropriation of $580,000 for the Attorney General's office. This year the Budget estimates transferred to the Attorney General's office about a million dollars, or a little less than that, of amounts from numerous other appropriations. We have allowed one or two transfers of those where we could see it would be to advantage, but the most of them were disallowed, and I will only take time to mention one or two so you may see what the idea was. Take, for instance, the prosecution of war frauds. The House will recall that last year we recommended for war-fraud activities a million dollars, and we did that with the understanding, at least many of us, that $1,000,000 was to carry the war transactions clear through to the end.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. SHREVE. Yes.

Mr. OLIVER of Alabama. And the $1,000,000 was $750,000 under what the Budget recommended?

Mr. SHREVE. Exactly.

Mr. OLIVER of Alabama. And great pressure was brought on the committee to allow the full $1,750,000.

Mr. SHREVE. And I might add to what my colleague has said that pressure was also carried over into the Senate after the bill had passed the House. As I was saying, the Budget estimates for this purpose were $211,000, and I want the House to bear in mind we had concluded we would not give the war-fraud section any more money, but there was a recommendation finally of $211,000, which was recommended in the Budget for the prosecution of war frauds, and in this transaction $104,000 was transferred to the Attorney General's office and held over there for future use and where it would be entirely lost sight of to the Members of Congress.

The balance of the $211,000 was distributed under several other appropriations.

We moved back these transfers for war-fraud prosecution and let the amount stand by itself—as it always has stood in the bill. Then we proceeded to eliminate the $211,000 and did not make that appropriation as was estimated for. At the hearing we discovered that there had been only about $700,000 used of the $1,000,000 appropriated for 1926, which left or would leave an unexpended balance at the first of the next fiscal year of $300,000, or it may be $400,000 if they are careful as to the way in which they spend the money. We have recommended the reappropriation of the unexpended amount for the prosecution of war frauds, with the provision that $100,000 of this amount might be used for the pay of regular assistant attorneys.

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

Mr. SHREVE. Yes.

Mr. BANKHEAD. Can the gentleman tell us how much of the aggregate has been expended, approximately, for the prosecution of the so-called war frauds since the war ended?

Mr. SHREVE. Yes, sir. I am very happy to give my colleague the benefit of that information. The total appropriations amount to $2,700,000, and at the time of our hearings there had been spent out of that $1,973,092.76, which left an unexpended balance of $726,907.24.

Appropriations and expenditures to December 31, 1925

Fiscal year	Appropriation	Expended	Unexpended
1923	$500,000.00	$492,257.75	$7,742.25
1924	500,000.00	554,111.89	
1924 [1]	200,000.00		
1925	500,000.00	609,996.73	35,891.38
1926	1,000,000.00	316,726.39	683,273.61
Total	2,700,000.00	1,973,092.76	726,907,24

[1] 1924. This was a supplemental appropriation made in 1924, but available to June 30, 1925.

Mr. BANKHEAD. Can the gentleman tell us how many men have been convicted?

Mr. SHREVE. Yes. I will come to that. That was the amount that was spent. Now, I would like to state the amount of money that has been recovered. The war transactions section of the Department of Justice was organized in May, 1922, for the purpose of investigating and prosecuting war frauds. The result of the work to December 31, 1925, may be summarized as follows:

Since May, 1922, the date when the prosecution of war frauds first started, there have been 927 cases referred to the section, of which 464 have been closed and 463 were on the docket on January 1, 1926. All told, we have appropriated $2,700,000 for this purpose, and there has been collected by the section $10,445,281.30.

COLLECTIONS IN CIVIL CASES

Fiscal year:	
1923	$3,044,835.15
1924	2,412,845.48
1925	3,217,731.65
1926 (to Dec. 31, 1925)	1,334,028.87
Total cash collections	10,009,441.15
Deferred payments outstanding	435,840.15
Total	10,445,281.30

The above collections are all cash collections except (1) an item of $350,001 collected in 1924 in the form of real estate which was bid in at that amount, which was two-thirds of its appraised value; (2) an item of $15,000 collected in 1925, also in the form of real estate bid in at that amount; and (3) an item of $15,000 collected in the form of 15,000 shares of common stock without par value, and upon which we have placed a value of $1 per share which is thought to be conservative.

Of the 463 cases now open on the docket of the section, 108 cases, involving $77,041,578.19, are in suit, some of the actions having been instituted fairly recently. The investigation of 60 cases, involving claims aggregating more than $11,000,000, has been completed, although suits have not yet been filed in these cases. Approximately 150 other cases are now under investigation and the investigation of most of these will be completed prior to the end of the present fiscal year. It is estimated by the department that there will be open on the docket at the end of the present fiscal year between 150 and 200 cases. In practically all of these cases the investigations will have been completed and nearly all of them will be cases in which the Government has a meritorious cause of action, so that it is reasonable to expect that a large proportion of these cases will result in recoveries. The situation will be such, therefore, on July 1, 1926, as to warrant the retention of a reduced force of attorneys and accountants during the fiscal year 1927 to enable the section finally to dispose of the remaining cases. By our action in making available the unexpended balance already mentioned, it will be sufficient to enable the section to carry on and finish its work during the next fiscal year.

Mr. BANKHEAD. I understand this appropriation authorizes the prosecution not only for the collection of money on fraudulent contracts, but does it not also contemplate the criminal prosecution of parties that might have been guilty of fraud upon the Government?

Mr. SHREVE. Yes, sir. I will refer to that in just a minute.

Mr. BANKHEAD. Can the gentleman state what has been the result of those investigations?

Mr. SHREVE. I shall be very happy to.

Mr. BANKHEAD. If the gentleman does not mind, I would like to have an answer to my inquiry.

Mr. SHREVE. For the information of the House I want to say that this section so far has obtained 37 indictments in criminal cases. Of those 37 indictments, 22 were dismissed for lack of evidence, 5 were acquitted, 6 are pending, 2 of the defendants plead guilty, and there were 2 convictions. Of those convictions 1 was convicted of a property theft and sentenced to two years and a half. He began the service of this sentence in 1924 and was subsequently released on a parole. The other was convicted of accepting bribes, and was given a year and a half and his order of sentence went into effect last summer.

Mr. BANKHEAD. The net result of this investigation, following an appropriation of something like a million dollars for the prosecution of war frauds during the war and subsequent to the war, resulted in the conviction of four men?

Mr. SHREVE. That is true. It has also resulted in the collection of over $10,000,000 of money. But the results so far as the prosecution of crimes is concerned, is as I have stated.

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

Mr. SHREVE. Yes; I yield to the gentleman from Ohio.

Mr. KEARNS. I understand the gentleman to say it resulted in the recovery of about $7,000,000.

Mr. SHREVE. I intended to say $10,000,000.

Mr. KEARNS. I thought you said between $10,000,000 and $11,000,000.

Mr. SHREVE. The exact figures are $10,445,281.30. The appropriation was about $2,700,000.

Mr. OLIVER of Alabama. The Department of Justice appropriations amount to $2,750,000 and it might be well to state that approximately $1,500,000 has been appropriated for the War Department. They have recovered $5,000,000 in addition to the $10,000,000 plus recovered by the Department of Justice, and the comptroller's office has recovered about $500,000, so that the total amount recovered approximates $15,000,000 plus. The total appropriations are about $4,200,000.

Mr. SHREVE. That is from all sources.

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

Mr. SHREVE. Yes.

Mr. DOWELL. May I inquire if the committee made any investigation as to what progress has been made toward closing this investigation and closing these cases?

Mr. SHREVE. Yes, sir.

Mr. DOWELL. Will the gentleman give the committee that information?

Mr. SHREVE. I am pleased to say that the Attorney General came before the committee, and we had a long discussion of this subject. The Attorney General realized, as we did, that it is time that all these war-fraud cases should be closed, and he has now selected certain cases in which the fundamentals are perhaps the same as in several other cases, so that the trial of one of these cases will become a test case to cover other cases, and they expect in the next year to entirely close this war-fraud section.

Mr. DOWELL. Then the gentleman is confident that this appropriation will be the last appropriation act providing for war-fraud cases?

Mr. SHREVE. Yes. Whatever the department may ask, this is the last appropriation that this committee is going to recommend as an appropriation for the prosecution of war-fraud cases.

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

Mr. SHREVE. Yes.

Mr. MANSFIELD. It is not expected that there will be any more money recovered.

Mr. SHREVE. Well, in the suits that are now pending there is something like $77,000,000 involved. Of course, time has run; it is difficult to try those cases now, and I would hesitate to make an estimate of what amount might be recovered.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. SHREVE. Yes.

Mr. NEWTON of Minnesota. I want to ask the gentleman about another phase of the activities of the Department of Justice before he passes on to another subject, and that is the appropriation for assistants to United States attorneys.

I notice a net reduction of about $15,000 in that item. Of course, that is not so very large, but it is my experience that these men are already greatly underpaid. For example, out in Minnesota a United States attorney draws $6,500 and his first assistant draws about $2,800. The public prosecutor in the city of Minneapolis draws about $6,000 and his first assistant gets about $5,000. Now, the men under the United States attorney and his assistant get still less than $2,800. They are handling important matters, and it seems to me we ought to make more adequate provision for them. We can not have successful prosecutions if we do not pay enough for able, competent help, and we ought to be giving more money—that is, if the department will use it—than to be giving less.

Mr. SHREVE. I quite agree with the gentleman; but the trouble is we are passing through an economy period now, and it does not seem to be the opportune time to increase those salaries. But that ought to be done, and it ought to be done in the very near future. However, when you begin increasing the salaries of the field forces it means that a very large sum of money will be involved to make up salaries which will be sufficient for those men to live on as they should live.

Mr. NEWTON of Minnesota. I think it is in the interest of real economy to get good men and pay them somewhere near what they are worth rather than to put up with others, put up with their mistakes, the expense of mistrials in prosecutions, and so on.

Mr. SPROUL of Kansas. Will the gentleman yield?

Mr. NEWTON of Minnesota. I have not the floor.

Mr. SHREVE. I yield to the gentleman.

Mr. SPROUL of Kansas. Would it not be worth while to increase the salary of the Attorney General, to begin with, to something like $25,000 per year, and thereby attract to the office character and legal ability, so that the laws of the entire Nation will be enforced?

Mr. NEWTON of Minnesota. Well, in reply to the gentleman from Kansas I will say that the Attorney General can at least exist on the $15,000 they now pay him.

Mr. SPROUL of Kansas. But he can not work very hard in enforcing the law?

Mr. NEWTON of Minnesota. But it is impossible for some young lawyers, with growing families, to exist upon what they pay assistant United States attorneys out in our part of the country.

Mr. SHREVE. There is a good deal of honor and legal experience attached to the job, too.

Mr. NEWTON of Minnesota. Not to the position of assistant to the United States attorney.

Mr. SHREVE. The next item in which the committee increased the estimate made by the Bureau of the Budget was the item for the United States marshals. I presume nearly every Member in the House has heard something about this, because there was a cut of $200,000 made in the Budget, bringing the current appropriation from $3,500,000 to $3,300,000. That was immediately broadcast over the country, and every assistant marshal and deputy marshal thought his salary was going to be cut, and I think they had good reason to think that. However, the committee very carefully studied this situation, and we have restored $100,000 to the Budget estimates, bringing the amount for 1927 to $3,400,000. In talking the matter over with the Attorney General the committee has his assurance that the salaries of the deputy marshals would not be reduced, and that is about the best we can do with that for this year.

Mr. KEARNS. Will the gentleman yield to me again?

Mr. SHREVE. Yes.

Mr. KEARNS. I have been advised that in some localities—I do not know whether it is prevalent all over the United States or not—that some of these deputy United States marshals are appointed at an initial salary of $1,300 a year.

Mr. SHREVE. It is around that and it is pretty low; from $1,300 to about $2,000.

Mr. KEARNS. Do they get competent men at that salary?

Mr. SHREVE. Well, they seem to get competent men. They remain at that salary only a very short time, though.

Mr. KEARNS. What is the highest salary paid?

Mr. SHREVE. The salaries run up to $1,700, $1,800, $2,100, and $2,200.

Mr. WILLIAMSON. Will the gentleman yield?

Mr. SHREVE. Yes.

Mr. WILLIAMSON. But, as a matter of fact, these deputy United States marshals do not give their entire time to the work, as I understand it. Is not that true?

Mr. SHREVE. That is true, but at the same time in most of the districts their time is fully occupied. There may be some districts where they have some spare time, but most of the time these men are working overtime.

Mr. KEARNS. They do not have sufficient spare time to engage in any other business, however.

Mr. SHREVE. Oh, no; they do not engage in any other business.

I want now to say a word about the penal and correctional institutions. During the last year, permit me to say, a subcommittee of this committee visited the three Federal penitentiaries in the United States, at Leavenworth, at McNeill Island, and at Atlanta.

Mr. OLDFIELD. Where is McNeill Island?

Mr. SHREVE. McNeill Island is just south of Tacoma. It might be interesting to the House, many of the Members never having had an opportunity to see a penitentiary even on the outside, to state that your committee arrived at Leavenworth on a Sunday morning. We had heard of the famous band concerts given in the afternoon by the penitentiary band, and after our luncheon we went out on the spacious lawn of the warden's house and were sitting beneath the shade of an elm tree.

This was in August, when the weather was quite hot. We noticed that here was the penitentiary off to the right, with its massive walls and its great steps, looking a good deal like the capitol in some of the small States, and down in front was a plaza with a number of trees. On either side of the yard was a guardhouse, where the guard was stationed, and farther down the plaza there is another. While waiting for the band to come out, my attention was attracted by the very large number of automobiles coming in. I began to count, and I counted 250. Then something attracted my attention, and I did not count any further. Presently one of the outer gates of the penitentiary opened, and let me say to you that at no time are the outer and inner gates opened at the same time. There is a small rotunda between the gates which would accommodate about 20 or 25 people. The gates were opened, and out marched about 20 young men. They closed, and another 20 marched out, and so on until about 80 men had marched out altogether. They were all dressed in white uniforms with black neckties, white shoes, and stockings, and made a very creditable appearance. Their leader is not an inmate. They moved down to this platform in front of us, and I want to say to you that for an hour and a half I was never better entertained in all my life. It is one of the finest bands any of us had ever listened to, and people attended from all over that country. Among the late additions to this band was a new arrival from Keith's Theater in Washington. He was asked why he was there and how long he expected to stay, and he replied he expected to stay quite a while. Some one wanted to know what the trouble was, and he said: "Well, another nigger got to trifling with his wife, and so he was there." He killed him.

The next morning we met at the warden's office and consulted with the engineers and with the men putting up the buildings and the men taking care of the grounds and the men having charge of things of that sort. After we made that investigation I asked the warden to tell us something about the parole system. You know, we have all heard this system criticized in the magazines. The warden said, "There are the files; you can help yourself." I walked over to the files and took down ten or a dozen indiscriminately—one here, one there, and so on—and I want to tell you, gentlemen, there was not a single case in those ten or a dozen files where the man who was out on parole was making less than $96 a month, and the amount ran from that up to $150 a month. There was on file the report of the first friend, the report of the manufacturing plant where they were employed. Then I turned and asked the warden what percentage there were of failures among these

men, and he said less than 4½ per cent. It seemed to me there was a concrete example of what the parole system is doing for those who are confined in penal institutions in the United States.

Mr. ROMJUE. Will the gentleman yield?

Mr. SHREVE. Yes.

Mr. ROMJUE. Does that parole system apply to all classes of convicted criminals?

Mr. SHREVE. All classes; yes. The gentleman will remember that we passed that law three or four years ago.

Mr. ROMJUE. And it applies to murderers the same as to the lower grades of criminals?

Mr. SHREVE. Oh, yes. On the inside we found some magnificent cell houses built to accommodate 1,600 people. There were 3,200 people in the penitentiary at that time. The cell houses built for one prisoner held two, the cell houses built for two prisoners held four, those built for four held eight, and so on. Then in the basement of one of the cell houses there were 100 people confined in that one basement. They all seemed to be happy, however, I might say.

I want to say further that these Federal penitentiaries we visited are all splendidly managed institutions. There is no question at all about it. The men have every opportunity for advancement. One of the men in Leavenworth when he entered that penitentiary a good many years ago could not read or write, and at the time we were there he was the editor of the paper, and since that time has been given a place on one of the largest daily papers in the United States.

Mr. WILLIAMSON. Will the gentleman yield for a question in that connection?

Mr. SHREVE. Yes.

Mr. WILLIAMSON. I recall about two years ago there was considerable discussion about furnishing employment at these various Federal penitentiaries. Has that situation been remedied since that time?

Mr. SHREVE. That situation is being remedied very rapidly. At Leavenworth they have just completed a shoe factory, but the machinery is not installed. The work was all done by prison labor. You could not build a similar building on the outside for less than $375,000 or $400,000. This building was built for much less than half that amount. It is now ready and will accommodate 500 or 600 people, if they can find that many men who are capable of becoming manufacturers of shoes.

Mr. WILLIAMSON. I am sure the House will be very glad to get that information. I remember when we proposed establishing this factory there was a great deal of discussion and opposition to it, but I am convinced it will be one of the best things ever done for the inmates of the Leavenworth Penitentiary.

Mr. SHREVE. I am just recovering from the grip, and I am going to ask the gentleman from Alabama [Mr. OLIVER] to tell us something more about the penitentiary when he comes to speak.

Mr. OLIVER of Alabama. After the speeches not relating to the bill are concluded I will be glad to supplement along lines the gentleman from Pennsylvania indicates.

Mr. SHREVE. I should be pleased to have the gentleman do it. Now, we have a new institution at Chillicothe, Ohio. It is really planned for men between the ages of 17 and 30. The penitentiaries have turned over 25 or 30 men to put that camp in shape for prisoners, first offenders. We are making an appropriation for that, and it is not at all expensive. I might say that the total appropriation for Leavenworth is $971,493; Atlanta, $1,066,072; McNeil Island, $419,047; Industrial Institution for Women, at Alderson, W. Va., $190,100; Chillicothe, Ohio, $350,000; and the National Training School for Boys, in Washington, $142,000.

Mr. SNELL. Will the gentleman yield?

Mr. SHREVE. Certainly.

Mr. SNELL. Was it brought out in the hearings whether these Federal institutions are overcrowded?

Mr. SHREVE. Every institution that we have had anything to do with, even the jails that we visited during the summer, are crowded. That is one thing that caused the committee to give quick thought to the institution at Chillicothe and the institution for the care of women. When these two are completed we will relieve these other institutions. At Leavenworth they have 3,200 prisoners, and one-third are in there for the violation of the narcotic law; that is, about 1,100 of them. These men are not criminals in the true type and sense of the word. Some place should be found for them. There are just as many in Atlanta, and it will average one-third, as in Leavenworth. In Leavenworth there are 200 for violation of the Volstead Act, 200 for the violation of the white slave act, and 50 or 60 bankers, and the rest are all of the general sort.

Mr. SNELL. Did the committee make any inquiries as to the condition in the local jails? They leave the prisoners in the local jails because they have no other place to send them.

Mr. SHREVE. That is true; they are there waiting for trial or else are on short-term sentences.

Mr. SNELL. In New York they are calling on us to build larger jails to take care of these Federal prisoners, but we do not feel that we ought to do that.

Mr. SHREVE. The man in charge of Federal prisons has something in mind to relieve that situation.

Mr. SNELL. There ought to be a new Federal prison in the northern part of the United States to take care of these prisoners.

DEPARTMENT OF COMMERCE

Mr. SHREVE. There is no question about that. Of the total appropriations recommended for the Department of Commerce, including the Secretary's office, is $29,735,847. That is an increase over the current year of $1,196,718 and a decrease of $783,000 in the Budget estimates. [Applause.]

I might say that it is a long-standing record of this committee to always be found within the Budget estimates.

Mr. ROMJUE. Will the gentleman yield?

Mr. SHREVE. I will.

Mr. ROMJUE. Is the gentleman quite sure that the Budget Bureau does not put it at a high enough figure so as to allow for the cut?

Mr. SHREVE. I think if the gentleman was on the committee he would find that the pressure brought to bear would indicate that the Budget had not exceeded its authority. While we do not propose to turn over the power of making appropriations, in the last analysis, we do highly appreciate the suggestions that come in the Budget estimates that a certain amount of money is all that can be afforded for a certain activity. The committee may take off a little here and add a little there, and we feel that is our responsibility, and we are always ready to do it, and we have done it in this bill.

We have recommended for the Bureau of Foreign and Domestic Commerce $3,245,917. The amount recommended is $251,853 more than the current appropriation. This increase affects the following appropriation which I will insert. I want to say to you, gentlemen, that your committee feels justified in making these appropriations, and also in making increases from time to time, because we fully realize that the situation is gradually changing:

	Amount increased
Commercial attachés	$19,139
Promoting foreign and domestic commerce	24,750
District offices	99,182
Promoting commerce, Central and South America	25,050
Promoting commerce, Far East	6,266
Export industries	34,946
Investigating domestic commerce and raw materials	40,000
Investigating restrictions of trade	5,000
Directory of foreign buyers	8,000

Gentlemen will recall that after the war, when we first presented this bill on the floor of the House, we were asking to send about 24 or 25 commercial attachés and trade commissioners to that many countries in the world where we had not been doing business. At that time the Allies were hardly in a position to do business, and we had lost that large volume of trade; but they went out under the direction of the Department of Commerce and found some business in some other parts of the world. That business has been going right along, but now, since European countries are getting back on their feet again and new conditions present themselves, we find in our South American countries, which we had almost exclusively to ourselves for a time after the war, that Germany is getting back, that England is getting back, that France and other countries that were doing business with the South American countries are getting back, and getting some of that trade away from us. Of course, most of our trade in those countries will not be lost, because it is of a character in which we have no competition, as, for instance, in the manufacture of low-priced automobiles and of certain agricultural machinery and textile machinery and many other things of that kind. We will always have a monopoly on that class of trade, but the competition is strong; and if we expect to maintain our prestige in foreign countries, if we expect to continue this trade and increase it, as the increase naturally follows in manufacturing and agricultural products, then we must not forget that the organizations that are doing this work abroad must receive such appropriations as will give them an opportunity to function properly.

Mr. WILLIAM E. HULL. Mr. Chairman, will the gentleman yield?

Mr. SHREVE. Yes.

Mr. WILLIAM E. HULL. May I ask the gentleman whether his committee has increased the appropriation for compensation to the people in those countries of South America or has decreased it?

Mr. SHREVE. We have increased it.

Mr. WILLIAM E. HULL. I am just back from South America. There is nothing more important to this country than to build up those organizations, not only to increase the salaries of the people who are employed there, but to engage a high-class set of men in those countries, because I think our opportunities in South America are greater than they are anywhere else in the world. I was there and have been all through that situation with all of those men. What ought to be done is not only to raise the standard of the men who are engaged down there, but they should be given a large enough salary so that they can afford to carry on their business. We have a better chance to sell products in South America than we have in all other parts of the world, but we have to fight two things. One is that England is in control of most of the banks and all of the utilities and controls all of the department stores. Germany is another factor coming in now and cutting prices and making long terms. We have to have men competent to meet that proposition. What I fear is that our men are only giving us statistics to work on and they are not conducting what I would consider a business organization. They have not the machinery down there to put the thing in a business way to the people down there. I think the gentleman would do well in those organizations if he would treble what we are spending on them now and put enough good men down there to do business. For instance, at Buenos Aires there are two or three little offices. There is a man named Farley, a very competent man, with two or three little offices and probably two or three assistants to take care of Argentina. That office, in my judgment, if it were properly manned, ought to have 20 good men down there, and if it is done in that way and done in a business way instead of the picayunish way we are doing it now, something will be accomplished in Argentina; but just so sure as we keep up this low-tide business that we have there now, no great thing will ever be developed.

As the gentleman has said, our automobiles and agricultural implements are always going to stay there and such things as typewriters and cash registers, machinery of that type, but we are not in on things we ought to be in on, and that can be brought about if we have the proper organization there to get the statistics in shape and to bring the competitive proposition to our attention so that our business men will understand what they have to do. I am in favor of making the appropriation three times as much as we have now.

Mr. ROMJUE. Mr. Chairman, the gentleman from Illinois [Mr. WILLIAM E. HULL] is making a very interesting statement, and will the gentleman from Pennsylvania yield to me so that I may ask him a question?

Mr. SHREVE. Yes.

Mr. ROMJUE. To what does the gentleman attribute the basic reason for England being so well established?

Mr. WILLIAM E. HULL. Oh, it is a long-time proposition. England has been in there always. We never have been in there. England owns practically all of the stocks in the public utilities, and she owns the railroads and the banking interests, and it is only recently that our banks like the National City Bank, and the National Bank of Boston have gotten in there and established branches. England has been on the job there for a century, and we have not.

Mr. ROMJUE. Then the gentleman thinks it depends more upon the invested capital that has been taken in there by England?

Mr. WILLIAM E. HULL. Surely. For instance, England controls all of the department stores. I do not think there is a department store in South America that is not owned by English capital. They have American management, but how can you expect to sell American goods in an English department store?

Mr. ROMJUE. To what extent does England foster and encourage trade through representatives separate and apart from the capital investment?

Mr. WILLIAM E. HULL. Oh, she does it all of the time. The other menace that we have there is Germany, who is going in there and cutting the prices and doing things that are not regular in trade. That ought to be met in some way, but we have to have men down there to do it. I could give the gentleman more information, but I do not want to take up his time.

Mr. SHREVE. Mr. Chairman, I am very glad to have the information given the House by the gentleman from Illinois. We fully realize the situation, but when you stop to think that it is rather new with us and that we have to get started the gentleman will have to admit that we are well started.

Mr. WILLIAM E. HULL. But if the gentleman will pardon me, I think what ought to be done is for the Committee on Appropriations to take it up with Secretary Hoover; and if it is deemed advisable to give some more money, it ought to be given to them. I think it is the greatest thing that could happen to this country from a commercial standpoint.

Mr. SHREVE. I feel that we have been making very good progress when we recall the fact that we only started a few years ago. Gentlemen well know that it was not the policy of the United States of America to spread out over the world until the Spanish War came along and forced us to take a world's part on the scene of action whether we wanted to or not. Since that time we have gotten acquainted with foreign countries and built up activities, but it is true that the greatest Nation on the face of the earth has only started on the line suggested by the gentleman.

Mr. WILLIAM E. HULL. There is not a single country in South America but which wants to do business with the United States.

Mr. SHREVE. That is true.

Mr. WILLIAM E. HULL. And the only way to do that is that you have got to get men and train them in the way to do business.

Mr. WAINWRIGHT. Will the gentleman yield?

Mr. SHREVE. I will.

Mr. WAINWRIGHT. For the benefit of some of us, possibly, who are not entirely clear in their own mind as to exactly the function of the trade agents of the United States. Are they actually promoting American trade in the sense that they advertise, or are they acting as agents handling sales transactions, or what are they for?

Mr. SHREVE. I would be very glad to make a brief statement. There are two classes of these men, commercial attachés and trade commissioners. These men are sent to various countries. An attaché is attached to an embassy, and a trade commissioner may be where there is no embassy. Now, it is the business of these men to follow up trade opportunities. For instance, I recall in one case over in South Africa somebody discovered that there was to be a bridge built across the Kongo. Now, the American trade commissioner over there made it his buisness to find out how many tons of iron would be used in that bridge, how it would be paid for, whether by cash or deferred payments. When he had secured all of this information he cabled it to Washington. That is not for the benefit of any particular individual in any way. They are not working in the interest of any particular individual. But this information was sent from Washington to various bridge builders over the United States, who took the wise precaution to be registered on the books of the Department of Commerce, so every one of those bridge builders had an opportunity to bid, and in that way a contract was given to an American firm.

Mr. WAINWRIGHT. In other words, there is no function to advertise or promote American trade, but to get valuable and useful information and send it back home?

Mr. SHREVE. That is the idea.

Mr. WAINWRIGHT. That is the advantage to those who may be interested in such matters?

Mr. SHREVE. Yes. Some years ago I recall there was——

The CHAIRMAN. The time of the gentleman has expired.

Mr. SHREVE. I yield myself 20 minutes' additional time. There was just one case where a trade commissioner had fallen down, and that was at Athens, Greece. The reason was this: There was a large amount of American goods at the end of the war stored around in the Mediterranean ports. That surplus stock had to be worked off, and after a while trade came back. Our trade commissioner at Athens, Greece, secured a contract for an American firm amounting to over $25,000,000, and that would pay his salary for a good many years to come. I might go on and enumerate many, many cases where possibly just a letter or an interview by a trade commissioner or commercial attaché would be extremely beneficial. The point is the point of contact between the buyer in the foreign country and the seller in the United States, no matter who he may be.

The Bureau of Standards this year is receiving about the same amount of money as they did last year. We gave them an extra $25,000 for the study of the problems of the sugar industry.

The Bureau of the Lighthouse—we have increased their appropriation for maintenance.

The Patent Office—here is an institution that was transferred to the Department of Commerce from the Interior Department and we are very much pleased to say the Patent

Office is in good shape. You recall a year ago we gave $190,000 for the purpose of employing additional help. That is to establish a temporary roll, and from the temporary roll they place men on the permanent roll so they have been enabled to bring that business up current to-day. We feel the temporary roll should be carried along still longer so we have given $20,000 to do it.

We have recommended the Budget estimates to the Bureau of Mines with one exception, and that is with reference to helium.

The act of March 3, 1925, authorizing the conservation, production, and exploitation of helium gas with which to supply the needs of the Army and Navy and other branches of the Federal Government, among other things, transferred on June 30, 1925, all existing Government plants operated by the Government or under lease or contract with it, for the production of helium to the Bureau of Mines. Theretofore, this work had been done by the Army and Navy and the Bureau of Mines, acting under their direction. The second deficiency of 1925 authorized the President to transfer in such amounts as he might determine, not to exceed a total of $1,000,000 of the funds included in the War and Navy Departments appropriation acts for the production or purchase of helium, to the Bureau of Mines, for the fiscal year 1926. The estimates for 1927 contained an amount of $830,000 for the Bureau of Mines helium program, to be expended as follows:

Construction of new facilities:	
25-mile pipe line to new gas field	$350,000
New compressor station	130,000
Two power units	95,000
General expenses	75,000
Cryogenic research and studies of resources of helium-bearing natural gas	80,000
Working capital for operation and maintenance of plants	100,000
Total	830,000

The bureau's helium plant, which is operated under contract with the Linde Air Products Co., is located at Fort Worth, Tex.

The gas from which the helium is processed is delivered through a pipe line 96 miles long from a gas field which has been producing since 1907, the gas field being located at Petrolia, Tex. The flow of this field has been diminishing from a 7,900,000 cubic feet flow per day in 1915 to about 89,000 cubic feet per day at the present time. Twenty-five miles from the Petrolia field there has been discovered a field known as the Nocona field, with an estimated natural gas content of 85,000,000,000 feet containing 1 per cent helium, which represents about 850,000,000 feet of helium.

Under the program mentioned above, it had been proposed to pipe to this new field, build a compressor station, and bring the gas back to be processed into helium.

The committee went rather exhaustively into this proposition and reached the following conclusions: In the first place, there is on hand at the present time for use by the Army and Navy about 7,500,000 feet of helium. This amount, together with what will be produced during the balance of the fiscal year, will bring the total to over 10,000,000 cubic feet. The present field at Petrolia, although diminishing in its output, is still able to furnish about 600,000 feet of helium a month. The amount of helium to be used is based primarily upon the needs of the Army and Navy. The Army's helium needs for 1927 will be 4,200,000 feet of helium, and the Navy's needs, under the air program adopted by the House in the naval appropriation bill for 1927, will be practically nothing. In view of this situation, when there is a doubt as to what the helium needs of the two services will be in the future, and when it is patent that with the helium on hand and what will be produced will more than take care of the needs for the next fiscal year, the committee could not recommend this project and was of the opinion that it would be better to postpone the matter until such time when something more definite can be determined. If, in the future, additional helium is needed, the gas will still be in the natural reserve at Nocona ready to be processed, and not in cylinders waiting to be used, undergoing an estimated average leakage of 10 per cent a year.

The following represents the recommendations of the committee with reference to the Bureau of Mines helium activities for the next fiscal year:

There is an amount of $75,000 in the bill for the investigations of resources of helium-bearing gas and the conservation thereof, and of processes and methods of producing, storing, purifying, and utilizing helium and helium-bearing gas.

Authority has been carried in the bill advancing to the Bureau of Mines in such amounts as the Secretary of Commerce may requisition for the operation of the helium plant at Fort Worth from the sums made available for the fiscal year 1927 in the acts making appropriations for the War and Navy Departments for the acquisition of helium from the Bureau of Mines. The amount available is $500,000 and will be amply sufficient for the bureau's needs in operating the plant.

The plant now operating consists of 5 units composed of compression and separation equipment which cost a little over $1,000,000. Each of these units is limited to a maximum capacity of about 3,500,000 and a minimum capacity of about 1,500,000 cubic feet of natural gas per day. All of these units belong to the Linde Air Products Co. and are used under contract by the Bureau of Mines. Experimentation has been going on for some time; first by the Navy, and then by the Bureau of Mines when the transfer took effect on July 1, 1925, of a unit which would be owned by the Government for producing helium. On the basis of the experience with the semicommercial plant of the new design, the new plant should handle 4,500,000 cubic feet of natural gas per day at high recovery and efficiency and could handle twice that amount of gas, although the efficiency and recovery would then be reduced somewhat. Furthermore, the efficiency can be maintained when the plant is processing a very small amount of gas. That is, the new plant can be operated over a wide range, whereas the range of the old units is relatively narrow. There has been $136,000 so far spent on the construction of this unit and it is estimated that $75,000 more will be needed before it is complete. The committee, therefore, has suggested authority, which is carried in the bill, making available out of the helium funds of the Army and Navy for 1926, $75,000, to be divided equally, to be turned over to the Bureau of Mines during 1927 for this purpose.

This, therefore, represents a total of $650,000 available for the fiscal year 1927 by the Bureau of Mines for its helium work.

DEPARTMENT OF LABOR

We have recommended as a total for the Department of Labor for carrying on their work during 1927, $9,536,305, which is an increase of $933,680 over the current year and $994,000 over the estimate submitted. With the exception of the Bureau of Immigration, the estimates and recommendations that we have made for the department remain substantially the same as the current year. With the exception of immigration, we have allowed the following amounts for the department:

	1927	1926
Secretary's office	$91,840	$662,620
Labor statistics	294,000	285,300
Naturalization	733,000	780,000
Children's Bureau	1,294,000	1,313,000
Women's Bureau	100,000	105,000
Employment service	205,000	205,000

In the amount for the Children's Bureau, of course, is the $1,000,000 for carrying out the maternity act. This is the same amount that has been carried for the last several years, with authority in the bill that the bureau shall make its allotments to States upon the basis of $1,252,079.96, which is the amount originally authorized. The total of the allotments, however, have never reached the $1,000,000 allowed. I should like to call the attention of the House to the fact that this is the last appropriation for this purpose to be made under the authority of this act, as its original provisions were for a period of five years, and this is the fifth year.

There is just one more item in the Department of Labor to which I desire to call your special attention, and that is the Immigration Service. We went into a very careful and exhaustive hearing of the situation. Numerous witnesses appeared before the committee, and we were satisfied that the wisest thing we have done in a good while was the increase we made last year for this service. With a slightly increased force, they may be able probably to more than double the amount of work on the Canadian and Mexican borders, and we felt that it would be better to stop those men when they were crossing the border line rather than wait until they got into some cities in the interior of the United States and then attempt to capture them. So we were very happy to be able to increase the Budget estimate for the regulation of immigration by $1,000,000, bringing the total from $5,251,705 to $6,226,705.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield there?

Mr. SHREVE. Yes.

Mr. WOODRUFF. I believe it is true that many of the aliens coming in lawfully later become public charges or are convicted of crimes. What steps are being taken by the Immigration Department to deport those aliens?

Mr. SHREVE. They are moving just as rapidly as they can. Last year, for lack of money, they did not exactly sus-

pend the work in its entirety, but they slowed up. They deported last year only about 10,000 aliens. But with this fund that we are giving them now, in addition to affording this extra patrol, we should be able to deport 15,000 or 20,000 next year.

Mr. WOODRUFF. In the gentleman's opinion, what is the number of aliens in this country that ought to be deported now under the law?

Mr. SHREVE. That is a difficult question.

Mr. JOHNSON of Washington. I would like to make a little statement right there if the gentleman from Pennsylvania will permit.

Mr. SHREVE. Certainly.

Mr. JOHNSON of Washington. The first question asked by the gentleman from Michigan was in regard to convicted aliens. Take, for example, one line of crime. There are 275 convicted aliens, narcotic criminals, in the three Federal penitentiaries, serving long sentences. When they receive the long sentences and are due to be deported the hold-over power is met, and they have to be paroled. It does seem that we should find some way to have the sentences shortened, provided they are deported.

Now, if I may have one more minute of the gentleman's time, the people talk all the time about deporting, as if we could deport willy-nilly. It is stated that there are about 1,000,000 aliens in the country who are unable to prove that they are here legally. The great bulk of that 1,000,000 illegally entered have been here five years, and therefore under the law they are entitled to stay here. If they are sailors and have been here three years, they are not deported. That reduces the number that are illegally here.

Mr. LAGUARDIA. They are not discharged prisoners?

Mr. JOHNSON of Washington. No. Some of them have wandered around after trying to take out naturalization papers.

Mr. WOODRUFF. What I mean are the undesirables who will never make desirable citizens? I think Congress ought to appropriate money enough to clean up those people and bring about the situation desired.

Mr. JOHNSON of Washington. That is exactly what the gentleman from Pennsylvania and his associates are encouraging. They have recommended an extra appropriation of $1,000,000, and a good portion of that will be for the deportation of convicted and highly undesirable aliens.

Mr. WOODRUFF. I am glad to so understand that, and I congratulate the chairman of the committee and the other members of the committee.

Mr. LAGUARDIA. As to this additional fund appropriated for the Department of Labor, I understand the gentleman to say it will be used for additional border patrol and deportation?

Mr. SHREVE. Largely.

Mr. LAGUARDIA. I want to call the attention of the gentleman to the inspectors and interpreters in the Immigration Service, with whom I served 18 years ago. These men are still doing their work, after 25 or 30 years' service, and are getting only $1,800, and the maximum is about $2,100. They have given all their lives to this work. They are specialists in their work. Surely something ought to be done to give these men a living wage. It is difficult to remedy the situation under the circumstances, but those men with whom I served 18 years ago are getting only from $1,500 to $1,800.

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

Mr. SHREVE. Yes.

Mr. DYER. I wanted to address my question particularly to the chairman of the Committee on Immigration and Naturalization. He referred to the fact that we should provide money for the deportation of these undesirables already convicted of crime. I have knowledge of a case recently in which a Chinaman was given eight years for selling dope to men of his nationality in St. Louis. We wanted to have him deported, but we were told by the Secretary of Labor that that was not an offense which enabled the Government to deport him. So I think that probably we have not laws sufficient to cover a case of that kind.

Mr. JOHNSON of Washington. There was an act passed called the narcotic act, in addition to the Harrison Act, which endeavored to provide for the deportation of such persons, but it has not proven quite sufficient. The House Committee on Immigration is now at work on an enlarged deportation measure, and it is the hope of that committee that the measure they will finally report will take care of those cases.

Mr. LAGUARDIA. I hope the gentleman will not carry out the idea of cutting down the sentences of these dope peddlers, because they are afraid of jail. They might not fear deportation as much as they would a long jail sentence, so I would suggest that the gentleman soak them as hard as he possibly can.

Mr. JOHNSON of Washington. But you can not fill the penitentiaries with alien convicts to such an extent that you can not take care of the other convicts, when we should deport these alien convicts and save money to the Government.

Mr. LAGUARDIA. But it would be wrong to give these dope sellers light sentences.

Mr. WILLIAMSON. Will the gentleman from Pennsylvania yield to me?

Mr. SHREVE. I yield with pleasure.

Mr. WILLIAMSON. I should like to know what progress is being made in determining the qualifications of aliens in foreign countries before they come over here. There has been considerable difficulty along that line in the past, and I am wondering what progress has been made in the way of ascertaining their qualifications prior to their starting across the seas.

Mr. SHREVE. That is being covered now under the extra work we are giving the American consuls. It is gone into very carefully, let me say, by the Department of Labor, by the Health Service, and by the Department of State, and we are getting an entirely different class of immigrants than has been coming for a good many years. This service is to be continued. Assistant Secretary Carr came before the committee and made a strong recommendation in that connection. He mentioned the cities where it had been tried out and where they make, as we might say, exhaustive examinations. All the details of the family are studied. When a man makes an application for a visa the first thing to be found out is who he is, where he is from, what his business is, what he proposes to do in the United States, and what kind of a citizen he is going to make. These things are all settled before the visas are signed.

Mr. WILLIAMSON. Does our method in that respect now meet with the approval of foreign countries?

Mr. SHREVE. Yes; the foreign countries are cooperating; that is, the northern countries, at least, and, I think, that is the only place we have attempted to establish that system.

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

MESSAGE FROM THE SENATE

The committee informally rose; and Mr. SNELL, having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 2849. An act to provide for an additional Federal district for North Carolina; and

S. 2307. An act authorizing the Secretary of the Interior to exchange certain lands in order to acquire land for a municipal aviation field at Yuma, Ariz.

APPROPRIATIONS FOR THE DEPARTMENTS OF STATE AND JUSTICE AND FOR THE JUDICIARY

The committee resumed its session.

Mr. OLIVER of Alabama. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. BLANTON]. [Applause.]

Mr. BLANTON. Mr. Chairman, I have a statement from Mr. Will Irwin and his wife, of Scituate, Mass., concerning some matters which have appeared in the RECORD. Without reading them, I ask unanimous consent that I may incorporate them in my speech.

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

Affidavits of Will Irwin and wife are as follows:

STATE OF NEW YORK,
County of New York, ss:

Will Irwin, of Scituate, Mass., deposes as follows:

"My name is Will Irwin. I am by profession an author. I gave up my residence in California in May, 1904. Since that time my official residence has been either New York City, Scituate, Mass., or Paris, France. Since 1904 I have never been in California for more than a month at a time. I have never belonged to the Socialist Party. I have never been a candidate for office. My personal political record since 1912 has been as follows:

"In 1912 I voted the Progressive ticket—Roosevelt and Johnson. I was further an active worker at Roosevelt headquarters. In November, 1916, I was a war correspondent at the British front, and therefore ineligible to vote, but in my writings I supported Woodrow Wilson for President. In 1920 I was similarly deprived of a vote by a change of residence, but I supported actively the Democratic national ticket. In 1924 I voted the Democratic national ticket. In 1925 I voted the New York Democratic State ticket.

"To the best of my knowledge and belief the false statement that I am a "recently defeated Socialist candidate in California" was first put forth in a document commonly known as the Spider Web Chart, issued from the offices of the Gas Warfare Service in Washington, and signed by one Lucia Maxwell. About two years ago this document was published in full in the Dearborn Independent. At the time I wrote to the editor of the Independent, demanding a retraction. Later he wrote to me that, having fully investigated the matter, he found the statement to be untrue and would retract as asked.

"WILL IRWIN."

Subscribed and sworn to before me this 13th day of February, 1926.

[SEAL.] CHARLES E. DAVIS,
Notary Public, New York County.

(New York County Clerk's No. 31, Registry No. 7033.)
(My commission expires Mar. 30, 1927.)

STATE OF NEW YORK,
County of New York, ss:

Inez Haynes Irwin, of Scituate, Mass., deposes as follows:

"My name is Inez Haynes Irwin. I am by profession an author. I am not and never have been a member of the Industrial Workers of the World or of any Industrial Workers of the World defense committee, and any statement to that effect has been made without my authorization or knowledge. The statement published in the CONGRESSIONAL RECORD that I signed an advertisement to raise funds for the Industrial Workers of the World is untrue. I believe that this error originated as follows:

"In the summer of 1918 several members of the Industrial Workers of the World were on trial in Chicago for obstructing the draft. It was a time of great public hatred toward all radicals, and I felt that these men would not have a fair trial. Therefore I with others signed an advertisement merely asking the people of the United States to withhold judgment against these men in order that they might be tried fairly. I stated at the time that, though not in sympathy with the Industrial Workers of the World, I felt they should have the privilege of unbiased judgment by the courts granted to every American citizen.

"I believe that the untrue statement connecting me with the Industrial Workers of the World defense committee originated in somewhat the same manner. In 1914 two Industrial Workers of the World leaders, Richard Ford and Herman Suhr, were on trial in California, charged with murder. I believed, upon investigation of the case, that they were being railroaded to the gallows, not because there was any good evidence that they committed the murder, but because the community wanted to get rid of the Industrial Workers of the World. I took an active part in helping raise funds for a second trial in San Francisco and addressed 91 unions of the American Federation of Labor. The unions of that organization are heartily opposed to the Industrial Workers of the World, but they felt as I did—that this trial was unjust. They contributed thousands of dollars to this fund. I have been interested in the labor movement in the past, but particularly with the American Federation of Labor, and never with Industrial Workers of the World, in whose principles I do not believe.

"During two years of the World War, beginning February, 1916, I was in Europe with my husband, Will Irwin, who served as a war correspondent. Even before the United States entered I was an active partisan of the cause of the Allies. After we entered I did my best to support the war by speeches—for which I received no compensation—by my writings, and by selling and purchasing Liberty bonds. When the war was over I joined the Woman's International League for Peace and Freedom, because I believe that war should be abolished—not by means of what is generally called "pacifism," but by organizing the world for conciliation. To that end I have been an active supporter of the League of Nations. I have been a member of the Woman's Party since its organization.

"INEZ HAYNES IRWIN."

Subscribed and sworn to before me this 13th day of February, 1926.

[SEAL.] CHARLES E. DAVIS,
Notary Public, New York County.

(New York County Clerk's No. 31, Register No. 7033.)
(My commission expires March 30, 1927.)

Mr. BLANTON. Mr. Chairman, I hope that all of my colleagues will read in yesterday's RECORD my discussion of the qualifications of the general counsel in the United States Veterans' Bureau. That is an official who directly affects the rights of every one of the 4,000,000 ex-service men in the United States. All of you colleagues have at heart the best interests of our ex-service men and you are interested in a position that can unjustly deny them their rights, and which has been unjustly denying the rights of the orphan children and widows of many ex-service men in almost every State in the Union.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. BLANTON. I will.

Mr. JOHNSON of Washington. I read the gentleman's statement in the RECORD.

Mr. BLANTON. Let me say that they are just illustrative of thousands of other cases.

Mr. JOHNSON of Washington. As I looked over the statement, it occurred to me that there appeared to be some doubt as to whether a certain signature might or might not have been a forgery. Is not the Veterans' Bureau, through its attorneys, entitled to look carefully into matters of that kind?

Mr. BLANTON. Look carefully? Yes; they should look carefully; but this was a case where a man signed his application in the presence of his wife and in the presence of an honored officer of the city, who has the respect of every person who lives in it.

Mr. JOHNSON of Washington. If the gentleman will yield further, he did not sign an application; he signed a letter.

Mr. BLANTON. No; it was an application for the reinstatement of his policy.

Mr. JOHNSON of Washington. With a money order inclosed, which amounted to the reopening of an insurance case. Then after he had done that and the letter was apparently on its way the man died by drowning.

Mr. BLANTON. Oh, yes; but he died four days after the letter was mailed and after the letter had been postmarked in the post office. The letter was postmarked in the post office on June 14, 1923, and the man did not die until June 19, 1923. Now, it seems to me there should have been no doubt about the signature when banker after banker, who had been in the business of passing on signatures for 25 years, said, "Yes; this is the man's signature; I know it; I would pay out any sum of money on that signature at any time." But I have not the time to go into that matter further. I merely want you to read what I put into the RECORD and I want you to read my discussion. I have given you the facts. There is not a lawyer of any consequence in the Veterans' Bureau to-day who has any respect for the legal opinion of the general counsel.

My friend from Alabama [Mr. OLIVER], who is an honored Member of this House and who is in charge of this bill on the minority side, knows what kind of a man Major Johnson is. He is one of the highest type of men in the land and a man preeminent for his legal ability. He speaks of this general counsel, who is over him, as a prospective lawyer and as one who has not yet learned the elementals of law.

Mr. JOHNSON of Washington. Will the gentleman yield again?

Mr. BLANTON. I yield.

Mr. JOHNSON of Washington. Is it not a fact that as a general thing in these departments the subordinates generally think they are superior to the chief and want his place?

Mr. BLANTON. This subordinate did not come to me. I went to him in my investigation of the department. The evidence I found, and which I presented to you, is evidence which I found in the department. It was no tale-telling business. I hope every colleague I have in this House will take 20 minutes and read my discussion and see if I have not presented it to you fairly.

Mr. WILLIAMSON. Will the gentleman yield?

Mr. BLANTON. I am sorry, but I must take up another subject.

I see my friend, the gentleman from Maryland, present, Colonel TYDINGS. The gentleman from Maryland [Colonel TYDINGS] has the interests of the ex-service men at heart, just like the balance of us, and I want to say this about Colonel TYDINGS while I have the opportunity. During the war, 7 miles north of Verdun, he was division machine-gun commander, a lieutenant colonel in the United States Army. On a hill about a mile and a quarter in diameter, in front of our line, was a German machine-gun nest with 45 active machine guns dealing death to the men in our line. Colonel TYDINGS thought he knew how to destroy it, and went to his commanding officer, Gen. LeRoy Upton, and told him exactly how he could destroy it if he had permission. He was turned down. He was told he would lose every man he had. But Colonel TYDINGS is the kind of Yankee who does not give up when he is first turned down, and he went back to him and insisted on being permitted in his own way to destroy that hill. Finally, General Upton gave him permission, and our colleague, Colonel TYDINGS, of Maryland, laid a barrage down that valley and carried his men around the edge of it and captured that hill, and there were only 25 of our men lost in the entire engagement. He captured every German on top of that hill, although most of them were dead when the position was taken. He captured also 65 German machine guns.

I can depend on an American like that to see to it that an inefficient general counsel can not stay in the Veterans' Bureau and deny the widows and orphans of ex-soldiers their rights, and I appeal to him and to the gentleman from Maryland, Colonel HILL, and the balance of the ex-service men in this

House to see to it that investigation is made of this situation in the Veterans' Bureau.

But I want to mention another matter. The Army and the Navy are not the only places where men are being retired young. This practice has gotten into the District government in Washington. We have on the police force in Washington a man who is a physical giant. He bears a pretty good name, too. His name is Robert E. Lee. He is a man 6 feet 2½ inches tall. He is a man who weighs 225 pounds. He is a man who has been in the police service 29 years. He is 55 years old, in the very prime of life. Tell me a man who is 55 years old is old enough to be retired! I am almost that age myself and I am active yet. [Applause.] Without having a single physical defect he was told the first of this year he was going to have to retire. Do you know why? There was a police doctor, named Murphy, who came to his house and insulted him and was ordered out. This police doctor threatened to get his job because of this incident, and another police doctor, who was a friend of this one, testified he ought to be retired because his health was bad.

I want to show you what kind of record was made in this case. Here is the assistant superintendent of the Metropolitan police, Charles A. Evans, testifying:

Q. How long have you known him?—A. Since he came in the department, in 1893, when he came to the eighth precinct.

Q. What kind of an officer has he been?—A. An A-1 private and sergeant. * * * I have noticed him for several years—we have had the Daughters of the American Revolution Convention here, we have the Red Cross Convention here, and other conventions, all of which require large details—large crowds. I have had him with me on the Avenue during the Shrine parade, the Holy Name parade, the Ku Klux Klan parade, and on every one of these occasions he was 100 per cent. I see him about his precinct, visiting his men; I don't see him in one section, I see him all over the precinct; he has good discipline, he has the respect of his men.

This is Major Evans, the assistant major and superintendent of police, who is testifying about this sergeant, Robert E. Lee. Listen:

I have seen him in crowds where it required a man with judgment, and he has always been able to hold up his own.

Here is the testimony of Capt. Ira Sheetz, who is the captain of this man:

I have known Sergeant Lee for about 24 or 25 years, ever since he has been in the department. I have never heard him complain about feeling ill; I find by the records that he hasn't had any leave since the years 1923, 1924, 1925, until the first of this year.

That was when this police doctor ordered him off of service.

Q. What about his sick record?—A. Hasn't had any over these three years until the first of this year.

Q. How does his physical condition impress you?—A. Well, it impresses me as being very good; in fact, I was surprised that he was ordered off, sick.

Then he says further:

He seems to be doing exceptionally fine with his work, a good, active sergeant, * * * man capable of taking charge of any condition which might arise.

Q. Could his work be done better by a younger man?—A. I don't think it would be possible to get anyone to do it any better than he is doing it.

Then Inspector Harrison asked this witness some questions, as follows:

Q. You have never noticed anything in the performance of his duties that would indicate that he was failing or going back?—A. Never have; no, sir.

Q. And there has been no complaint in the manner in which he has done his duties?—A. No, sir.

Q. And you have had no occasion to call his attention to any neglect of duties?—A. No, sir.

Q. From what you know of his condition you feel that he would be able to do street duty for a while yet?—A. Well, I should think so, Inspector.

Here is Captain Flather, another police captain, who testifies as follows:

Q. Are you acquainted with Sergeant Lee?—A. I am.

Q. How long have you known him?—A. Ever since he has been on the force.

Q. Served in the same precinct with him?—A. Yes, sir; he was with me in No. 3 while I was captain in No. 3.

Q. What do you know about his physical condition?—A. It is good; never lost any time, always on the alert, good sergeant; in fact, I heard Inspector Evans' testimony here and I corroborate Inspector Evans in every way and everything he said; an excellent sergeant and an excellent policeman when a private; never afraid to go anywhere, always out on the street, liked to be going all the time.

Here is the testimony of Lieutenant Ready, who is his lieutenant:

Q. You are acquainted with Sergeant Lee?—A. Yes, sir.

Q. How long have you known him?—A. We came on the force the same day, July 4, 1896; he was appointed ahead of me, in fact, on that day.

Q. In the same precinct with him now?—A. Yes, sir.

Q. What is your view as to his present physical condition for police service?—A. I have no possible way of telling his physical condition except by his acts around the station and his performance of his duty; he seemed always ready and willing to go, and always did go. I know he has been with me on details at the Auditorium several nights and stayed up there, stood it as well as men much younger than he was.

Q. Is he capable of performing full police work at the present time?—A. Yes, sir.

Q. Performed his work as well as anybody else?—A. As well as anybody; in fact, I always thought he was a very good sergeant.

Inspector Brown, another high police officer, says:

Q. How long have you known Sergeant Lee?—A. About 25 or 30 years.

Q. How long did you serve with him?—A. When first associated, he and I were both sergeants together at No. 4 precinct; and I was in charge of the precinct five years ago, and he was then sergeant at No. 3.

Q. Do you know how he has been performing his duties in the past year?—A. Why, performing his duties in a very satisfactory manner. I do not recall the exact date, the first part of December. I know I visited the auditorium; something was going on there, and he was the sergeant in charge at that time. I thought then he was unusually active—in fact, more active than some of the privates—in looking after traffic arrangements. I talked with him. He seemed to be in perfect health as far as I could judge.

Q. Have you not seen him during the present year?—A. Oh, every week, or very frequently. * * * That was up to the first part of December of last year.

Q. How was his physical condition?—A. I didn't see any change in him. The duties of sergeant in the third precinct are very difficult. There is such a large territory to cover, and to get over it a man has got to be pretty active; as a foot sergeant, he has to cover considerable territory. He has a large number of men to visit.

By Inspector Harrison:

Q. He always impressed you as being a very active, energetic sergeant?—A. Sergeant Lee is considered by myself and by other officials of the department as a very good sergeant, a very good officer.

Q. Never had any complaints from anyone relative to the manner in which he performs his duty?—A. No; I don't remember ever receiving complaints about the manner in which he performs his duty, or from himself about feeling bad, which would lead me to believe that he was in fairly good health.

Now here is the testimony of Dr. Grafton D. P. Bailey:

Q. You are a duly licensed physician and surgeon in the District of Columbia?—A. I am.

Q. How long have you been practicing?—A. Thirty years.

Q. Are you acquainted with Sergt. Robert E. Lee?—A. I am.

Q. When did you examine him?—A. Yesterday.

Q. What was the extent of your examination?—A. I examined his reflexes, his heart, his urine, prostate gland, bladder, abdominal cavity, and heart action, blood pressure, and the symptoms consequent * * * any diseases arising from these conditions. His physical condition is apparently very good.

Q. What did you find in regard to his heart action?—A. His heart action is very good. No valvular disease, and from a physical examination it was as good as the average man; there is nobody that is absolutely perfect after 50.

Q. Did you find any symptoms of nephritis?—A. None at all. The chemical examination showed no evidence at all of nephritis. He has no hardening of the arteries, consequently there is no danger from his present high blood pressure. If there was the accompanying hardening of the arteries, of course there would be danger with that much pressure against the weakened artery. That is why people get hemorrhage of the brain.

Then he was asked by Inspector Harrison:

Q. From your examination of Sergeant Lee do you think he is fit for street duty at the present time?—A. Yes, sir.

Q. Think he could stand up under the regular duties of a sergeant?—A. Yes, sir.

Q. And there would be no danger of bringing on further trouble?—A. So far as my examination went, absolutely none at all. There are thousands of people walking the streets every day with blood pressure.

Now, here is Inspector Pratt. Says he has known him for 30 years.

Q. Did you take any particular note of his physical condition?—A. No; I did not, because I never had any suspicion of anything wrong with him; thought he was a big, strong, healthy, strapping man.

Q. He appeared to be all right?—A. Yes, sir.

Then Inspector Harrison asked him—

Q. You have never noticed any slowing up in the performance of his duties?—A. No; as I say, on the occasions I have seen him he was apparently living up to every requirement.

Q. Capable of handling all the duties you assigned him?—A. I so considered him.

Now I want you to notice what foolish questions they asked Sergt. Robert E. Lee. They were trying to retire him at 55 years of age, when he was a physical giant, and in good physical health.

They said:

Q. What is your name?—A. Robert E. Lee.

Q. What is the date of your birth?—A. August 16, 1869.

Q. Where were you born?—A. Washington.

Q. When did you enter the police force?—A. I think it was in 1893.

Q. July 1st?—A. Along about there; yes, sir.

Q. Are you married?—A. Yes.

Q. Wife living?—A. Yes, sir.

Q. What was your wife's maiden name?—A. Emma V. Slater.

Now notice this question:

Q. What does the V stand for?

[Laughter.]

A. Vera.

What did his wife's middle name have to do with it?

Q. Where was she born?—A. Washington.

Then they ask what the age of his wife was. What did the age of his wife have to do with it? [Laughter.]

Q. How long have you been married?—A. Twenty-six or twenty-seven years.

Q. Where were you married?—A. Baltimore.

Now listen to this:

Q. Do you remember the name of the minister?—A. Yes, sir.

Q. What was it?—A. Freas, I think.

What has the name of the minister to do with it? Then this question:

Q. What is the denomination of the minister?—A. I don't remember.

Gentlemen, I want you to see how ridiculous this is. [Laughter.] The man testified that he did not want to be retired. He said he was in perfect health, comparatively. He has high blood pressure, but the doctor said there were thousands walking the streets with just as high blood pressure, and this man is in perfect health except for that. He has a boy in George Washington University who has almost finished, and he wants to study law. He says that if he is retired the boy will not be able to finish his course. But, gentlemen, because he made a little old police doctor mad, and finally ordered him out of the house, that police doctor got another police doctor to testify against this man. It is a damnable, infamous outrage.

Mr. WAINWRIGHT. Will the gentleman yield?

Mr. BLANTON. No; I can not just now. Now, gentlemen, I see this Sergt. Robert E. Lee up in the gallery. I want him to stand up. Does he look like a man that ought to be retired? [Applause.] He is a physical giant, and they are going to retire him and force his boy out of George Washington University because of it.

Do you know why he is retired? We have got the wrong man in the commissioner's office as police commissioner.

Mr. WAINWRIGHT. Will the gentleman yield?

Mr. BLANTON. In one minute I will give way. We have the wrong kind of a man as police commissioner. I placed all these facts before Commissioner Fenning and urged him to reopen Sergeant Lee's case and give him a square deal, but he refused, stating that he had already appointed another sergeant in his place.

He does not know good police duty from bad. He is too busy. He has too many other things to attend to. Do you know what he did as his first official act? Colonel Fenning called in a police inspector who had the respect of everybody in this District; called him into his office and he said, "Inspector Headley, you go to precinct number so and so, as captain, for I have demoted you," when in a short time Inspector Headley would have retired himself. Now, he is going to retire him on a captain's pay instead of an inspector's pay.

I have a resolution prepared that when Mr. Headley is retired he be retired as an inspector, in spite of Mr. Fenning's order, and I am going to ask you gentlemen to help me pass it. Fenning has no business to demote a man without some reason. He gave him no trial, no reason for it. Mr. Headley to-day does not know why he has been reduced.

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

Mr. BLANTON. I thank my colleagues for their attention. [Applause.]

Mr. ACKERMAN. Mr. Chairman, by direction of the chairman of the subcommittee, I yield 20 minutes to the gentleman from Pennsylvania [Mr. TEMPLE].

Mr. TEMPLE. Mr. Chairman, within the past few years interest has been revived in an old question which has been discussed from time to time at irregular intervals ever since the Constitution of the United States was adopted. That question is: Whether an act of Congress which is out of harmony with the Constitution can become the law of the land; and if not, what authority is competent to decide whether in fact such an act is in conflict with the Constitution. The courts have held that when a statute contravenes the fundamental law, it is the Constitution and not the statute which is binding on the court. The question is important, but in actual experience it is not so overwhelmingly vital as might be supposed from the controversy it has aroused. The exercise of the power of judicial review does not threaten the overthrow of our legislative system. Out of the many tens of thousands of statutes enacted by Congress since the Government was set up only about 40 have become inoperative because, in the judgment of the court, they were unconstitutional.

It is not my purpose now to review the arguments for or against the position of the courts; the opinion of Chief Justice Marshall in the case of Marbury against Madison, which has generally been considered the basis of existing practice, is famous, and on the other hand the current arguments against the doctrine of judicial review are almost equally well known. It is the present purpose rather to inquire what light may be shed on this exercise of authority by the courts by an examination of its historical origin. We can understand any institution or custom better if we know its beginning and the historical reasons for its existence.

The exercise of this power is inseparably connected with written constitutions, which are charters intended to safeguard the rights of individuals by limiting the powers of government. Such governmental charters are of American growth, and have had in this country their most characteristic development. With the overthrow of her ancient line of kings, France adopted the American idea of the written constitution and spread it abroad throughout Europe in the Revolutionary period which began in 1789. Since that time it has extended almost throughout the earth.

The first constitutions of the American Colonies were charters much like the charter of a modern commercial or industrial corporation. The custom prevailed in England of granting to trading companies, especially to those which were to do business in distant or undeveloped parts of the earth, charters which conferred powers partly commercial and partly governmental. Such was the charter of the East India Co., a trading corporation organized in the year 1600, which for a long time, under the powers conferred by its charter, besides engaging in commerce governed great areas in India, maintaining armies, making treaties, enacting laws, and setting up courts for their enforcement. These vast powers of the East India Co. were exercised in such a way as to involve Great Britain in disastrous wars in the oriental Empire, and in 1858, after the Sepoy Rebellion, the governmental powers of the company were transferred to the Crown, and the company was required to confine its energies to commercial enterprises. In these it is still successful.

The British South Africa Co. had a similar history. Organized primarily for trading purposes, the exercise of the governmental powers conferred on it by its charter led to the Jameson raid and the South African War of 1899. The creation of the South African Union left the British South Africa Co. no powers but those of a business corporation.

The early American Colonies were created by charters very similar to those of the trading corporations already mentioned. The Virginia Co., organized but little later than the East

India Co., was also a joint-stock trading corporation with incidental powers to govern the colony it was intended to establish. So also the company chartered March 4, 1629, under the name of "The Governor & Co. of Massachusetts Bay," was an enlargement of the earlier Dorchester Co., organized to carry on the business of trading and fishing.

In the course of time and by the progress of events the commercial powers of these American companies came to be less and less exercised and their powers of government extended. The charters of the later Colonies were almost or altogether wholly governmental, and some of them were so satisfactory that certain Colonies continued to govern themselves under their colonial charters for many years after they became States of the Union. Connecticut, for example, had until 1818 no other constitution than the charter issued by Charles II, and the people of Rhode Island until 1843 governed themselves under a charter granted by a British King.

These charters granted definite and limited powers, just as the powers now given to commercial and industrial companies are defined and limited by their charters. Then, as now, if the board of directors exercised powers not conferred by the charter, the courts had authority to declare that the acts exercising these powers were void because the company had exercised functions not authorized by the charter. Such an act of a corporation is said to be ultra vires; that is, it is not within the scope of the powers of the corporation or of the board of directors without the consent of those whom they represent.

Some of the charters granted to the companies to be established in America authorized them to set up legislative bodies and empowered the legislatures thus created to enact laws. It was provided, however, in the charters that the laws so enacted must not be in conflict with the laws of England and must be within the powers conferred by the charter, and an act of the legislature that went beyond these restrictions should be void. An act of the colonial legislature could be tested in two ways. It could be appealed to the King in council, which meant to the committee of the privy council organized to deal with such matters, or it could be carried up by appeal from the decision of a colonial court.

Numerous examples might be cited of acts of colonial legislatures thus tested and declared invalid. In 1677 the committee of the privy council declared three acts of the Virginia Legislature void because they were in excess of the powers conferred on Virginia by the charter. Similarly enactments by Rhode Island in 1704, by Connecticut in 1705, by North Carolina in 1747, by Pennsylvania in 1760, and by Massachusetts in 1772 were nullified on the ground that they were in conflict with the colonial charters.

Thus the people of America, before the Revolutionary War won for them a recognition of their independence, had long been familiar with the doctrine that a legislative enactment is void if it is out of harmony with the fundamental law by which the powers of the legislative body are defined. More than once, in the controversies that grew up under the stamp act, American courts even turned the practice against obnoxious acts of the British Parliament. On one occasion, in 1776, the clerk and other officers of the court of Northampton County, Va., appeared before the bench of judges and moved for an opinion on two questions: Was the law of Parliament imposing stamp duties in America binding on Virginia? Would they, as officers of the law, incur any penalty by not using stamped papers? The judges were unanimously of the opinion that the law did not bind, affect, or concern the inhabitants of Virginia—

> inasmuch as they conceive the said act to be unconstitutional. (McMaster, Vol. V, p. 394.)

Another case, which also was prior to the Declaration of Independence in 1776, occurred in Massachusetts. Judge Cushing, then a Massachusetts judge but afterwards a Justice of the Supreme Court of the United States, charged the Massachusetts jury to ignore certain acts of parliament as void and inoperative. (Quincy Early Massachusetts Reports, pp. 495–462.) Instances might be multiplied but these are sufficient to illustrate the fact.

The first time a United States court held an act of Congress to be unconstitutional was not in the often-cited decision of Chief Justice Marshall in the case of Marbury against Madison, but 11 years earlier, within 3 years of the creation of the Government. By the act of March 23, 1792, it was provided that the circuit court of the United States should pass upon designated claims of certain pensioners, subject to revision by the Secretary of War and by Congress. When the first case under this act came before the circuit court, sitting in New York, Chief Justice Jay and Justice Cushing, the court held that the act assigned to the judges nonjudicial duties which Congress had no constitutional authority to require of them, especially as their decision was subject to review by the Secretary of War and by Congress, neither of whom had any right under to the Constitution to review any authorized action of the court. The judges, however, avoided a conflict between the judicial and legislative branches of the Government by signifying their willingness to perform the duties, acting not as judges but as commissioners appointed by Congress to perform this work.

The practice of judicial review of legislative acts and of declaring a statute null and void if it goes beyond the powers conferred on the legislative bodies by the Constitution or charter under which it acts, is not a usurpation of authority by the courts nor was it invented by the Supreme Court of the United States. It is much older than the decision in the case of Marbury against Madison in 1803. It is, in fact, a very ancient power, and has been exercised by the courts ever since charters were granted to limit and define the powers of the organization created by the charter. It is the power which insures that the Constitution shall be indeed that which it is often called, the charter of the liberties of the people, because it is the power which defends those liberties against ill-considered or perhaps even tyrannical action by a temporary majority in the legislative body.

The people have not trusted Congress nor any branch of the General Government of the United States with unlimited powers, but only with such powers as are delegated to it by the written charter. To use the language of the Constitution itself—

> the powers not delegated to the United States by the Constitution nor prohibited by it to the States, are reserved to the States, respectively, or to the people.

The Supreme Court of the United States is the lawfully constituted authority which, when necessity arises, is to determine whether an act of Congress goes beyond the power conferred on Congress by the Constitution which created it and which sets bounds to its authority. [Applause.]

Mr. OLIVER of Alabama. Mr. Chairman, I yield 25 minutes to the gentleman from Georgia [Mr. UPSHAW].

Mr. UPSHAW. Mr. Chairman and gentlemen, on the 22d day of February, a day that should always be given over to the contemplation of everything that makes for the ennobling of our youth and the building of American citizenship, the Nation's Capital witnessed on one hand a city-wide celebration of Washington's Birthday by patriotic and civic organizations and even in temples of worship, calling attention to everything that was wholesome and inspiring in Washington's life and achievements—while on the other hand the friends of liquor and the enemies of constitutional prohibition held their convention for the express purpose of pouring outlawed beer and liquor all over the American flag.

And on the following morning the front pages of both Washington papers carried over against each other the great speech of President Coolidge before the national convention of educators, portraying Washington as a great, patriotic, moral, and spiritual force in founding and building this Nation—and then that travesty and tragedy in one, the story of the celebration of the "wets," who were addressed by Senator EDGE, of New Jersey, as "Fellow Nullificationists," and who, under the leadership of Hon. JOHN PHILIP HILL, listened in gloating glee to Washington's recipe for making beer, written away back in 1757, before the realization of his future responsible leadership had dawned upon him.

Such a miserable performance was in keeping with the recent efforts of a certain literary cormorant who tried to prove Washington habitually profane, in face of his deeply religious Farewell Address, which we reverently heard read in this Hall on his birthday, and his withering rebuke of profanity in the Army, which I had the honor of reading here at the close of that eventful day. Such efforts to throw mud on the polished shaft of Washington's immortal name and imperishable fame make us think of that big, black vulture that hovers over an unclean carcass in preference to food that is clean and pure.

And behold the climax of this shameful procedure by the publication on the front page of the Washington Post, on Tuesday, of a facsimile of this recipe in Washington's own hand. Such a publication, backed by the prestige of Washington's name, appearing on the front page of the supposed mouthpiece of the administration, as read at that wet banquet by the gentleman from Maryland [Mr. HILL], can have nothing but a hurtful effect upon the homes and the youth of America. I agree with Mr. BLANTON, of Texas, that, regardless of its authorship, this publication is a clear violation of the law, and the offending paper ought to be prosecuted.

WASHINGTON WOULD HAVE OBEYED THE LAW

Let me say this to the "nullificationists" who are trying to use the name of Washington to boost their unholy cause, when Washington wrote that beer recipe it was not against the law. But we know enough about this heroic and immortal man, as revealed by his glorious achievements and enjoined in his Farewell Address concerning obedience to law, that if he were living now he would not violate the amended Constitution of the Nation he helped to establish. The man who called out the Army to put down the "rum rebellion" in Pennsylvania would not conspire with a bootlegger to trample the Constitution and defy the flag, and if necessary he would call out both the Army and the Navy to put down this modern "rum rebellion" at home and sink every pirate liquor ship to the bottom of the sea. [Applause.]

"WET" SENATOR ON THE RADIO

In a close juxtaposition to this unpatriotic Washington's Birthday performance was the radio speech of Senator EDWARDS, of New Jersey, who followed up his charge in his recent Wilmington speech that the Anti-Saloon League and its supporters are "conscienceless hypocrites and fanatics," and that Wayne B. Wheeler, chief counsel and legislative superintendent of the league, is "an arch traitor to freedom." The papers thus reported him, but he says now he softened his actual speech. But, of course, he still thinks what he first wrote.

With such a monstrous statement against decent, sober, God-fearing patriotic citizens already in his "wet" soul and system, I am glad it came out somehow outside the Senate Chamber, for if spoken there I would have been estopped by certain mandatory amenities from saying what I think; but as these outrageous utterances were made outside the Senate, I can say what I "gentlemanly please" about them, my only trouble being that of the old farmer who lost all his apples while his wagon went up the hill. The mischievous boy who had lifted the wagon gate so the apples would roll out asked, "Why don't you cuss, mister?" And the old farmer, scratching his head, replied: "Because I kaint do the subject jestis."

I simply can not find language to express my condemnation of such a groundless and outrageous charge against the sober, patriotic masses of Americans who believe in and practice prohibition, and their trusted leader, Wayne B. Wheeler, whose chief crime in the eyes of the "wets" is the fact that he has given himself unselfishly since his college days to a truceless warfare against the liquor traffic—first legal, now illegal. Wayne B. Wheeler is human, and here and there he may have made mistakes of judgment, but I think I have never known a man in such a responsible, trying position to make so few mistakes. And one thing is certain—with the merciless searchlight of his liquor critics thrown on him for more than 30 years, they have never been able to find one crooked step he has ever taken or one fleck upon his name.

And yet this New Jersey Senator who boasted that he was elected on a platform "as wet as the Atlantic Ocean" spreads the newspaper charge all over America that "Wayne B. Wheeler is an archtraitor to freedom."

Such raw, wretched language from a "wet" United States Senator concerning a man who is fighting valiantly for the sobriety of American youth reflects no honor on the State that bore him, and certainly no luster upon the august body to which he belongs; but the chief tragedy in such language from a Member of the United States Senate is the fact that it seeks to break the power of the forces of righteousness, and gives encouragement to a mongrel mass and mess of rum runners, lawbreakers, and liars who would rather see Wayne B. Wheeler dethroned, perhaps, than any other man in America.

THE "WETS" THINK WRONG

This outrageous language concerning our "dry" leader, who is as clean as he is keen, and as knightly as a woman's ideal, is only another illustration of the fact that whether a man drinks liquor or whether he "thinks" liquor, it warps his reason and annihilates his loyalty to all that is highest and best.

The speech of the gentleman from Massachusetts [Mr. TINKHAM] yesterday is a case in point.

In all that pitiful compilation of indictments against our prohibition law—its essence and its operations—there was a superabundance of free advice concerning the "fanaticism" and "insincerity" of prohibitionists. And one Roman Catholic prelate whose name I did not catch as the gentleman from Massachusetts began to read, ran thoroughly amuck with the sweeping and unqualified declaration that "prohibitionists habitually practice misrepresentation."

RECKLESS LANGUAGE OF A "WET" CARDINAL

I confess to a hasty display of temper and a worthy expression of righteous indignation for which I can find no word of apology after the cooling processes of a good night's sleep. The truth is, since I have had time to cool off, I am hotter than ever. My first impulse as I heard the statement read was to say, "That is a miserable lie," and now in the clear light of a new day I am fortified in the conviction that such a charge against prohibitionists is stupidly and inexcusably false. Some generous and conservative colleague rushed to me after adjournment and urged me to withdraw the language, but as the trusted representative of actual millions of sober, God-fearing Americans, I would feel like a coward if I were to fail to brand such an indictment of my faithful comrades, both seen and unseen, as miserably and palpably untrue. "But," said another honored colleague, "you surely don't want to say that about the statement of a cardinal." I answered, "Let the cardinal withdraw the foolish and cruel charge that the great army of white ribbon women and men with whom I have trained for a generation are habitual lawbreakers and liars. Whether it be a Cabinet officer, a United States Senator, a Methodist bishop, a Baptist evangelist, a Presbyterian doctor of divinity, the Archbishop of Canterbury, or the Pope of Rome, I don't propose to allow any man to declare, without my indignant protest, that the stalwart, God-fearing men and praying handmaidens of God who fought for prohibition on their knees as well as at the ballot box, are given to the 'habitual practice of misrepresentation.' In other words, these wet leaders say that my dry comrades are hyprocrites and liars, and I answer traducers high and low, 'You are another.'"

This unwarranted indictment from this Roman Catholic dignitary strikes at the treasured faith and practice of many of his own people. There are thousands of sober, sincere Catholics in my home city of Atlanta and all over America who believe in prohibition, who voted for prohibition, and who practice what they preach.

Monsignor Cassidy, of Fall River, Mass., who has fought liquor and liquor shops for 25 years, recently took sharp issue with Cardinal O'Connell in a speech before a Catholic total abstinence society, declaring that he was in no sense responsible to this "wet" cardinal and that he proposed to obey his own conscience before God in fighting humanity's greatest curse.

I remind you that loyalty to liquor wipes out all sense of party and national loyalty. Liquor will change a Republican into a Democrat overnight. [Laughter.]

Mr. BLACK of New York. Well, that is all right.

Mr. UPSHAW. And worse than all, from my standpoint, it will change a Democrat into a "blooming" Republican. Of course that word "blooming" means beautiful. [Laughter.]

Mr. BLACK of New York. Does the gentleman refer to the gentleman from Massachusetts [Mr. TINKHAM]?

Mr. UPSHAW. I will come to him directly. For instance, in that ingenious compilation yesterday read by the gentleman from Massachusetts [Mr. TINKHAM], in which newspapers and church dignitaries were called upon as witnesses against our constitutional law, it will be remembered that all along there were scathing references to the Anti-Saloon League; there were indictments, if you please, against organized righteousness as if there is anything wrong or culpable in God-fearing men organizing, not as churchmen but as citizens, to try to influence legislation as they see fit.

THE GOVERNMENT AND MORALITY

Our "wet" friends continuously rise up and say "You can not make men moral by legislation." Nobody believes that better than we, but we answer that inasmuch as no nation can live without morality, it is the part of Government to stand by the door of every home and every school and every church and strike down the wolves of immorality that are crouching to destroy the children without whose moral stamina this Republic can not live.

Mr. TINKHAM will remember that I stood for his having a square deal, and he knows that I am his personal friend. He knows mighty well that I would not harm a hair of his head. [Laughter.]

Mr. TINKHAM. I have not many to spare. [Laughter.]

Mr. UPSHAW. But if he makes himself the vehicle of outrageous charges against my crowd and against my cause he must not complain if a machine gun peppers and punctures his rotund personality. [Laughter.] In one of those compilations he read from an archbishop or a cardinal—I did not get the name, and have not gotten it yet, so there is nothing personal in it—in which a statement was made that prohibitionists habitually misrepresent the facts. I was stirred within me. The Bible says "as much as lieth within you live peaceably with all men." It does not lie within me to live peaceably

with a man who charges that the great God-fearing masses of patriotic men and women who fought for this law through generations, on their knees as well as through the ballot box, are habitual prevaricators and liars. [Applause.]

And I said in my haste something of which I later somewhat tried to repent, for I do not love to use harsh language; but the thing would not work. You will remember that when Mr. TINKHAM read that outrageous charge I rose and said, "That statement of a Catholic prelate that 'prohibitionists habitually misrepresent' is a miserable lie, and I will more amply pay my respects to it to-morrow." One of my colleagues rushed up and said, "You do not intend for that to stand, do you? Would you say the cardinal told a lie?" Frankly, I did not want to. But he called me one first. He began on me first. It reminds me of an old picture, the first I ever saw in an almanac, where an old Irish washwoman turned and saw her boy scratching his head, and she said: "Mike, Mike, stop scratching yer head!" And Mike grinned and replied: "I won't do it, ma'am; they commenced on me first." I thought about it during the night, and the more I tried to cool off the hotter I got. The utterly inexcusable declaration that prohibitionists as a rule falsify facts might have been expected from a saloon keeper or the president of a brewers' association, but it is a patriotic and spiritual tragedy coming as it does from a religious leader.

But if my startled colleagues still insist that I ought to use more temperate language, I reply that these wet calumniators of my dry comrades are as careless about the truth as General Sherman was "careless about fire" when he marched through Georgia to the sea. The truth is, gentlemen, I have been listening to this wholesale slush, in Congress and in the press every day, charging "lying hypocrisy" to prohibitionists until I am mighty "blooming" tired of it. Wet leaders claim the inalienable right to call us all the bad names and charge us with all the high crimes in the catalogue and the decalogue, and then if we reply in kind they throw up their hands in holy horror and charge us with extreme language. When somebody says, "You ought not to use such strong language," I can only answer that if some man will invent a language by which I can express my disapproval of a statement that is utterly untrue concerning the decent, God-fearing people of this country, who believe in prohibition, I will be glad to adopt it.

THE WRONG END OF THE DOG

I am reminded of that old Presbyterian preacher who said he always felt like the Lord ought to have invented some kind of language by which a man could express intense feeling without its being called profanity. [Laughter.] I have never "cussed" since I was converted and joined the church, but I remember Talmage said that there were times when he "did not feel very devotional." And I do not feel "very devotional" when I remember that on this floor time and again, and all over the pages of the papers of this country, men like Senator EDWARDS in his radio speech and Senator EDGE in his speech before that "wet" convention make wholesale charges of narrowness and insincerity against the patriotic prohibitionists of this country. And here on this floor we have heard over and over again the Anti-Saloon League charged with being an illegal organization with unpatriotic purposes.

Now, our friends on the other side say, "You must let us say all of these mean things we want to, but if you dare to answer in kind, we will charge you with using intemperate language." It makes me think of the woman who rushed out to a passer-by who used the sharp end of a pitchfork on her bulldog when he dashed at the man. And she said, "Why didn't you use the other end on my dog?" and he answered, "Madam, why didn't your dog come at me with the other end?" [Laughter.]

ANSWERING GEORGIA'S CRITICS

It has been a favorite alibi for "wet" protagonists who can not defend their personal or political opposition to a duly constituted law, to point away from their own black spots of lawlessness to the failure of prohibition in the home State of some well-known dry. But that does not get anywhere. It only shows that the malignant appetites born of the old saloon days are still defying the flag whose protection they invoked.

Occasionally, on this floor, and frequently from the columns of the Baltimore Evening Sun and other wet papers, the "Gentleman from Georgia" is asked to sweep before his own door. An occasional ebullition on that line has come from each Member of the great wet triumvirate, Messrs. TINKHAM, GALLIVAN, and HILL.

Yesterday I wired Governor Walker, of Georgia, and Dr. Marvin Williams, the brilliant and popular pastor of Wesley Memorial (Institutional) Church, to send me an estimate of the general prohibition situation in Atlanta and Georgia. Their replies follow:

DRUNKENNESS STEADILY DECREASED

ATLANTA, GA., *March 8, 1926.*

Hon. W. D. UPSHAW,
Washington, D. C.:

Referring to statement as to drunkenness and crime in Atlanta and Georgia, the real facts are that drunkenness has steadily decreased in all walks of life, save, perhaps, the wealthy society folks in cities. There is practically no sentiment in Georgia for change in the prohibition laws. An ambitious young lawyer here announces for light wines and beer, but he admits that he has no hope of winning. If any definite facts are desired, the record shows that on last Christmas Eve, the day of greatest relaxation in the South, there was not a single arrest for drunkenness and not one prisoner confined in the city of Brunswick, a port city. A light wine and beer bill was introduced in the Georgia House of Representatives two years ago. On the following day a resolution was introduced in the Senate deprecating the agitation of the subject, and this resolution was passed by unanimous vote.

CLIFFORD WALKER, *Governor.*

PROHIBITION VAST BLESSING

Better class of citizens almost unanimous. Prohibition vast blessing morally, financially, and every way. Proof, we keep sending you back to Congress. Open barrooms would bring hell back.

MARVIN WILLIAMS,
Pastor Wesley Memorial Church, Atlanta, Ga.

W. T. HUNNICUTT,
Presiding Elder.

[Applause.]

Whatever crime statistics the wets may quote against Atlanta, let it be remembered that Atlanta's moral standards are so high that we arrest people down there when they even smell like they have had a drink of Baltimore booze. [Laughter.]

But over against every charge from every wet politician from the big wet centers, which they seek to use as an alibi for their own devilment, I offer a record of wholesome prosperity which, as Henry Grady used to say, "the mind of man can neither measure nor comprehend."

Back in 1908 and 1909, when we banished barrooms by State action, Atlanta's building permits leaped from $4,000,000 to $10,000,000, and the growth of the city since then has almost broken the adding machine to record its volume, the population climbing from 150,000 to nearly 300,000, with bank clearings and postal receipts topping everything in the broad expanse of the marvelous South. For fear some of you may still be unable to comprehend the magnificence and the magnitude of the growth of Atlanta under prohibition, I will emphasize what I told some New England banqueters: You good people up here on the rim of civilization, so far removed from the center of the world's activities, may not know just where Atlanta is and what it is. I'll tell you that I have the honor of representing the capital city of those five famous Georgia products—Ty Cobb, Stone Mountain, "Hot Air," Coco Cola, and the Ku-Klux Klan! [Laughter and applause.]

And I must add to that list of Atlanta celebrities and commodities—Red Rock, Nu Grape, Mi-Grape, Grape Dew, Big Boy, Pay Day, Karnak, SSS, "Anti-Kink," Dodson's Livertone, B. B. B., White Hickory Wagons, Young Stribling, Tiger Flowers, Watt Gunn, and Bobby Jones. I tell you, my comrades, it is some honor to represent such a dry district, of which Atlanta is the capital—the greatest city of the greatest State of the greatest Nation on earth. [Laughter and applause.]

Mr. HILL of Maryland. Will the gentleman yield?

Mr. UPSHAW. Pardon me, I can not right now.

Mr. HILL of Maryland. I thought the gentleman would not care to yield.

Mr. UPSHAW. I yielded to the gentleman one time here, when he said he would sign an agreement never to touch liquor until the prohibition law was modified and repealed, and when I yielded he would not sign the pledge.

Mr. HILL of Maryland. No; the gentleman yielded when I said I would sign if the rest of the Georgia delegation would sign, and the gentleman did not have enough influence to get the rest of the delegation to sign, and——

Mr. UPSHAW. I had no control over my sober colleagues. I signed, but the gentleman from Maryland would not. He must have had reasons satisfactory to himself.

TINKHAM, GALLIVAN, AND HILL

And now comes the great triumvirate of unconstitutional wetness, the gentlemen from Massachusetts, Messrs. TINKHAM

and GALLIVAN, and the gentleman from Maryland, the Hon. JOHN PHILIP HILL, who glory in the political activities of the Association Against the Prohibition Amendment, and who excoriate the political activities of the Anti-Saloon League. They declare that the league of the drys, which raises unselfish money for prohibition enforcement, with the avowed purpose to defeat every wet man possible and elect every dry man who pledges allegiance to the eighteenth amendment—oh! they say that this dry organization is meddlesome, meticulous, and inimical to the very genius and spirit of American freedom; but they crown and coddle and support such organizations as the Association Against the Prohibition Amendment and the Rational League of America as the summum bonum of all things holy and patriotic. [Applause.]

Recently that gay and debonair Democrat, Mr. GALLIVAN, gave a free vaudeville performance on the floor of this House in which he went into spasms on patriotic retrenchment concerning certain questionable performances of certain dry agents in their efforts to catch a stylish law-breaking hotel. He vamped and he stamped—he discussed and almost "cussed" the Anti-Saloon League and Wayne B. Wheeler for raising money and dedicating their patriotic efforts to the support of the sober Constitution of the United States. And while the genial Mr. GALLIVAN held the interested attention of his colleagues here and especially the "wet" galleries of brilliant and blase Boston, those two stalwart Republicans, Messrs. TINKHAM and HILL, were seen sitting over there near each other, with their faces as radiant as new moons, acting as joint chairmen of the committee on applause. There, my countrymen you see what unconstitutional wetness will do—this brilliant Democrat and those titanic Republicans shake their fists at each other across the aisle on questions of economics and general party policies, but they rush into each other's arms on the question of liquor and weep or laugh as the case may be—on each other's bosom—they sleep in the same "wet" bed [great laughter and applause]—they cover with the same wet cover, vote the same wet program, and are like three falling raindrops which so beautifully coalesce that the identity of one is lost in the identity of the others. [Laughter.] There is only one grim comfort for my dry Democratic soul in this tragic contemplation, and that is the fact that in this great wet triumvirate, the Republicans outnumber the Democrats two to one. [Laughter and applause.]

"WETS" UTTERLY ROUTED

After all the boasting of this bipartisan, wet triumvirate in this House, after all the boastful prohecies of the Association Against the Eighteenth Amendment that the "wets" would hold the balance of power in this Congress, the prohibition sentiment is stronger than ever. These prophecies were made when they were raising money for their campaign expenses. After all their vain boasting, even since this Congress was elected, that they had made great gains, behold the "57 varieties" could muster only 59 to sign that pitiful demand for constitutional nullification. The truth is that every test vote will show that this Congress is dryer than the last, and the damp defamers of our sober Constitution are in a condition of ignominious defeat, and the desolation of night without a single star is now upon them.

MODIFICATION MEANS NULLIFICATION

The aroused and decent observers of America know that modification of the Volstead law—I mean its weakening modification—would mean its ultimate nullification.

In a sane, honest editorial the Pittsburgh Gazette-Times, under the caption "Beer means whisky," declared that the "beer and wine proponents might as well 'shell down the corn,'" that the unbridled opening of breweries and the saloons which would handle the output, would be the open door through which high-powered beer and hard liquor would flow unrestrained. And at that big "rum rebellion" banquet, which was held in Pittsburgh a few weeks ago, where the gentleman from Maryland, the Hon. JOHN PHILIP HILL, was heralded as the honor guest, the chief attraction and the great dazzling "wet" hope of that modern "Feast of Belshazzar with a Thousand of His Lords," the mask was thrown off, and in the presence of a high official of the Association Against the Eighteenth Amendment, they openly admitted that mere modification was not what they wanted—that their ultimate goal was the repeal of the eighteenth amendment. And yet, all of us have seen those flaming letters and circulars of this brazen organization soliciting funds to carry on their debauching propaganda, "Beer and Wine Now—No Saloons Ever."

The "57 varieties" of bills introduced last year called for 2.75 beer, while the Anti-Prohibition News, published in Pennsylvania's capital city, is honest enough to admit that 2.75 beer has not enough kick to suit the descendants of William Penn and the constituents of your Uncle Gifford Pinchot and your Uncle Andrew Mellon, and on this flaming circular, which I now hold up before the watering mouths and tear-dimmed eyes of my wet colleagues, Bob Rhedans, with a face handsome enough to be battling for a better cause, says, "Citizens of America, awake. It is now time to rekindle the Torch of Liberty!" While, beneath this picture of a foaming mug of 4 per cent beer you see the "wet" call to arms "Worth Fighting For."

CLASH OF PROGRAMS

O my countrymen, my feelings overwhelm me as I see this clash of programs in the internal, diurnal, nocturnal, supernal, eternal, and infernal ranks of those who, sitting astride beer kegs, wine cases, and liquor barrels, are leading this revised and enlarged edition of a modern "rum rebellion" against the Constitution of my country. And, as a further rebuke to the pitiful "pacifism" of the mild. "two seventy-five per centers," the handsome features of Governor Ritchie, of Maryland, beam from the front pages of every newspaper in America—this governor whose State has not even joined the constitutional union in support of this constitutional law. As he takes his place beside the popular Governor of New York, who led his great State to secede from the Constitution of the United States by wiping out its supporting statute—Governor Ritchie, who suffers Chicago politicians to fan to flame that unholy spark within his bosom that would dare thwart the White House dreams of "Alfred the Great"—Governor Ritchie, mind you, issues a platitudinous pronunciamento declaring that our Constitution is all wrong and the eighteenth amendment is a meddlesome blot on the fair escutcheon of American liberty.

It is a palpable puzzle how he forgot to impale the nineteenth amendment, granting equality of citizenship to women, when we remember that that amendment to our organic law was passed by the bare majority of 36 States; while the eighteenth amendment, after generations of education and agitation, went into the Constitution backed by 46 out of the 48 States—the most overwhelming majority that ever indorsed a constitutional amendment since Columbus discovered America or Washington crossed the Delaware. [Applause.] If Governor Ritchie had his way, "the prohibition question would be returned to the States"—simply a soft way of saying that the eighteenth amendment would be repealed; and that would open the floodgates of liquor in every "wet" State, bring again the slime, the crime, the corruption of American breweries into our political, social, and moral life, and throwing again before the plastic youth of America the horrible saloon, with its inseparable accompaniments, the gambling hall and the house of shame—the gilded, debauching saloon that was the trysting place of anarchy, the companion of the brothel, and the gateway to hell. I tell you, my fellow Americans, with 15,000,000 women citizens, with their regnant consciences and their spotless ballots turned loose at the polls—to say nothing of the sober, militant manhood of America, who enacted prohibition without the votes of the women—I tell you there is no more chance for a man of such ideals to enter the White House of this Nation than there is for an unregenerate sinner to go through the pearly gates without being born again. [Applause.]

PROFOUND IGNORANCE OR SOMETHING WORSE

In face of facts like these concerning the constitutional security of the prohibition law and the proven temper of the great God-fearing, sober masses of the American people, I charge that political leaders who attempt to make the people believe that this law can either be repealed or weakened by modification are either profoundly ignorant or shockingly insincere.

Why not tell the truth to your people? Tell them the whole truth and nothing but the truth. Why not make a new draft on their faith and loyalty by being frank with them and then proceed to make your campaign for election on the dignified basis of governmental economies and other great national policies?

That would be statesmanship—that would be worthy leadership. And the tragic need to-day of our American youth—the only material out of which we can build stalwart citizens—is the brave and wholesome example of public men—men who are fearless, patriotic leaders, and not hesitating, vacillating, equivocating, and then fabricating politicians.

I would fascinate every citizen possible to take an active part in politics, and every young man especially, to count the holding of office not only a worthy honor but a sacred trust; but I would urge every one who ever runs for office to remember that safe lesson taught me around that dear old family altar: "My son, never debate the question between right and wrong."

Only officials with such a "regnant conscience" are worthy of the trust of the people who elect them and a safe example for "young America."

Having called the attention of this House to the utterly routed condition of the wets, I indict the Association Against the Prohibition Amendment, whose literature I hold in my hand, for colossal inconsistency and unreliability. Charging all sorts of unholy things against the Anti-Saloon League for political activities, we have caught them, red-handed, raising a big slush fund for their own political schemes. And I ask again: Where is that growth which they prophesied? Consider again the "unofficial committee" of these wets. How they would have rejoiced to have a round hundred, but they could muster only 60. And hear again the dulcet tones of their duly elected chairman, the gentleman from Maryland [Mr. HILL], saying that "the modification of the Volstead law is inevitable." [Applause.] Please note that nobody applauded that remark of his, except the gentleman from Maryland. [Laughter.] Come ahead and modify, if you can. Where is your boasted strength? [Applause.]

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

Mr. OLIVER of Alabama. I can give the gentleman 10 minutes.

Mr. UPSHAW. I thank the gentleman.

Mr. GRIFFIN. Mr. Chairman, I have 30 minutes allowed me. I will allow the gentleman from Georgia five minutes of my time.

Mr. UPSHAW. You are a gentleman. Thank you.

The CHAIRMAN. The gentleman from Georgia is recognized for 15 additional minutes.

Mr. UPSHAW. Behold the "monumental cheek" of the wet organizations of the country that are sponsored by most of the wets in this House. Listen: Growing red in the face at the very mention of the Anti-Saloon League, just see how we have "caught them with the goods on."

What do we find? Here is a photostatic copy of a letter from the Association Against the Prohibition Amendment, dated March 16, 1925, in which we find these delectable words:

Wm. H. Stayton, national managing vice president; G. C. Hinckley, national secretary and treasurer. Suite 409 Lenox Building, 1823 L Street NW.

NATIONAL HEADQUARTERS ASSOCIATION AGAINST
THE PROHIBITION AMENDMENT (INC.),
OFFICE OF THE NATIONAL SECRETARY,
Washington, D. C., March 16, 1925.

Mr. ——— ———,
———, ———,

DEAR MR. ———: Are you aware that the organized movement to repeal or substantially modify the prohibition laws is gaining great momentum throughout the country and that every indication points to success within a comparatively short time?

Two circulars are inclosed. One of them deals with the progress of the antiprohibition movement. You will be surprised to learn of the reverses that the Anti-Saloon League has met with this year.

The other circular (the yellow one) gives the names of many prominent people affiliated with us and tells something of our activities.

It costs us, on the average, $1,500 to organize in a congressional district effectively enough to win a Congressman there (see the white circular inclosed).

Will you be one of three $500 contributors to take care of one district?

Or will you be one of fifteen $100 contributors?

We much hope that you will fill out the attached blank for as large an amount as you can afford to. You will save in reduced taxes after the Volstead law is modified whatever sum you contribute now.

We are going to win anyway, but we can win more quickly and more decisively with your help.

Very sincerely yours,

G. C. HINKLEY, *National Secretary.*

This is the incontestible evidence against them. We drys admit that the Anti-Saloon League was born to put the saloon out of business by clean political methods and is staying in business to keep the wets out. That is our job. Our subscription cards state this fact open and above board.

Mr. HILL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. UPSHAW. Not now. Wait until I get all the evidence before the jury, and then I will yield.

Mr. BLACK of New York. It should be stricken out as irrelevant. [Laughter.]

Mr. UPSHAW. Let me read a few words to you from this other communication:

We have not the available funds. We can not make our plan of campaign until we know what to expect. Won't you send your subscription with the blank inclosed?

As our friend from Massachusetts [Mr. GALLIVAN] would say, "Oh, boy!" [Laughter.] This letter bears the signature of that archpatriot, Wm. H. Slayton, the titular head of this unblushing wet organization.

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

Mr. UPSHAW. I can not, for my time is short. Mr. Chairman, I want you to protect me from these frequent interruptions from these meddlesome "wets."

Mr. HILL of Maryland. You need it.

Mr. UPSHAW. And you will need it before I get through. I want to show you how careful they are. Here is a subscription card from this organization which says it is a crime for a dry organization to raise money, and here is the envelope in which to send the "wet" money, addressed to: "Mr. W. H. Stayton, Lexington Building, Baltimore, Md." One card asks for two years' dues, $10 each year. Here is another letter to the Delphi Lumber Co., Cowan, W. Va., in which they are making similar requests. Now, watch. I remind you that they say in this photostatic copy, "We are going to win anyhow"; in other words, we do not need you much, but come on with a check if you can. Look again—here is a letter to the Mullens Grocery Co., Mullens, W. Va., asking funds from wholesale grocers, saying that if beer comes back there will be no saloons and that beer will be distributed through the wholesale grocers. They say in this letter:

If we consumed only as much as we did in that year, 20,000,000,000 of bottles of beer would be distributed through the grocers, for the old saloon will never return.

The letter also says:

In 1914 we were consuming 66,000,000 barrels of beer. When the Volstead Act is amended beer will be sold in bottles.

You will notice the letter says "the old saloon will never come back." [Applause.] They make this admission when seeking money from the great decent class of wholesale grocers who, of course, do not want saloons to return; but in all good humor look at this change of front, for at that "rum rebellion" held last fall in Pittsburgh—Mr. HILL was there, I remind you, and a representative of this wet organization—they tore off the mask and blatantly demanded the repeal of the eighteenth amendment and the return of hard liquor in the open saloon.

Mr. BLACK of New York. But you had saloons in Georgia.

Mr. UPSHAW. But in Georgia we put out the saloons seven years before the adoption of the amendment to the Federal Constitution.

Mr. O'CONNOR of New York. You have stills in Georgia.

Mr. BLACK of New York. And you have worse than stills in Georgia now.

Mr. UPSHAW. Mr. Chairman, these wet gentlemen keep interrupting me. That shows what bad things liquor will do.

The CHAIRMAN. The Chair will state that under the rules any gentleman desiring to interrupt a speaker must address the Chair. If the speaker desires to yield, he will do so, but if he declines to yield gentlemen must not interpolate remarks. [Applause.]

Mr. UPSHAW. If they do not obey, I ask the Chair to sit on them with every ounce of his glorious avoirdupois. [Great laughter.]

Mr. HILL of Maryland. Mr. Chairman——

The CHAIRMAN. The gentleman from Georgia has the floor.

Mr. HILL of Maryland. But I am addressing the Chair.

The CHAIRMAN. The gentleman can not take the gentleman off the floor.

Mr. HILL of Maryland. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman may not propound a parliamentary inquiry while the gentleman from Georgia has the floor.

Mr. UPSHAW. Mr. Chairman, I decline to yield.

Mr. HILL of Maryland. I am addressing the Chair. I want to ask the Chair whether the gentleman will yield.

Mr. UPSHAW. I told the Chairman that I would not yield to the gentleman from "boozy" Baltimore. The gentleman may have his "wet" spasm later, but I do not yield to him now.

Now, the gentleman from Maryland will have to sit there and take what is coming to him. Here is a booklet from the Association Against the Prohibition Amendment in which it out-

lines the many achievements of that wet organization, and among those glittering achievements, in item 6, we find the following:

We have turned elections in many congressional districts. Hon. JOHN PHILIP HILL, Member of Congress from Maryland, has, with our very active aid, turned an adverse majority of 10,000 into a favorable one of 15,000.

Mr. HILL of Maryland. Will the gentleman yield?

Mr. UPSHAW. I can not yield—I am too busy.

Mr. HILL of Maryland. It was 16,000.

Mr. UPSHAW. I want to call your attention to the fact that that district used to be a Democratic district, but because of the extreme wetness of the gentleman "Rider on the White Charger" and because of the admitted activities and financial support of this Association Against the Prohibition Amendment those Democrats—may the Lord pity their souls—have been prostituted to vote a wet Republican ticket. [Laughter and applause.]

Mr. HILL of Maryland. I have not had any financial support; I contribute that myself.

Mr. UPSHAW. The gentleman from wet Baltimore is not only interfering with my speech but he is seriously reflecting on the veracity of this "wet" organization, which in its efforts to secure funds boasts of "our very active aid" in securing the triumphant election of Mr. HILL.

Gentlemen, I used to hear, when I was a boy, of the "proverbial cheek of a Government mule," but I want to say that after catching these wet organizations in the very act of raising money to influence elections, after hearing criticism of the Anti-Saloon League from men like the wet Senator from New Jersey, after hearing wet Congressmen—Democrats and Republicans alike—like the gentlemen from Maryland, Mr. HILL, Mr. LINTHICUM, and Mr. TYDINGS, and Mr. GALLIVAN (Democrat) and Mr. TINKHAM (Republican), from Massachusetts, who stand up here and criticize God-fearing, patriotic people who are trying to defend the Constitution and the youth of America, while admittedly accepting aid from a wet organization that is attempting to nullify the Constitution, I shall not hereafter think "the cheek of a Government mule," but the cheek of William H. Stayton and Hon. JOHN PHILIP HILL. [Laughter and applause.]

THE FUTILITY OF OPPOSITION

Finally, then, as a general practical proposition, what is the use? Why encourage a generation of traitors, lawbreakers, and liars by opposing for local political reasons a national law that will never be repealed or modified? Never? Yes; never—

Till the sun grows cold,
And the stars grow old,
And the leaves of the judgment book unfold.

I ask my "wet" colleagues on both sides of the aisle, Why kid yourselves any longer? And why kid your people at home with such false hopes, which are nothing more nor less than liquorized hallucinations?

You know the constitutional process through which any section of our organic law can be repealed or amended. It must be done by the same process required for its enactment. Your friends of outlawed liquor must elect two-thirds of the membership of both branches of Congress who will stand up and be counted before the eyes of the motherhood of America as they vote to remarry this Government to the reeking corruption of the licensed saloon, and then you must elect legislatures in three-fourths of the States in the American Union who will walk out before the searching eyes of the awakened manhood and womanhood of America and vote to ratify that unholy compact, and you know that will occur just the day after the judgment day.

"But ah," says the wet Representative, responsive to his "wet" constituents at home, "I admit that repeal is very remote, probably impossible, but the Volstead law must be modified."

There you go, kidding yourselves and your constituents again. On what do you base your declaration? Conversions to the "wet" side, you say. Not on your life. For every disaffection from the dry side we have now a thousand recruits to the cause of constitutional law and personal and national sobriety.

THE EMPRINGHAM APOSTASY

Much ado was recently made in the papers about the prohibition apostasy of Reverend Doctor Empringham, formerly an active prohibition advocate.

That misguided clergyman is not the first soldier or officer in a great army to become frightened while the battle raged. That kind of a soldier was never known to win a fight. Here and there we may temporarily lose a battle, but the great war for righteousness goes on. Brave men declare, like John Paul Jones, "We have just begun to fight."

According to my concept, that is the only attitude that will make a man keep his face to the foe and cause him to fight resolutely out amid the boom of cannon, the rattle of musketry, and the carnage of battle which defiant "wets" and weak-kneed "drys" are waging against the eighteenth amendment to the Constitution of the United States.

Frankly, and sadly, that is a mistake which the Reverend Doctor Empringham made. In looking for facts and signs of encouragement he went into the territory where the enemy has always been in practical possession. Of course, he found law defiance in great "wet" centers like New York, Chicago, Philadelphia, and Baltimore, for those cities have never fully joined the constitutional union. Having thrown their guardian arms around their outlawed darling, the corrupt and corrupting saloon, they have continued their slavery to the appetite begotten by the saloon, and in abject and unpatriotic surrender to that appetite, which they have placed above the Constitution of their country, they have claimed the right of "selective anarchy," as Raymond Robbins strikingly puts it—the right of individual interpretation of a constitutional law—the right of virtual secession from the Constitution of the Union. In other words, the great "wet" communities whose Babylonian devilment has discouraged the faint heart of Doctor Empringham and a few other ephemeral "drys," claim that the American flag is a beautiful emblem to salute on the Fourth of July—a beautiful insignia of authority to invoke for the protection of their factories, their farms, their fortunes, and their families, but they deliberately walk up and spit on that same flag that has been made stainless before the eyes of the watching world when they want a drink of bootleg liquor. It is before such a crowd of lawbreakers that this learned and eloquent clergyman has run up his beer and wine flag of tragic surrender.

He has made the mistake that many "wet" politicians in New York, New Jersey, Maryland, and elsewhere in the valley of "wetdom" have made in dreaming of a "wet" man in the White House, sitting astride a beer keg or a whisky barrel on the beautiful portico of that beautiful, immaculate mansion—they are like a man amid the ice and snow of the Arctic regions, who imagines that the earth must be frozen from pole to pole. They forget that there be many millions, more than half of the American people, who have never bowed the knee to bibulous Baal.

BRILLIANT BUT MISTAKEN

I honor Doctor Empringham's ability, and I do not discount his sincerity, but he is just as surely mistaken as any soldier who thought he could win a battle by surrendering to the enemy in the first skirmish because he saw a few of his comrades wounded and dying around him.

I am compelled to remind Doctor Empringham and the whole country that the New York silk-stocking crowd, whom he especially represents, has never been wildly enthusiastic about prohibition any way. They were not on the firing line when we were fighting for the eighteenth amendment, and, as a whole, they have not been conspicuous in battling for its constitutional majesty since its enactment.

I challenge the "wet" claim that Doctor Empringham's apostasy has any national significance. Edwin J. Randall, secretary of the Episcopal diocese of Chicago, issued a statement declaring that this Temperance Society does not represent the Episcopal Church and Bishop Charles P. Anderson declares that the society is made up largely of easterners, and he does not know a single member in Chicago.

The temperance society which Doctor Empringham tries to drag into the liquor camp has been practically defunct since 1918. It formerly represented about 20,000 out of a total Episcopal membership of 1,193,000. Nineteen Episcopal bishops condemned the Empringham statement and only five indorsed him.

SOUTHERN EPISCOPALIANS DRY

Certain it is that the distinguished New York clergyman does not represent the sober, God-fearing Episcopalians of Atlanta and the Southland from which I hail. Many of them were leaders in the battle against the saloon and many more are now loyal supporters of this constitutional law. The Southern Episcopalians, whom I have the honor to know, rejoicing in the fact that this is a land of religious freedom, also believe in the cardinal Bible doctrine that enjoins the support of all duly constituted law. They have no sympathy with Doctor Empringham's foolish statement that the prohibition law is class legislation.

It is not so much class legislation as the sixteenth amendment, for that is directed especially at the class of people who

have large incomes, while millions of American people escape any payment whatever. And if Doctor Empringham's "hifalutin" bunch in gay and godless Gotham seek to personally modify and defy the provisions of this constitutional law, they will soon become my neighbors at Atlanta, where we have gilded bootleg millionaires for breaskfast, dinner, and supper, behind prison walls.

Class legislation, indeed. This country had suffered from class legislation in favor of brewers, distillers, and saloon keepers for many weary, desolate, debauching years. These thirsty vampires had been the beneficiaries of protective legislation as they built their slimy fortunes out of corrupted politics, shattered homes, and depleted humanity; but during all this reign of rum and ruin the present-day beer and wine reformers were never heard of.

If the saloon that sold intoxicating beer and hard liquor had then been transformed, and nothing sold except so-called innocent wine and nonintoxicating beer, the lives of such saloons might have been prolonged indefinitely. Where were the present "wet" proponents of "kickless" beer and wine then? Ninety-nine out of every one hundred of them were then in the militant camp of liquordom, fighting the very prohibition which they are now trying to destroy.

It required the eighteenth amendment outlawing intoxicating liquor in every form to put brewers, distillers, and saloons out of business. This constitutional law and its supporting statute, the Volstead Act, which is simply the eighteenth amendment in action, have stood the test of the Supreme Court. Doctor Empringham, and everybody else now clamoring for beer and wine as an aid to sobriety, ought to know that the beer and wine they are advocating would only whet the appetites of the patrons of the saloons where they would be served, and, thus camouflaged, hard liquors and all forms of intoxicating drinks would flow practically unrestrained.

In other words, they propose to win their fight by going bodily into the enemy's camp, and the loyal friends of sobriety, especially the voting motherhood of America, will refuse to go with them.

EMPRINGHAM TOPPED BY HOBSON

The self-effacing spirit of the heroic crusader is not found in the declaration of Doctor Empringham that "my investigation has showed me that I had been a darned fool to give up a good church and a good stipend to make the world good overnight." Alas, the dreams and the memories of big stipends do not feed the warp and woof nor build the fiber of moral heroism. These tragic regrets also seem to have blinded our unfortunate and erring brother to the fact that the very conditions of which he is complaining give him a larger opportunity than ever to show the spirit of the unselfish crusader which caused him to "give up his good church and big stipend" to help the cause of sobriety.

If, as Doctor Empringham declares, there is more drinking than ever, especially among the youth of the land, in God's name why does not he get on his knees and roll up his sleeves and plunge into the very heroic work of education and "moral suasion" in behalf of sobriety? He has a far stronger appeal than ever; for now he can bring to his aid those great twin inspirations—our sober Constitution and our stainless flag. Every inch and every ounce and every atom of "Young America's" patriotism would now leap to the colors to fortify his great moral and spiritual appeal.

GOT DISCOURAGED TOO SOON

Doctor Empringham simply got discouraged too soon. Nobody except a fanciful dreamer ever expected the world to be "made better overnight" by legislation. Bound by the chains of a long, long night of liquor appetite, the friends of prohibition expected it to take something like a generation to cure the Nation of its long debauch; and with the exception of an occasional spasmodic modern "rum rebellion" in some of the big wet centers, we are moving grandly upward and onward in the cause of America's emancipation.

Those patriotic prohibition Episcopalians who may feel grieved and humiliated over the regretted apostacy of this Episcopalian clergyman should take comfort in the fact that his unfortunate utterance has been widely and vigorously repudiated by so many Episcopal leaders. The truth is, as far as a national impression is concerned, it has fallen flat and will serve as a boomerang in favor of prohibition enforcement.

The temperance society directed by Doctor Empringham seems to be largely a paper organization. Its present state is largely one of inactivity, very much like a certain "Disabled Veterans' Association" of which my friend Mr. FISH, of New York, told me, and which alleged organization protested against payment of the soldiers' bonus. Investigation disclosed that the organization had exactly three members. It sounded big but it acted mighty small. The great denomination of law-abiding, sober God-fearing Episcopalians, with a membership in excess of 1,200,000 in the United States, many of whom honor this House as Members, and who are overwhelmingly dry, will move grandly on in support of this wholesome constitutional law. In the meantime their natural pride can find worthy solace in the thought that Richmond Pearson Hobson, hero of the *Merrimac*, is a consecrated Episcopalian layman, who has done more for the cause of prohibition than any other man in America next to that stainless Christian statesman, William J. Bryan. Verily, Hobson outranks Empringham in the pride of Episcopalians and for the safety of American youth.

Mr. BOYLAN. Will the gentleman yield for a question there? I know the gentleman wants to be fair, and since coming into the Chamber I have read over the RECORD very carefully, and I fail to find in it the statement that the distinguished gentleman from Georgia attributes to a certain distinguished prelate. I am sure, in view of that fact, the gentleman, with his usual sense of fairness, humanity, and decency, will correct his reference to the aforesaid distinguished prelate.

Mr. UPSHAW. I will be delighted to retract the language as soon as the charge by that prelate is withdrawn that all prohibitionists are in the habit of misrepresenting facts; in other words, in the habit of lying.

Mr. BOYLAN. I would like to say to the gentleman that that does not appear in the RECORD. I have read the RECORD very carefully.

Mr. UPSHAW. Then it was taken out, because I have witnesses to it. The gentleman from Massachusetts [Mr. TINKHAM] read those very words.

Mr. BOYLAN. The House is guided by what is in the RECORD. It is not guided by what is taken out.

Mr. UPSHAW. It was uttered on the floor of this House and is a part of its record.

Mr. BOYLAN. It is not a part of the record, because it does not appear in the RECORD. How can it be a part of the record in that case?

Mr. UPSHAW. It was a part of the proceedings of this House. The gentleman knows I love his genial spirit, and I would be glad to accommodate him. But I must say again to the gentleman and to the Members of this House that I am tired as the honest representative of the prohibition forces of this country, standing for decency and law and order—I am tired, I say, hearing on this floor and reading columns of slush and slime in the newspapers, attacking the sincerity of prohibition leaders and the overwhelming millions of the American masses who rejoice to follow them. And I declare again that the political, commercial, or ecclesiastical size of the man who stages this attack, makes no difference with me.

Whether governor of a big wet State, or a wet Senator, or the wet president of a big university, or the Archbishop of Canterbury, or a cardinal from Boston, or the Pope of Rome, I tell you, I will not stand for it. [Applause.]

Mr. BLACK of New York. Will the gentleman yield? Have any of those gentlemen said that?

Mr. BOYLAN. If the gentleman will permit——

Mr. UPSHAW. Excuse me, but I can not yield any more.

Mr. BLACK of New York. Mr. Chairman, I make a point of order against the gentleman's remarks. The gentleman is talking through the privilege of this House, and is talking against private citizens and people not members of this Government, and is attacking them on a hypothetical case, just as if the Pope of Rome or anybody else made that statement.

The CHAIRMAN. The point of order is overruled. The gentleman from Georgia will proceed in order.

Mr. BOYLAN. The gentleman, I know, wants to be fair about the statement in the RECORD.

Mr. UPSHAW. I want to be fair, but I want to ask the gentleman, who is my good friend, to take his seat until I have finished.

Mr. BOYLAN. I want to have the gentleman put right before the country. The gentleman has quoted the statement in the wrong way. I know the gentleman wants to be fair.

Mr. UPSHAW. The gentleman from Massachusetts [Mr. TINKHAM] will bear testimony that he read those words from some prelate whose name at the time I did not get. Is not that true, Mr. TINKHAM? The gentleman read it. If he has changed it, then the RECORD has been changed.

Mr. O'CONNOR of New York. That is substantially correct.

Mr. TINKHAM. The statement made by Cardinal O'Connell, the senior American cardinal of the Roman Catholic Church, which I read yesterday, is as follows:

Prohibitionists, having formed the bad habit of misrepresentation, will continue to repeat that same attitude.

This is an understatement and not an overstatement of the facts, and I desire to say I think that statement is totally and completely true. [Laughter and applause.]

Mr. UPSHAW. And I wish to say to the gentleman, from my standpoint on the dry side, that the statement is totally false, and I make that uncringing charge as I stand by the white ribbon millions of American men and women who are standing by the Constitution and the youth of this country. [Applause.] I am getting mighty "blooming" tired of not only seeing the papers reeking with these devilish charges but hearing them indorsed by Members of Congress against God-fearing people, whose only crime is the fact that after generations of education and agitation they have put the eighteenth amendment in the Constitution outlawing the liquor traffic and it has been ratified by 46 of the 48 States of the American Union. It has been ratified also by the high decision of the Supreme Court of the United States, which is the last word with every loyal, red-blooded, constitutional American. The Volstead law is the eighteenth amendment in action. A man has the right to seek to change it peacefully, but he has no right to attack the honor and the moral purpose of patriotic, God-fearing, decent people in this country who love sobriety and righteousness better than the outlawed saloon.

I say this with my last word. I love humanity. Humanity has been my hero. I have rejoiced since I have been in this House never to have made a bitter partisan speech on any question. I have rejoiced to stand and speak always for the fundamental principles of that old-fashioned, Christian father of mine who taught me around a family altar to love the flag of our reunited country; and I rejoice that prohibition Democrats and prohibition Republicans and prohibition Americans shake hands in a high and ardent hour like this, to see to it that the wet crowd that is encouraging bootleggers and rum runners and liars in this country shall not pour liquor and lager beer over the most beautiful flag in all the world. [Applause.]

Mr. OLIVER of Alabama. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. McSWEENEY].

Mr. McSWEENEY. Mr. Chairman, ladies and gentlemen of the committee, two years ago I called your attention to the fact that throughout the agricultural sections of America there was a great trend toward the city, the farmer leaving splendid farms with all the equipment necessary for high-class diversified farming. I notice that in contemplated legislation we are planning some reclamation projects in the great West and to build irrigation dams. I am heartily in favor of establishing hydroelectric power. I am in favor of the various plans to harness the great waterways of America, but I am opposed at this time to bringing more agricultural lands into cultivation. As a member of the Agricultural Committee I am imbued with the idea that much of the agricultural difficulties lie in the fact that the farmer has too keen competition, and that he is producing too much. If we were to add to the land already under cultivation we are increasing these difficulties that confront agriculture. I wish my good friend, the gentleman from Nebraska [Mr. SIMMONS] were here, because I know he differs with me. I do not want Nebraska or any western State to be deprived of its population, but I do want the Government to do everything it honorably can to prevent the luring of population to the great agricultural West. I am a member of the Committee on Agriculture and have voted for all reforestation bills presented which will bring no addition to my own State, but will help to retain the forests of the great West. I am in sympathy with any project that will help the western farmers.

But I can not understand why the western farmer comes in and advocates the bringing of more land under cultivation when at this time he finds himself confronted with the greatest crisis that agriculture has ever had to meet.

We realize that some of the western sections are not supplied with markets, nor with transportation facilities such as we have in my own State of Ohio. I find in my district 179 untenanted farms. They have splendid water supplies and everything necessary for carrying them on, and probably next to New York State they are in the midst of the best buying communities in the country.

Mr. JOHNSON of Texas. Will the gentleman yield?

Mr. McSWEENEY. Yes; gladly.

Mr. JOHNSON of Texas. Did the gentleman say there were 179 farms in his district uncultivated?

Mr. McSWEENEY. No. I said there were 179 untenanted farms; they are partially cultivated but untenanted. Some of the fields are cultivated by neighbors who are still struggling to keep their farms and make a living on them.

I rose two years ago and spoke on this same subject, but I find conditions to-day are worse than they were then. As I said then, these farms have all the equipment necessary for high-class diversified farming. They are in the midst of splendid communities, good markets, and the best transportation facilities in the world. If these farmers can not make a success of agriculture, if they are abandoning the farms, do you think it is fair to lure men onto farms in the great American desert, away from transportation facilities, away from markets, and expect them to be successful against the competition of those in more thickly populated sections of the country?

I hope that my friend, the gentleman from Ohio [Mr. THOMPSON], who is on the committee with me, realizes the condition that the Ohio farmers are in. We realize that the condition exists all over the country, and I merely wanted to state my objection to adding more land for cultivation to the agricultural communities. I am in favor of every move that will relieve the farmer in this crisis, but I am opposed to bringing him face to face with more competition.

If this land is allowed to lie fallow, it will increase in fertility. It is not lost. It will stand there increasing in fertility until it is necessary to bring it under cultivation. And even if the building of these dams would cost five times as much when necessary, they will be more easily borne by the farmers who must contribute to taxes, and who we hope will be more prosperous, and they will be so much more valuable when we really need them. I hope that no legislation will be contemplated at this time for irrigation, although I am in favor of furnishing the States of the West with hydroelectric power, which is the "white coal" of America, and bound to bring industrial prosperity to what is known as the great agricultural section. [Applause.]

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

Mr. McSWEENEY. Yes.

Mr. ARENTZ. Apparently the gentleman has not read the wonderful speech made by the gentleman from Washington [Mr. SUMMERS] and also the speech made by the gentleman from Idaho [Mr. SMITH].

Mr. McSWEENEY. I have read Mr. SMITH's speech.

Mr. ARENTZ. With respect to irrigation?

Mr. McSWEENEY. Yes.

Mr. ARENTZ. And the reclamation of desert land. Can the gentleman point out one way that the land, for instance, in the Imperial Valley, or those lands on the Newlands project, in my own State, compete in one degree with the land in Ohio?

Mr. McSWEENEY. I understand that they raise beets and alfalfa and in many instances fruit, but I also realize that those things can be raised in all the lands now under cultivation.

Mr. ARENTZ. Take the lands throughout States like Nevada, where we raise sheep and cattle on the forest ranges, on the forest reserves that the gentleman has just spoken about, and as a winter feed they must go to the farms, and those farms are necessary for the livestock industry. This livestock industry in turn sends feeders to Ohio and Nebraska and Iowa and to other States. I have just touched on that, but if the gentleman will read the speeches of Mr. SUMMERS and Mr. SMITH, I do not see how he will be able to take the viewpoint that he does.

Mr. McSWEENEY. My idea is that those States that are now purchasing feed would continue to purchase this material from other States it would be adding to their markets. I feel if the other States that grow alfalfa and other feed could ship it in to your State it would add a market for the men who now find a scarcity of markets.

Mr. ARENTZ. We are willing to sell alfalfa, for instance, in Nevada, for $11 a ton, baled and put on the cars; at least we have received that at some time during the past few years, although it is not a price that will yield much of a profit. When that reaches Kansas City it sells for $27. Can the gentleman understand how any one in Ohio, or Indiana, or Illinois, or Iowa, or Kansas can ship hay into Nevada and feed it to cattle which bring 5½ and 6 cents a pound, and do it at a profit? I can not.

Mr. McSWEENEY. May I answer the gentleman by saying that if the expenditure be made which these proposed bills contemplate, then you are taking land worth from probably $25 to $30 an acre and increasing its value, and thereby making it impossible to raise alfalfa at $11 because the land would be too valuable, and made valuable by the expenditure of public money.

Mr. ARENTZ. No; it is not public money. The money that is in the reclamation fund comes first from the sale of public lands and from the money that comes from leases on oil, gas, coal, and things of that kind. It goes into the reclamation fund, and it belongs to the Western States just as much as

though it was raised by taxation from the western people. It goes into the reclamation projects, and in 20, or 30, or 40 years is again returned to the reclamation. It does not come from the public.

Mr. McSWEENEY. I understand the matching system, but I realize that these men could be the market for the surrounding States in the rain belt and get the things the gentleman speaks of.

Mr. ARENTZ. But the rain belt is too far away. You can not ship material from Arizona or Utah to the rain belt, because the rain belt does not exist anywhere within a reasonable freight rate. The gentleman will pardon me for taking his time, and I do not like to do so, although I think the House is entitled to hear the other side while the thing is fresh in their minds. Suppose there are 113,000,000 people in the United States to-day. If you appropriate for a reclamation project——

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

Mr. ARENTZ. Mr. Chairman, I will ask the gentleman from Pennsylvania to yield some time to the gentleman from Ohio.

Mr. SHREVE. I yield one minute.

Mr. ARENTZ. Oh, give the gentleman five minutes.

Mr. SHREVE. I can not. The time has all been allotted.

Mr. OLIVER of Alabama. I yield two minutes to the gentleman from Ohio.

Mr. McSWEENEY. Mr. Chairman, I feel that the gentleman has one idea concerning this great question and I have another, but I still do not feel that it is fair to lure these men onto these lands and expect them to compete with men who have not been able with a great investment and favorable conditions even to pass through the crisis. These men should not be lured onto the western lands. It is unfair for you and me, as men composing a legislature, to make it possible to invite them out there, even though they do have in some respect a very fertile soil that needs only irrigation to make it profitable.

I hope when the time comes and our population increases and demand is made for an increase in agricultural products that then America will lavishly open up that great west land and allow that wonderful fertility to bring to people in our more congested areas the necessary foodstuffs; but I ask you, as western men, how in fairness can you ask for relief from your present agricultural situation and at the same time invite competition into a great field of farming which we find is now in jeopardy?

Mr. Chairman, I appreciate the courtesy of the committee and wish only that we all working together can do something to solve what seems to be America's greatest problem. [Applause.]

Mr. SHREVE. Mr. Chairman, I yield 30 minutes to the gentleman from New Jersey [Mr. EATON]. [Applause.]

Mr. EATON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

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

Mr. EATON. Mr. Chairman, I desire to call to the renewed attention of the House certain social and economic changes now developing in our country, which are of transcendent importance and interest to every American and, indeed, to every man and woman in the world.

These changes constitute a revolution as historic in its causes; as inevitable in its methods; as far-reaching in its effects as was the revolution which created our American Nation 150 years ago.

It is the expression of a profound moral and spiritual transformation which slowly but surely has shifted the chief emphasis in our social processes from money to manhood. It has been accomplished, if not caused, by a growing understanding of economic law and of the worth and dignity and rights and duties of human nature. The significance and scope of the change was strikingly summed up by President Coolidge when he said:

> I desire economy, not in order to save money but in order to save men.

To understand what is going on in the world we must keep in mind a fundamental principle of history. The story of man in his struggle upward toward civilization is a process of progress. And I define progress as the growing participation of more and more people in more and more of the good things of life. [Applause.]

Since man is a spiritual being, the first great objectives which he sought to attain were full participation in the spiritual, the intellectual, and political resources of the world. In our country, at least, every man has achieved the right to worship according to the dictates of his own conscience. Because it is shared equally by all the people, this is the essence of spiritual progress. In America the schoolhouse door stands open to every child, offering him full and free preparation for whatever calling in life he may choose. This is intellectual progress, because it makes education the common possession of all the people.

Practically every man and woman in America has the right to vote. Political power and political responsibility reside in the people. They and they alone make or unmake their governments. If the people possess moral and intellectual resources sufficient to support this responsibility, this constitutes the very essence of political progress.

At this time in every civilized country and in many that are partially civilized one common problem confronts the people. Just as the masses of men have already achieved full participation in the spiritual, intellectual, and political resources of the world, so now they demand full participation in the economic resources of the world. [Applause.]

This is the one universal struggle which to-day is overturning governments; modifying or destroying barren or inhuman systems of philosophy and religion; disturbing the peace of nations; and bringing to the birth in travail and anguish a new world consciousness. It is folly to deny or evade this fact. It contains within itself the destiny of the race. It is in accord with the organizing principles of human progress. It must go on, and it will go on until it has either transformed or destroyed the world.

Against this general background I desire to outline certain economic conditions now in process of development in our country, which show that our people are rapidly gaining a more complete participation in the economic resources of the world than ever before and that this participation is at once the cause and consequence of our present unparalleled prosperity.

When this Republic was founded, the total wealth of the world was estimated at $100,000,000,000. This represented the results of 40 centuries of effort.

According to governmental and other reliable sources of information, the national wealth of the United States alone is now around $350,000,000,000. The production of our manufacturing industries approximates the enormous total of more than $60,000,000,000, with salaries and wages paid by all branches of industry of some $40,000,000,000.

Our foreign trade amounted last year to over $9,000,000,000. We have investments in foreign countries of some $10,000,000,000. We have owing to us by other nations in principal and interest over $15,000,000,000. The value of agricultural products in 1925, excluding crops fed to animals, was over $12,000,000,000.

In an address delivered in the city of Washington in 1923 Mr. Julius H. Barnes, then president of the United States Chamber of Commerce, called attention to the enormous use of natural wealth by our American people. While our population is only 5 per cent of the world's total, we consume 50 per cent annually of the world's production of the great standard bases of all fabrication—coal, oil, iron, steel, copper, cotton, and timber.

Of the world's production of shoes, we use 50 per cent; of print paper, 50 per cent; of automobiles, 90 per cent; almost half of the world's railroad mileage; and three-quarters of the world's telephones and telegraph equipment.

Our electric light and power industry produces more than 65,000,000,000 kilowatt-hours of energy a year; has 18,000,000 customers; $7,350,000,000 investment; requires about one billion of new capital every year for enlarged equipment and service; pays $150,000,000 annually in taxes; and with gross earnings of nearly a billion and a half, contrary to popular tradition, has never yet earned 6 per cent on its total investment.

The causes which lie back of this gigantic, incomprehensible production of material wealth in the brief period of a century and a half challenge the attention.

First of all is the moral and mental quality of our people. We are a composite race, drawn from the adventuring pioneer blood of many nations. We have the will to be free.

We believe in and practice individual initiative.

We have a country of almost limitless natural resources.

Our political institutions foster self-reliance and self-control on the part of the individual citizen and encourages private enterprise.

While we are intensely individualistic, we know how to cooperate for the good of all. And more than any other people we have learned to apply scientific knowledge and inventive skill to the laws, forces, and resources of nature in the service of all.

In the processes of production the average American worker now has available for his use 3⅛ horsepower. The primary power now used in this country approximates 150,000,000 horse-

power. Of this vast reservoir of mechanical energy, 33,000,000 horsepower is used in our manufacturing industries as compared with 2,346,000 horsepower in 1869.

This brief and inadequate survey of our economic resources and achievements brings us to the question, How is all this wealth distributed? Do the masses of men enjoy a growing participation in the economic resources of our country, or are they being used merely as a part of the machinery for enriching the few?

In the answer to this question we shall see revealed the workings of the most remarkable social revolution in all history.

It must be plain to every observant mind that the last few years have witnessed a fundamental change in industrial, economic, and social conditions in this country.

This change has come about so quietly that few have as yet caught its true significance. After a generation of turmoil we find ourselves in a period of comparative industrial peace. Big business, so called, which a few years ago was looked upon as a social menace to be restricted and if possible destroyed, is now an economic commonplace of our daily life.

According to Mr. David F. Houston, between 1904 and 1919 alone corporate organizations engaged in manufacturing increased more than 80 per cent. And yet during that period and since these great aggregations of capital seem to meet less and less antagonism on the part of the public.

The reasons for this change in public opinion are sound and easily understood. It has come to be seen by everybody that our enormous productive forces can only be utilized to advantage by big machinery.

Government regulation has improved. The idea of business as organized social service has taken firm hold of the dominant leaders in industry and finance and a new spirit of understanding and cooperation has arisen between employer and employee.

While these facts do not warrant the belief that we have reached an economic millenium, they do indicate a tremendous advance in the reign of reason and justice.

The central fact in this new era of peace and prosperity is the spread in ownership in our great economic organizations.

In the world-wide struggle of the masses of men to secure a growing share in the enlarging economic resources of society, two theories have striven for supremacy. One we know as socialism, which purposes to make everybody rich by making everybody poor.

This plan seems to find more countenance amidst the difficult conditions of Europe than with us. It would probably make rapid progress except for the fact that it is economically unsound and it is against human nature. Until the possessive pronouns are deleted from all languages, state socialism is doomed to failure.

The second great plan by which the masses of men are seeking to secure a growing share in the economic good things of life is the American plan. Consciously or unconsciously, in this country we have adopted an economic method which, while it is as revolutionary as any type of socialism, seems to have the advantage of being economically sound and in accord with the possessive faculties of human nature. In the American plan we propose to retain the capitalistic system, which is the oldest and best economic system known to men. And we have undertaken to cure the evils of capitalism by making more capitalists.

This is the great economic and social revolution now taking form in this country.

The results thus far have been of the most constructive character. Peace has superseded war as the accepted relationship between employer and employee. Production has increased enormously in quantity and improved in quality. Wastage has been reduced to an amazing degree. And a new spirit of understanding, confidence, and cooperation has touched our economic fabric like the warm breath of spring. [Applause.]

Before the World War less than 2,000,000 people owned securities in the incorporated business of the country. To-day the number is estimated at close to 15,000,000.

In most of the great corporations, like the Armour & Swift, the United States Steel, Bethlehem Steel, Eastman Kodak, employees own substantial blocks of stocks and bonds. In many public utilities, 100 per cent of employees own stock in the company they work for. Customer ownership and public ownership has taken the place of absentee banker ownership.

The United States Steel Corporation in March, 1924, reported 50,000 employees among its 159,000 stockholders. One big retail company alone reports 133,000 shares of its stock held by its employees.

Of the class A American railroads with a yearly operating income of $1,000,000 the ownership is scattered among more than 800,000 persons. The American Telephone & Telegraph Co. reported at the beginning of 1925 no less than 343,000 stockholders. Millions of farmers hold stock in cooperative organizations.

The largest single block of ownership in the General Electric Co. is held by employees.

In a recent issue of stock offered by the Bell Telephone Co., of Pennsylvania, the Wisconsin Telephone Co., and the Southwestern Bell Telephone Co., 118,799 persons subscribed for 733,676 shares. These subscribers represented 46 vocations. The largest group was 24,317 laborers. The next was 21,626 housewives. The third largest, more than 10,000, described themselves as clerks.

But this spread of ownership in the wealth of the Nation reaches beyond the industrial organizations.

There is outstanding to-day in our country around 83,000,000 insurance policies with a face value of more $60,000,000,000. These policies, all in mutual companies, are owned by around 50,000,000 people. In addition, these 50,000,000 insurance owners have built up a reserve of around $11,000,000,000 invested in city and country mortgages, in utilities, in productive and essential enterprises, and in Government securities.

Thirty-nine million of our citizens have over $21,000,000,000 deposited in savings banks of various kinds.

Even the children are becoming capitalists.

Los Angeles banks report $702,000 in deposits carried in 47,461 accounts by school children. School banks in the United States now have around $26,000,000 on deposit in 10,156 institutions in 39 States, with 5,000,000 children who drew $458,072 interest last year.

Organized labor in this country has reached the point of opulence where it has some 30 labor banks in operation, with combined assets of $150,000,000, and as many banks in process of organization.

More than 20,000,000 automobiles are on the highways of our country. Those who run them certainly have made at least the first payment. Some have even acquired a substantial equity therein. [Laughter.]

We have 11,000,000 families occupying their own homes. Seventy-two per cent of our farmers own the land they work.

This mere outline of the growing participation of the masses of men in our economic resources indicates the scope and meaning of the revolution now going on among us.

Mr. Hoover, who is one of our greatest national assets, attributes this revolution to four major causes—elimination of waste, improved methods, growth of knowledge, and prohibition. [Applause.]

We are all coming to see that we are organized on a quantity production basis and a quantity production nation can not survive except as it becomes at the same time a quantity consuming nation.

Every man of vision in industry and finance sees that he is as vitally interested in maintaining a high buying power among the masses of people as he is producing a high dividend.

A high buying power depends upon a high wage level. A high wage level can only be made possible by high production on the part of industry and this high production is made possible and permanent only when employer and employee work together and put their best of brain, brawn, and character into the job.

If this most desirable of all revolutionary movements is to go on, as I believe it will, we must have reasonable and constructive legislation by governments; real leadership of brain, character, and service on the part of strong men to help conserve the savings of the people and a rehabilitation of the buying power of the masses of men in other countries.

The forces that will slow down this movement are political demagoguery instead of political statesmanship; too much legislation and bureaucratic control of the activities of the citizen; unsound financial manipulations which seek to delude the people into buying denatured nonvoting stocks when they think they are acquiring real ownership in real property; and last but by no means least, encouragement of what the French call "socialism without the doctrine," by means of which governments are more and more put into business in competition with the very citizens whose sweat-won money pays taxes to support such competing governments.

During the best years of my life, I have been working in the great industries of this country to push forward this new ownership and to help the masses of men to find that security and peace and happiness which comes from economic independence.

I believe that the time has come when both of our great political parties must recognize what is actually going on in the country and be prepared to develop constructive policies which will help more and more of our people to a growing

participation in more and more of the economic good things of the world.

It is only fair to say that the Republican Party, to which I have the honor to belong, has made under the progressive leadership of President Coolidge and will continue to make real progress in this direction.

The President's policies of economy and efficiency have lifted a crushing burden of taxation from the people. His sane Americanism has stimulated personal initiative and guaranteed to honest business protection from the demagogue and theorist. [Applause.]

And the Republican policy of a protective tariff stands like a strong wall against the devastating deluge of cheap goods produced by the sweated labor of the older countries of the world.

And thus far during the term of the present Congress this House of Representatives has given to the country most constructive, sane, and helpful economic legislation. In this it is only fair to say that both parties have shared the labor and the honor.

It was therefore with sincere disappointment that I observed a change coming over the spirit and method of our friends on the other side of the House.

It is fair to assume that certain set speeches recently delivered here by brilliant and sincere gentlemen on the Democratic side embody the outline of the platform upon which the Democratic Party proposes to go to the country this fall.

What, then, constitutes this golden ladder of hope by which these gentlemen propose to mount to power? The first rung was placed by the experienced and skillful hands of the gentleman from Tennessee [Mr. BYRNS]. He set forth the thesis that Calvin Coolidge neither believes in nor practices economy. It would be equally impressive if he had argued that Woodrow Wilson did not believe in the League of Nations.

The people of this country, regardless of party, creed, or section, trust Calvin Coolidge. They trust him because they understand him. And they understand him because, more than any other man who has occupied the presidential chair since Lincoln, he incarnates in his character those homely virtues which glorify every humble home in our beloved country and form the rock foundation of our prosperity and progress. [Applause.]

The second rung in the Democratic ladder of hope was set in place by the gentleman from Texas [Mr. CONNALLY], who has made the startling discovery that Mr. Coolidge not only believes in big business now but actually believed in it before he became President.

Well, what of it? What kind of an Executive would be the head of the biggest business in the world, the United States Government, if he did not believe in his proposition?

You might as well find fault with the president of the Virginian Railway because he believes he should haul coal to the seaboard with a mogul engine instead of with an ox cart. If to accept the fact that big business must be done with big machinery is wrong, then the head of the Shipping Board should take the *Leviathan* off the sea and start a fleet of fishing schooners over the European route.

Such attacks as these are altogether unworthy of a great party. They will amuse the public, of course, but that hardly seems to be the proper function of statesmanship.

These two gestures have been followed by a series of attacks upon the tariff in the alleged interest of the farmer. No doubt the tariff is a controversial issue, but the people of this country will be slow to believe that the best way to help the farmer get a profitable foreign market is to destroy the home market which he already has and which is the most profitable and the largest in the world.

Nor will any sane American accept the idea that by our immigration law having shut out the competing millions of cheap labor from the underpaid countries of the world in order to protect the American worker the thing to do now is to open the gates by taking off the tariff and let in a smothering flood of the products of this same cheap labor. [Applause.]

Down on the Bay of Fundy they have dense fogs. An old man was shingling his barn in the fog, and he shingled right out on the fog half a day and never knew the difference till he fell down and got hurt. [Laughter.] Political shingling on the fog is great sport, but it has its limitations.

No; these are not the policies which the people of America need and demand to-day on the part of their political parties. The people are in earnest. Their economic leaders are in earnest. They are going on with their economic revolution until every man who will work has attained a fair share for himself and his family of the wealth he has helped to produce. [Applause.]

Our supreme national need at this time in the face of this great crisis in our history is not an attempt to elevate one set of leaders by depressing all others, nor the preaching of threadbare and outworn arguments about economic conditions which are as extinct as the dodo.

Our supreme need to-day is a new birth of moral and intellectual power, of spiritual vision, of practical common sense which shall foundation and support this mighty complex structure of our modern industrial civilization, so that in it and by means of it all men may give and receive justice and live together in peace. [Applause.]

Mr. OLIVER of Alabama. Mr. Chairman, I yield 25 minutes to the gentleman from Tennessee [Mr. BROWNING].

Mr. BROWNING. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

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

There was no objection.

Mr. BROWNING. Mr. Chairman and gentlemen of the committee, we have listened with rapt interest to the discussion by the learned gentleman from New Jersey who has just preceded me. He speaks of the great distribution of wealth among the people of our country. I want to call your attention for a brief time to the way one group, the greatest in number of our Nation, is faring to-day in that distribution. I realize that much brass has been sounded and many cymbals have been tinkled in the name of the farmer, and it has come to the place when anyone arises on the floor of the House to discuss that proposition a cynical smile spreads over the faces of the Members.

But I call attention to the fact that according to the Federal farm census of 1920 the capital of the farmers, consisting of land and buildings, was $63,000,000,000. According to the Federal farm census of 1925 that same capital is $46,000,000,000, showing a decline of $17,000,000,000 in capital stock. In 1920 his livestock, consisting of horses, mules, cattle, and swine, was valued at $8,200,000,000. In 1925 that same stock was valued at $5,200,000,000, showing a loss of $3,000,000,000 more to the farmer. In addition to that he has lost an average of $2,000,000,000 a year on the price of his crops compared to the standard price he was receiving before the war. That makes another loss of $10,000,000,000, or $30,000,000,000 he has lost in the last five years.

The entire wealth of the Nation taken as a whole compared for that same length of time shows a remarkable contrast. In 1920 it was estimated at $290,000,000,000. On February 26 I received a letter from Julius Klein, Director of the Bureau of Foreign and Domestic Commerce in the Department of Commerce, in which he says:

> It is not at all improbable that the present value of all the existing wealth has risen in someway comparable to that of the stock market and our national wealth is more than $375,000,000,000. At any rate, it is certainly $350,000,000,000.

Showing an increase in national wealth of $85,000,000,000.

While the Nation as a whole was gaining $85,000,000,000 in national wealth during the last five years, the farmers lost $30,000,000,000 in the same length of time.

Now, there may be an economical distribution of wealth in the United States, but the farmers who compose the greatest single group or class in America know there is something wrong; they may not know what it is, but they know the trouble is there. So we see the agitation that comes about to-day among the farmers from all sections. They are seeking some relief from some source, and want to know the cause. Various and sundry propositions have been advanced for a correct solution and a remedy that may be given the farmer by legislation.

I call attention to the fact that yesterday's afternoon paper, the Star, carried the report that a committee of 22 belonging to what is called the North Central States Agricultural Association visited the White House and had a conference with the President. This is a part of that report:

> The President did not commit himself to any particular view proposing farm relief, nor did he make any direct promise regarding his support. The farm delegation, however, appeared well pleased with their call and left the White House feeling that while it got no specific promise from the President he at least appeared sympathetic toward the cause, and gave every evidence of wanting to see something done to bring the greatest amount of relief.
>
> Although Secretary of Agriculture Jardine on one or two occasions has spoken favorably of some features of the Dickinson bill, the President is known to look unfavorably upon this measure, and it is thought by those close to him that if it succeeds in passing both the House and Senate it is doubtful that he would sign it.

Now, if these gentlemen were as well acquainted as some of us are with this general administration situation, they would know that they are on what hunters call a "cold trail." The

President is not going to stand for any farm relief at this session of Congress. I am going to tell you why: Because the President is an industrialist. He knows that a rise in the price of farm products would necessarily bring about a rise in the cost of living in the industrial sections of the country, and for that reason, dependent as he is on the industrialists, he is not going to give any favorable relief to the farm element at this session.

The President has a peculiar philosophy, but I would not attempt as a Member of this House to analyze that philosophy in face of the fact that one of his closest personal friends and political allies has done that so aptly in an article by the Hon. William Allen White, of Kansas, in Collier's Weekly in 1925. Mr. White is entertained at the White House when he visits Washington. He knows and supports the President. His estimate is a friendly one. In Collier's Weekly of November 26, 1925, he contributed an interesting article.

Speaking of the President he said:

After his election in 1924 President Coolidge felt definitely the mandate to reconstruct American Government along the lines of his own deep conviction that the business of America is business. One by one the various commissions of Government—the Interstate Commerce Commission, the Federal Trade Commission, the Tariff Commission—accepted the dictum of the President that the business of America is business.

And further on he said:

When one understands that faith in a consecrated commerce which shall redeem the world, one may understand why Coolidge would frankly load his Tariff Commission with avowed high-tariff protectionists who feel it their duty not to sit as unbiased judges upon questions scheduled, but as avowed advocates of protected industries. We can also understand how he would conscientiously refuse to intervene to stop the prosecution of a United States Senator who had once been acquitted upon a clearly trumped-up charge.

His mental process in these two cases is simply this: Without a high tariff the owners of many of the little mills of New England would either have to close their doors or cut down their capitalization to comport with the physical value of their plant, and either alternative would disturb the vested right, the right of the mill worker to his grandfather's job or the right of a stockholder to his grandfather's dividends.

The theoretical right of the millions of consumers to commodities at lower prices would not seem a paramount right when opposed by the definite vested rights of labor or of capital.

Coolidge thinks concretely. He takes no chances. His feet are on the ground of a beaten path. He knows his way. In the matter of Senator WHEELER's prosecution Coolidge would not interfere with the ordinary processes of justice to save a Senator from second prosecution, because the interference would imply a sympathy with the Senator's unsound economic beliefs, and so give an impression that the White House put justice before business. It would violate his creed and bemean his life to do a thing which might be construed as truckling to the disturbers of traffic even by making toward them a generous gesture which guaranteed them justice outside of the courts.

Coolidge has his faith; he lives up to it. He is obeying a mandate.

Those who held opposing views to the President, who held that justice rather than business is our reason for being a country, were appalled at the way Coolidge turned the Federal Trade Commission to his uses of prosperity.

He further said:

The President's mystic faith in the divine ordination of wealth to rule the world and promote civilized progress is evidenced in his opposition to the inheritance tax. He seems to feel rather deeply that interference with the accumulation of fortunes, however great, is wicked perversion of natural law.

For the doctrinaire cult which holds that great fortunes should be disbursed at death, first to equalize opportunity in a new generation; second, to produce necessary revenue; and, third, to eliminate the danger to organized society from vast sums snowballing the wealth of the community into the few hands, Calvin Coolidge has expressed a rather definite scorn.

That is the philosophy of President Coolidge. He does not care whether the farmers sink or swim, and his attitude is going to be that. He is opposed to the Dickinson bill, not because he thinks it will not work, as I do, but he is opposed to it because he is afraid that it will work and that the cost of living and of raw materials to the industrial interests would be raised by its action. There is a remedy. I am glad that the learned doctor who just preceded me, the gentleman from New Jersey [Mr. EATON], expressed a sympathetic attitude, as the President did, when he said he thought the farmers ought to be brought in somehow, somewhere—nothing definite, not committed to anything. I am going to tell you frankly what one of the outstanding, foremost issues in this campaign will be, and there need not be any doubt about it. In the great farming sections of the Nation they are going to ask why this Congress never reduced the exorbitant rates in the Fordney-McCumber tariff law. This affects the farmer in two ways, as is well known. One is that it pyramids his cost on everything that he has to purchase. That is undisputed. Another is that it destroys his foreign markets and places him where he does not have a chance to regain his economic balance, because the destruction of the market has been brought about by this tariff law, in the places where he has to dispose of his surplus. European nations on whom we have to depend for a market for our surplus are not made of gold. They have no way of taking our surplus without the privilege of exchanging their products. The dark-tobacco district is partly in my district. Eighty per cent of our dark tobacco is sold in a foreign market. Nearly 60 per cent of our cotton from the South is exported. Twenty per cent of our grain must be exported. We must sell in a market shut out from exchange of products if we sell at all. The result is that we do not sell abroad, but we are forced to unload onto a crowded home market—all for the sake of a few industries that can not be justified.

The farmer is not the only class in America affected by it. There is a majority of industries in America that are exporters, and every one, without exception, is hurt by the tariff instead of helped. Their foreign markets are ruined by the tariff. Only those who wish to monopolize the domestic markets receive any benefits under the protective tariff law. There are other classes.

There are classes of industry that have no danger of foreign competition, whether we have a tariff or not. I speak of the railroads, the wholesale and the retail merchants. I speak of all of the professions, of all of the public utilities and all of the Government's employees and others. They are naturally affected adversely because of the high cost of everything they have to pay.

Our friends on the Republican side take the position that there is magic in the tariff and that the tariff law creates wealth, as though an act of Congress could do that. They take the position that we should encourage industries, whether they are economically justified or not. They take the position that we should foster one that has outlived its day of usefulness, and they further take the position that high wages, as the gentleman who just preceded me insisted, owe their existence to the tariff law. As a matter of fact, they do no such thing. They are not begotten by the tariff, neither are they dependent on it. The gentleman from New Jersey [Mr. EATON] inadvertently hit the keynote when he said that our great prosperity comes about by mass production. The high cost of labor in America is not due to a protection of industries but is due to the sound sense, the education, the fine native qualities of our own labor, the superiority of our labor over that of other countries, and is not due to protection at all. That labor turns out four and five times as much as the same amount of labor does in Europe, hence they can very well command four or five times the wages. The high cost of labor in America is brought about because of our almost unlimited amount of national resources and of capital. We are adapted to our kind of industry. Here machinery can be furnished to a few men to turn out vast amounts of the same product. Do you think for a moment that the protective tariff brings about the high wages of labor on railroads? How? It can not do it, because there is no competition with our railroads from foreign sources. It is due to the splendid native qualities and intelligence of our railroad employees. Do you think it brings about the high wages paid the men in the Ford automobile factories? Ford would be a lot better off if they had no tariff at all, because he would have a broader field. The high cost of labor there is brought about on account of the great mass production of the laborers employed in a concern with unlimited capital, and the mass production offsets the difference between our standardized products and those that require a great amount of individual labor, such as are produced in Europe, those special products with which we should not try to compete at all.

There is another thing about the high protective tariff. Not only have the farmers and other producers of raw material and export manufactures got to have a market, but we need a lower tariff to enable foreign countries an exchange of products on a comparative tariff basis to pay to us the $14,000,000,000 or $15,000,000,000 which they owe us on their foreign debts. Instead of that we are asked to cancel to such flambuoyant princes of peradventure as Mussolini, the greatest menace to world peace to-day, about $2,000,000,000 of the debt his country owes us instead of taking some of the tariff off the products that his country sells in exchange for ours, and by a reciprocal trade allow Italy to pay off this country's debt. The trouble with

high protectionists is that they are afraid to share a growing and expanding and reciprocal market with the stable nations of the world. They rather choose to monopolize an impoverished domestic market—blind as was Samson when he brought down the temple on his own head.

Now, here is what I mean: The farmers are the greatest individual group of consumers in the United States. From the figures I have quoted, which are absolutely indisputable, you can see that in 10 years they will reach insolvency. If you destroy the purchasing power of the greatest group of consumers in America, to whom are you going to sell your domestic products? You had better share this expanding market with other nations of the world in reciprocal relations on a competitive basis where we can outstrip the world in massed products. We had better do it than monopolize a diminishing market at home which is being impoverished and can not last long. We had better give up some of the industries that are not economically justified, and there are very few of them, than to insist on a stagnation of all the business of the producing public of America, and because of which the farmer is staggering toward the brink. Reducing the tariff to a competitive basis would not destroy the manufacturers of America, but it would weed out a few that have outlasted their usefulness.

It would do this: It would give an opportunity for the labor that has been absolutely shirking the job to find useful occupations. What I mean is this: The Secretary of Commerce gives out the statement that last year a half billion dollars was saved by standardization, by the proper application of business methods in industry. I insist that is one of the most serious indictments of industry in this country we have ever had. It shows that somebody has been lounging behind the tariff wall at the expense of the American public; that that much each year has been wasted through a feeling of security. A competitive basis would wake up some industries which long since have been in a Rip Van Winkle class, so that there would be more stimulation applied to them and cause them to arouse themselves and give the American people the service it deserves.

Mr. TILSON. Will the gentleman yield?

Mr. BROWNING. I will.

Mr. TILSON. How would the gentleman select the industries which he would sacrifice and weed out?

Mr. BROWNING. I would let the law select them.

Mr. TILSON. But the gentleman is going to reduce rates on certain ones and thereby weed out those not economically sound. How would the gentleman do it?

Mr. BROWNING. I would reduce the rates to the farmers and the consuming public to the point of competition for the purpose of revenue and then let those industries take care of themselves, let them wake up or eliminate themselves.

Mr. TILSON. How would the gentleman determine at just what point to fix the rate of duty so as to eliminate the sleepy ones? I am afraid there would be some suffering in the country before the gentleman ascertained just what that point should be.

Mr. BROWNING. Some suffering is what I am complaining of now. I do not profess to be a specialist on the tariff, but if the gentleman will take the time to read some of the resolutions introduced by my colleague from Tennessee [Mr. HULL] he might get some enlightening information.

Mr. CAREW. The gentleman from Connecticut does not know anything about the suffering in your district now?

Mr. BROWNING. He certainly does not.

Mr. TILSON. I desire to say after reading the resolution of the gentleman from Tennessee [Mr. HULL] just referred to that I am just as much in the dark as I was before.

Mr. BROWNING. Of course, the gentleman can not see anything in a reduction of the tariff, and I am compelled to observe of him, like a prophet of old said on one occasion, "Ephraim is joined to idols; let him alone." [Applause.]

Mr. JONES. Will the gentleman yield?

Mr. BROWNING. I will.

Mr. JONES. I suppose from the gentleman's remarks, the gentleman who interrupted the Speaker, that in order to protect some of these little industries and let them get along without competition he would prefer to let farmers continue to operate on the 60-cent dollar?

Mr. BROWNING. Yes; the dollar of the farmer is worth 60.3 cents in purchasing value. Frankly, I think it a gloomy prospect, because this Congress is going to adjourn without one thing being done to remedy that situation. It looks like desolation is in front of the farmer. There is only one way to remedy it. You can not do it by a pipe dream. There is no use to sit on the bank of a brook and wait for the water to clear up as long as there is a hog in the spring above you. You must run the hog out of the spring before you can get clear water. You must——

Mr. HUDSON. Will the gentleman yield?

Mr. BROWNING. I will.

Mr. HUDSON. Is it not a fact that this Congress has enacted legislation, the only legislation that all the farmer organizations could agree on, and we did it gladly and quickly?

Mr. BROWNING. Of course we gave three cheers for the farmer——

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWNING. Will the gentleman give me five minutes?

Mr. OLIVER of Alabama. I yield the gentleman five minutes.

Mr. BROWNING. We did give three cheers for the farmer with the Haugen cooperative marketing bill, under the provisions of which the President can invite some of his friends in for a conference just before an election at the expense of the public.

But that measure is just simply another means by which you undertake to lull the farmer to sleep. It is not going to make any cheaper the products he must buy, and it is not going to give him any better market to sell his products in unless reciprocity in trade is established with other nations. He will not be misled.

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

Mr. BROWNING. Yes.

Mr. KETCHAM. I would like to ask the gentleman one question. I have been interested in the figures he has used showing the great decline in the value of farm property from 1920 to 1925. Does the gentleman believe that that is an exactly fair statement in view of the highly inflated values of 1920? Would it not be better to make the comparison by going back to 1915, or to 1910?

Mr. BROWNING. No. For this reason: The farmer's dollar was worth 104 cents in 1920, and now it is worth only 60 cents.

Mr. KETCHAM. The value in 1920 was due to war conditions.

Mr. BROWNING. Oh, yes; the war again! They always lay it on the war. [Applause.]

The farmer's dollar was at normal in 1920. The value of his dollar for every year since 1890 might be interesting to you, and I give it here for the benefit of the RECORD:

The purchasing power of the farmer's dollar since 1890

[Includes food and farm products with all other products]

	Cents
1890	83
1891	89
1892	87
1893	87
1894	85
1895	85
1896	81
1897	86
1898	88
1899	83
1900	86
1901	92
1902	95
1903	88
1904	93
1905	90
1906	88
1907	90
1908	93
1909	100
1910	96
1911	97
1912	101
1913	100
1914	105
1915	103
1916	97
1917	107
1918	112
1919	112
1920	96
1921	84
1922	89
1923	61.3
1924	62.4
1925	60.3

The law of compensation has its final remedy in all cases of this kind. The day of judgment is approaching. The storm is already gathering. You may not consider it to be serious, but it is going to break over the head of this administration with resounding fury before the ides of next November shall have arrived. Of course, protection has had its Belshazzar feasts, and the participators in those feasts are unmindful of the fact that the Medes and Persians of the people's wrath are thundering at the walls of your city. You have drunk from golden vessels. But, I thank God, the handwriting is on the wall. You have been weighed in the balances and found wanting. [Applause.]

Mr. SHREVE. Mr. Chairman, I yield 30 minutes to the gentleman from Wisconsin [Mr. FREAR].

The CHAIRMAN. The gentleman from Wisconsin is recognized for 30 minutes.

Mr. FREAR. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. FREAR. Mr. Chairman and colleagues and friends on this other side of the House, I am interested in this stage of the proceedings in view of what we have been listening to and what has occurred in financial circles within the last 24 hours.

Let me digress from my subject of Indian misgovernment, which I expect to discuss, in order to say a few words that seem appropriate at this moment.

Congress has been abused, as was suggested by the gentleman from New Jersey [Mr. EATON], quite frequently. We have been regularly denounced for not following the directions of those who control the metropolitan press and powerful financial interests, and who demand obedience to their wishes without respect to the interests of all the people.

Immediately after the signing of the tax bill about a week ago stocks began breaking in Wall Street, and from the best information to be had the press estimates that over $2,000,000,000 in paper securities were wiped out within 24 hours, and after signing of the new tax bill. Twice that amount has been lost to thousands of trusting lambs in the market, but no new factory wheels have yet turned. These thousands of trusting lambs were fleeced by their white brothers in Wall Street, and as a preliminary to my remarks I am asking if it would be proper to have a competency commission to protect them hereafter, and if so, why not the "judges" in the Indian Bureau?

Through the "generosity" of my Republican colleagues I was placed on the Indian Committee, and I am here to speak of that committee to-day.

I desire to speak on the misgovernment of the American Indians by the Bureau of Indian Affairs and to submit evidence on that subject. This morning in our committee—the Committee on Indian Affairs—we listened to the reading of a proposed bill that was offered by the Commissioner of Indian Affairs. That bill proposed to give to what are called Indian "judges," who get $10 per month each for their services, the power to impose a penalty of six months in jail or $100 fine—to imprison, without any right of appeal, and with no right of trial by jury, any Indian upon any reservation by reason of that proposed law.

Mr. COOPER of Wisconsin. Mr. Chairman, will my colleague yield?

Mr. FREAR. Certainly. I yield to the honored dean of the House.

Mr. COOPER of Wisconsin. What does the gentleman mean by "Indian judges"? Who appoints them?

Mr. FREAR. Indian judges are appointed, if my colleague from Wisconsin will bear with me, by local Indian agents, and the Indian agents are appointed by the Bureau of Indian Affairs, and the so-called "judges" carry out very naturally the will of those who appoint them.

Mr. COOPER of Wisconsin. They have the power to impose a sentence of six months in prison?

Mr. FREAR. That is what they now do constantly without any law, and I am prepared to bring the evidence of that practice before you this afternoon.

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

Mr. FREAR. Yes. I yield to the gentleman from Alaska.

Mr. SUTHERLAND. I am anxious to know what the qualifications of these judges are.

Mr. FREAR. That is an important question. No qualification whatever is required except the ability to get the appointment.

Mr. SUTHERLAND. Are they supposed to be lawyers?

Mr. FREAR. Not by any means. No legal knowledge is required.

Mr. HUDSON. Mr. Chairman, will the gentleman yield there?

Mr. FREAR. Yes; to the gentleman from Michigan.

Mr. HUDSON. Does not the gentleman think it is fair to state to the committee what the misdemeanors are in which these judges can exercise jurisdiction over the Indians on the reservation?

Mr. FREAR. That is a fair question. They exercise judicial authority over any Indian offense outside of eight crimes that are retained by law in the Federal court's jurisdiction.

Mr. HUDSON. Will not the gentleman admit that this simply has to do with Indian customs within the reservations?

Mr. FREAR. Not with Indian customs alone, but also with white customs that have been brought among them. With every offense alleged against any Indian except the eight specific felonies named by law where trial is had in the Federal court.

Mr. McSWAIN. Will the gentleman yield?

Mr. FREAR. I yield to the gentleman from South Carolina for a brief question; yes.

Mr. McSWAIN. Is this judge over the Indians an Indian or a carpetbagger brought in to hold the office?

Mr. FREAR. He may be either, so far as I know. There is no law on the subbject. He may be a carpetbagger like the Indian agent. He is a $10 a month "judge." It does not necessarily follow in the absence of law that the "judge" must be an Indian, but any man could be brought in who may be appointed.

Mr. HUDSON. Will the gentleman yield again?

Mr. FREAR. Briefly; yes.

Mr. HUDSON. Is it not the purpose of the law that the judge shall be an Indian and a member of the tribe on the reservation?

Mr. FREAR. Whatever the purpose of the practice may be, I am informed by those who know——

Mr. HUDSON. Is not that the language of the law?

Mr. FREAR. No; there is no law on the subject. No law provides for Indian judges.

Mr. HUDSON. Well, is not that the purpose of the bill?

Mr. FREAR. We have been working for years absolutely without law; we are working on what we call rules and regulations. It is the most absurd spectacle that has ever been presented to Congress, so far as my knowledge goes. The Indian Bureau bill now seeks to give this $10 a month judge—appointed by the agent—power to jail Indians for six months without jury trial or right of appeal.

Mr. PEAVEY. Will the gentleman yield?

Mr. FREAR. Yes. I yield to my colleague from Wisconsin.

Mr. PEAVEY. I have in my possession a letter from Mrs. Mary Moore, of Odanah, Wis., complaining about the very thing under discussion. She states that an Indian judge at Flambeau, Wis., sentenced her son to imprisonment; he was given a chance to work it out in the potato fields, and he escaped. Some months later they brought him back and put him into jail with a chain and ball on his feet, and in this particular case the charge was for simply being disorderly. The mother of this boy writes me that her son was tried before an Indian judge who was unable to read or write English, and she claims the superintendent of the Flambeau Reservation wrote out the boy's sentence for the Indian judge. On January 26 I sent Mrs. Moore's letter to the Indian Bureau, requesting an investigation and report. Receipt of my letter was acknowledged, but no report has been made in six weeks' time. I have had many complaints from Indians in my district, but not of so serious a nature as the Moore case.

Mr. FREAR. May I at this time proceed a little out of order to add to what my colleague from Wisconsin has said, because this comes from a district in my State and has had some effect in bringing up for discussion this question to-day. My colleague speaks with authority on the subject of Indian judges. May I read a telegram from Madison, Wis., on this very point addressed to President Calvin Coolidge:

> Responsible woman, whose word I believe, reports that Paul Moore, an Indian, charged with a misdemeanor, was found on January 26 at Lac du Flambeau, Wis., Agency jail, in a cell 6 by 8 feet, with clogged toilet, and with ball and chain fastened to ankle. In same jail were incarcerated Indian women. This condition is abhorrent to the dictates of decency and our vaunted civilization. This is the tyranny of the dark ages and the practice of the degenerate dominant to terrorize the Indian, who needs help more than a jail. In the name of humanity, I beg that that sort of thing cease.
>
> JOHN J. BLAINE, *Governor.*

Mr. COOPER of Wisconsin. Will the gentleman yield?

Mr. FREAR. Yes; certainly.

Mr. COOPER of Wisconsin. The appointment of these judges appears to me to be of prime importance in this problem. Congress passes laws of a general character and then provides that certain executive officials may make rules and regulations for carrying out the provisions of the statutes.

Mr. FREAR. That is right. That is their power.

Mr. COOPER of Wisconsin. And, by the way, I will digress to say that there is altogether too much of that done by Congress to-day. But does the gentleman say that these judges are appointed in pursuance of rules and regulations?

Mr. FREAR. Not in pursuance of any rule or of any regulation. They are appointed simply without law, so far as I can ascertain, to carry out rules and regulations laid down by the

Indian Bureau in the name of the Secretary of the Interior, a power exercised without any restriction.

Mr. COOPER of Wisconsin. Who directs their appointment?

Mr. FREAR. The one who appoints the ten-dollar-a-month "judge," is the local Indian agent, and he in turn, of course, is the agent appointed by the Commissioner of Indian Affairs. It is without parallel in American custom or jurisprudence, for the Indian agent is the prosecutor, judge, jury, and jailer without right of appeal from this petty autocrat.

Now, may I proceed just a moment? The Indian was given his full rights of citizenship two years ago. Congress did that, and he is just as much entitled to vote and to act on all matters given by citizenship as you or I; but with this difference, that the Indian Department still retains control over his actions and prevents anything being done by him in regard to his property unless the bureau holds him to be "competent." Now, you ask: Who is it determines his competency, and how? The Indian Bureau, on the say so of the Indian agent, who is the judge, jury, and court again, the local Indian agent, or sometimes they have a traveling commission, to which I will later refer. But there is no right of appeal from his or their decision to any court. The Indian may have any amount of property, and some of them are possessed of wealth; he may be just as capable of exercising control over it as we are, but he has no authority and his competency is determined by the Indian agent, or other agency acting for the Indian Bureau. Two hundred and forty thousand Indians are still held incompetent by the Indian Bureau without right to control their own property.

MONEY AND PROPERTY OF INDIANS HELD UNDER INDIAN BUREAU

How much money do you suppose is held and controlled by the Indian Commissioner to-day for the Indians? Ninety million dollars. How much Indian property do you suppose he now reports is held under his control that belongs to the Indians? The commissioner reports $1,600,000,000. This enormous amount of property held and controlled by the Indian Bureau belonging to Indian citizens discloses the importance of the problem. Congress gave the Indian full American citizenship in 1924; there now comes up the question of constitutional rights. The Indian has his constitutional rights the same as our own, having become a citizen. He has the right to trial by jury, has he not? He has the right to appeal from the decisions of the court. He has the right to meet his witnesses face to face and he has the same rights that are ordinarily given every other citizen under the Constitution. But he does not get these rights, except as to the eight cases provided by law, when he is dragged into the Federal courts where the Indian "judges" are compelled to give him a fighting chance. I gave an illustration in the case which the Governor of Wisconsin pointed out in his appeal to the President. Many other complaints of a similar nature will be referred to and countless others go unreported. They come from those who are interested in this question, among others the various Indian defense societies composed of white people, and I believe there is much that is trustworthy in the reports that come to us. Let me say this brief word about these splendid men and women belonging to the Indian defense societies: They know conditions, they visit the Indians on reservations, they seek to give the Indians some protection, which the Indian Bureau refuses to grant. They have no other interest to serve than justice for the Indian.

THE INDIAN IS THE ONLY CITIZEN WITHOUT CONSTITUTIONAL RIGHTS

Now, as to the possession of property refused the Indians. The negro has possession of property the same as you Members have. When 4,000,000 negroes were liberated this Government did not think it necessary at that time to hold them in check, did it? The negro was given full property rights and has exercised such rights for over 50 years. He began at once to accumulate property, to act on his own behalf, and although without any tutelage under the Indian Bureau, these 4,000,000 negro slaves soon became self-respecting American citizens and to-day are as self-sustaining and prosperous as most white persons similarly situated. Not so the American Indian who after 70 years of Indian Bureau guardianship has lost three-fourths of the Indian population by sickness and neglect, and is prevented by the Indian Bureau from possessing his property whenever the local Indian agent objects to his competency. No jury trial nor appeal is given the Indian.

The Filipino has control of his property and transfers it without hindrance, so has the Porto Rican and everyone else. Only Russia has placed restrictions on its people suddenly possessed of lands that were held by the Czar. No real civilized country with that exception is known. In fact, there is not a man, no matter how humble, unless he is insane, who is kept from having control of his own property, yet 240,000 of these American Indians with $1,600,000,000 of property in the hands of the Indian Bureau, are held waiting to have the determination of their competency passed upon—by an Indian agent from which there is no court appeal, as with all other citizens.

Mr. HUDSON. Will the gentleman yield?

Mr. FREAR. Yes. I yield to the gentleman from Michigan.

Mr. HUDSON. Does the gentleman recall that when oil was discovered in the land of the Five Civilized Tribes or in Oklahoma, they were allowed the expenditure of their full income, and does not the gentleman recall that within a very short period of time they were millions of dollars in debt and the Government had to pay the debt and provide, in order to protect them, they could only use so much of their income.

Mr. FREAR. Gentlemen of the House, I want you to remember the words the gentleman from Michigan used, because they describe the situation, that Indians were "allowed"; that these Indians who are now citizens were allowed; allowed by whom? By the Indian Bureau. They were once allowed to manage their own property. Now that right has been withdrawn. They were not found "competent" according to the bureau. Yet thousands of lambs in Wall Street were sheared of $2,000,000,000 within the past 24 hours. Why does not the Indian Bureau ask to test the competency of the shorn lambs of Wall Street?

Even our white brothers become easy marks occasionally and the temptation to hold and control $1,600,000,000 by the Indian Office through a self-perpetuating bureau is more dangerous, as I shall attempt to show, than occasional failure to exercise good business judgment.

I am not prepared to ask that all Indian property be turned over immediately to the Indians. The bureau has kept them in subjection so long that it might be unwise, but the courts, and not the Indian Bureau, should decide all questions of "competency," as it does now with all other citizens. I will concede that all the Indians may not be able properly to control their property. I can pick out in many communities white, black, and yellow people who are not able properly to control their property, according to my judgment, but when 240,000 Indians own all this vast amount of property without any constructive proposition for their education and advancement offered, I submit it is time Congress should act and abolish the present bureau system of control.

Let me go a little further. A few days ago on the floor of the House there was disclosed a situation which attracted the attention of every Member present, when $100,000 was inserted in an appropriation bill because of a white tourist bridge item wrongfully charged by the bureau against the Navajo Tribe through a bill that was passed at the last session and slipped through in some way without any knowledge of this Indian tribe. I submit it could not very well be slipped through at this time. The provision was inserted in the appropriation bill providing for a bridge across the Colorado Canyon, as Mather says, for 100,000 tourists, and the testimony is overwhelming that the Indians who are required to pay $100,000 toward the bridge will get no benefit from it.

I am going to quote in my remarks, which will be extended, testimony to that effect which is unmistakable. One hundred thousand dollars taken from the Indians, and on what theory? Simply because they are not paying State taxes and it could be taken from them. They only have $116,000 in their tribal fund, and there had already been charged against this tribe of Navajo Indians by the Indian Bureau as reimbursable items $771,000. I shall refer to this and other bridge matters hereafter in my remarks.

The gentleman from Michigan [Mr. HUDSON] just asked me a question about oil and about the Indians' oil interests.

FIVE PER CENT OIL ROYALTY FOR INDIANS

There is pending to-day before our Indian Committee—and the Commissioner of Indian Affairs, Mr. Burke, has appeared before us in its support—a bill that, as I said the other day in answer to a question in the House by the gentleman from Texas [Mr. BLANTON], proposes to allow 95 per cent of all the oil that is produced on upward of 1,000,000 acres of Indian lands to go scot free of taxation, so far as oil producers are concerned. The Indian who gets 5 per cent royalty will pay out of that 5 per cent royalty, under this bill approved by the Commissioner of Indian Affairs, 37½ per cent of his 5 per cent royalty, or more than one-third of the Indians' share, which will go to pay taxes not only for the Indian but for the producer, who gets 95 per cent of the total oil output free from taxes. The Indian is to pay all oil taxes on 22,000,000 acres of Indian reservations by the Indian Bureau's bill. There is no dispute, I believe, as to that.

Think of that proposition. Ordinarily, as the gentleman from Texas said in debate the other day, the royalty rate is

12½ per cent or one-eighth. That is true so far as I know, but here is a case of only 5 per cent royalty with 37½ per cent of that 5 per cent subtracted for oil-producers' taxes, leaving about 3 per cent net to the Indians. Is the Indian Commissioner faithful to the rights of the oil producers in this case who go scot free of taxation or to the Indians who pay the price?

That is the Indian Bureau's oil leasing bill. You ask, does it amount to very much in the aggregate? Twenty-two million acres of land will be subject to that provision and 1,000,000 acres may go to 400 extra exploiters who ask for the 5 per cent royalty leases; but 22,000,000 acres of Executive-order lands are to be thrown open by this bureau bill if it is allowed to pass the House.

BILLS PROPOSED THAT ARE CONSTRUCTIVE AND JUST

Let me say in passing that anyone who makes complaint about such measures, without offering something constructive, is not entitled to a very respectful hearing, and that I have tried to do, to offer bills fair to the Indians. I have introduced an oil-bill leasing proposition that is fair in character, because it lays an equal proportionate burden of taxation upon the producer as well as the Indian, and I challenge any man to stand up here and show that the Indians should pay all the oil taxes for the producers. They do not do so in any other case. I shall show hereafter that the Indians under a fair construction of law are required in other reservations to undertake the same tax burden for oil producers.

To meet the need of courts to care for reservation offenses and small civil suits by or against Indians I have introduced a bill, H. R. 9315, and it is now before the Judiciary Committee, which provides not only that the Federal court shall have jurisdiction over the felony cases that they now have by law, but that they shall have control of all other cases of felony; that the commissioners now appointed by the Federal court, together with such local magistrates as the Federal judge finds necessary to appoint, shall have power to try all Indian cases of misdemeanor, with right of appeal to the Federal court from the magistrate's decision. This plan provides for the right of appeal and thereafter of a trial by jury which they have not got to-day. They are entitled to it because otherwise we are depriving them of their plain, constitutional rights.

Mr. KELLY. Will the gentleman yield?

Mr. FREAR. Yes. I yield to the gentleman from Pennsylvania.

Mr. KELLY. The gentleman is a member of the Committee on Indian Affairs?

Mr. FREAR. I am. Appointed this session.

Mr. KELLY. The entire proper purpose of the Indian Bureau is to protect these Indians and to endeavor to make them self-supporting citizens of America?

Mr. FREAR. That is what the country understands it to be.

Mr. KELLY. Out of the gentleman's experience, does he know of any policy supported by the Indian Bureau that would have that tendency in any particular whatever?

Mr. FREAR. I will say from my study I do not, and I have given it careful study for the short time I have been occupied with the matter and have had the aid of several experts who have studied it for over 30 years in close association with the Indians. They have told me there is nothing hopeful in the program or the lack of program of the Commissioner of Indian Affairs.

HERE IS CONFIRMATION, INDEED

Mr. KELLY. I would like to say in supplement to that, as a member of the Indian Affairs Committee for two years, and after going into a rather thorough study of the entire system, I was never able to find a single policy advocated that was for anything except the perpetuation of the Indian Bureau system. The whole system seems to me to be a bureaucracy riding on the backs of the Indians.

Mr. FREAR. I think anyone who is fair would reach that conclusion, and I thank the distinguished gentleman from Pennsylvania, whose ability and support of worthy measures is conspicuously known to every Member. I am grateful for his confirmation of the belief that the Indian Bureau should be abolished. I have no feeling at all against any member of the Bureau of Indian Affairs or the Indian Commissioner, and let me say to my good Democratic friends on this side there is no glory in your own handling of the Indian Bureau, so far as I can learn, because Indian treatment has been the same on both sides, so far as my study reveals. There has been no choice about it.

It is a Nation's proposition that we face, one that not only Congress but the country faces. May I now proceed without further interruption, because I desire to place facts based on bills approved by the bureau before the House?

What are we going to do for these Indians? Are we going to allow this misgovernment of 240,000 American citizens to continue everlastingly? For instance, we have had nearly a century of bureaucratic control, and where have we gotten? Expenses have grown, with this Indian Bureau the number of employees have increased in the bureau as the Indians decreased in number; in fact, Indians are rapidly being decimated, so that to-day it is a condition of maladministration that justifies an abolishment of the bureau and provision for a temporary substitute until the Indians can be released from their present position of virtual peonage.

Take one particular question—that of health. The Indians in some instances are dying rapidly, and in one State the number has decreased from 100,000 to 17,000, due to disease. You may ask, are you going to charge all that up to the Indian Bureau? No; I do not think we should do that. What we should do, though, is to determine upon and develop a plan so as to make the Indian without delay self-supporting and take him out of the condition of serfdom in which he finds himself to-day. That will be impossible to advance in a hundred years under the Indian Bureau, which, as Representative KELLY well says, only works for self-perpetuation at the expense of the Indians.

THE INDIAN BUREAU'S MISMANAGEMENT REQUIRES INVESTIGATION

I have prepared a brief resolution, and I am going to read it with your permission, because it sets forth what I have in mind, and I am trusting that Members of the House and of the Senate will take jurisdiction and will do something for the relief of this intolerable situation with regard to our treatment of the Indians. It is a joint resolution and reads as follows:

Joint resolution by Mr. FREAR authorizing the appointment of a committee to investigate the Indian Bureau and report thereon

Whereas Congress in 1924 granted citizenship to every adult Indian for the purpose of enabling him or her to become a self-supporting responsible member of society, and

Whereas through 70 years of bureaucratic guardianship the Indian has been held by the Indian Bureau in a hopeless, un-American and unambitious position, with 240,000 or two-thirds of all Indians still kept by the Indian Bureau in a restricted condition and declared by it to be incompetent to own or manage property; this status being determined by the Indian Bureau itself without right of court review; and

Whereas the Indian Bureau, directed by Commissioner Burke and Assistant Commissioner Meritt, exercises practically unlimited control over Indian property estimated at $1,600,000,000 in value, and has consistently, through administrative usurpation and through a ceaseless persuasion of Congress, increased its power as a means of politically perpetuating itself in more than 5,000 salaried positions paid for by the taxpayers and by the Indians without the Indians' consent; and

Whereas the Commissioner of the Bureau of Indian Affairs has made rules and regulations and has authorized Indian agents to appoint ten-dollar-a-month subordinate agents called "judges" who, without trial by jury or any known code of law or legal practice, have confined Indians in jail and compelled them to work on the highway as convicts and to pay fines for infringing such rules, all in violation of the constitutional rights and guarantees given every American citizen, and has further, through his agents, permitted many acts of cruelty and mistreatment of Indians which deprived them of their property and liberty of person; and

Whereas the Indian Bureau has neglected the health of the Indians until diseased conditions shocking beyond description have developed and now menace the white population of several States, while destroying the Indians; and

Whereas cooperating with local interests in using pressure upon Congress, the Indian Bureau has charged to the several tribes, through legislation initiated or approved by the Indian Bureau, many millions of dollars for bridges, roads, irrigation projects, and other public and private work not consented to by the Indians and not intended primarily, if at all, in some cases, to be used by the Indians; and

Whereas the Commissioner of Indian Affairs has advocated laws that have required and will require the Indians to give unjust oil leases reaching many million of dollars and unwarranted favors to oil producers and speculators, including payment by the Indians of the white producers' and speculators' tax, and further has failed and refused to protect the Indians' property, but on the contrary in repeated cases involving enormous results has favored legislation designed to cancel and confiscate Indian property rights and to remove the legal protection to which the Indians as wards of the Nation are entitled; and

Whereas after 75 years of Spanish inquisition guardianship under an Indian bureaucracy that to-day rivals the autocracy of a Russian Czar the Indians are without hope or protection save through an aroused public sentiment and intervention by Congress; and

Whereas the Indian Bureau with its notorious scandals, robbery of its wards, and systematic oppression has outlived any usefulness it was supposed to have when first organized; and

Whereas Congress, having granted full citizenship to the American Indian, must now in tardy justice enable these wards of the Nation to enter into the privileges and responsibilities of citizenship, which can never be done under the present archaic, tyrannical, and exploiting system of the Indian Bureau: Therefore be it

Resolved, That a committee of 10 Members of Congress is hereby authorized, 5 to be appointed by the Vice President from the Senate and 5 appointed by the Speaker from the House; that such committee shall be instructed to investigate any charges of neglect, dissipation of funds, improper treatment, or misgovernment of the American Indians and further report their findings with such recommendations as may afford the Indians opportunity to improve their conditions without delay and better qualify themselves for rights of citizenship heretofore granted them by Congress.

And for such purposes said committee shall have power to send for persons and papers and administer oaths and shall have the right to report at any time. The expense of said inquiry shall be paid jointly in equal proportions out of the contingent funds of the Senate and House upon vouchers approved by the chairman of said committee, to be immediately available.

In support of the foregoing resolution, I wish to set forth the facts which to my mind imperatively demand an investigation of the bureau and a constructive program with or without court aid that will care for those Indians temporarily needing the advice of a legally appointed guardian, with the purpose of giving to all Indians without needless delay full control of their property and permitting them to become self-respecting American citizens.

Mr. Chairman, Indian Bureau and Indian bureaucracy have been under fire for the last 50 years. I am not inclined to give ear to complaints and charges against the bureau without facts instead of rumors for a basis. I did not ask to be placed on the Indian Committee of the House, nor have I any personal antagonism against bureau officials individually or collectively, nor any interest to serve excepting justice so far as can be had for the Indians who since their control by the Indian Bureau for nearly a century past have been robbed of practically all their lands and given little in return excepting where hidden minerals escaped the robbers and the notice of their bureau guardians.

EVIDENCE OF MISMANAGEMENT AND WORSE

This Government's responsibility was never greater than it is to-day, and I charge that under the present administration of Indian Bureau Commissioner Burke and Assistant Commissioner Meritt, these officials are not acting in the interests of the Indians nor are they or the bureau they represent protecting Indian rights or property.

This charge does not assume that all that is done is wrong, but I do specifically charge that these men named are not protecting the rights of Indians in important specific cases and that they should be removed from office if these charges are substantiated. After nearly a century of mismanagement of Indian affairs by the Indian Bureau, it is contended by reputable witnesses that no improvement has been shown to date.

Two years ago, as stated, every Indian whether declared competent or incompetent by the bureau received full citizenship rights from Congress, yet the bureau still reserves to its Indian agents the sole right without appeal of retaining control and management of the property of more than 200,000 Indians on the ground that they are incompetent, while the Indian Bureau through its local Indian agent, as I have pointed out to this committee, alone says who are competent.

These Indians with tribal and other property now own over $90,000,000 in cash or securities and over $1,600,000,000 of property, to which I have referred, due largely to oil discoveries on their lands which Commissioner Burke and his assistant, Mr. Meritt, control through their army of Indian agents and other employees, greater in number, if I am correctly informed, than were employed 50 years ago for many times the number of Indians now living.

Charges of misgovernment, if not misconduct, in handling Indian affairs and Indian property are not based on Indian complaints against the Indian Bureau and its agents which have come to my hands and which from the nature of things in many cases have two sides, but I desire to submit evidence of indefensible misgovernment that I believe would convince any fair-minded jury. This evidence, if true, and it is from highly reputable sources, should arouse Congress to an investigation and a recommendation of a new Indian policy that will do away with the present system which has reeked with scandal for many years and now works an unjust and unwarranted hardship to the few remaining American Indians.

SPECIFIC CHARGES AGAINST THE INDIAN BUREAU

I charge, first, that the Indian Bureau under the direction of Commissioner Burke and Assistant Commissioner Meritt has approved and supported bills that have looted the treasury of the Navajo Indians, as before stated, and that the only justification of this looting is found in a plea that a reimbursable charge eventually to be paid by the Indians will not be paid immediately. Of course not. That could not be done because the only funds to the credit of the 34,000 or more Navajo and Hopi Indians are $116,000, while the total reimbursable charges against this tribe's funds and future funds, apart from the $106,000 bridge items named, reach $771,281.09, as follows:

Reimbursable charges approved by the Indian Bureau against the Navajo Indians to be paid back to the Government Treasury

Land	$99,445.15
Bridges	147,979.27
Roads	88,204.41
Irrigation	96,478.75
Stock water Navajo	95,362.31
Navajo and Hopi	243,821.20
Total	771,281.09

This amount is according to a letter from Commissioner Burke dated February 11, 1926, and is a charge against the Navajo Tribe with the additional $106,000 bridge items like any mortgage whenever they are able to repay the Government for such charges, a large part of which were urged by the commissioner and his subordinates without the tribe's knowledge, consent, or for their benefit.

Let me not exaggerate a specific act of mismanagement of Indian affairs that approaches official misconduct because of the official responsibility resting on the commissioner and the Indian Bureau to correctly advise Congress and to protect the rights and property of the Indians. The excuse offered for the construction of the Colorado Canyon bridge is offered by Mr. Mather, director of the park board, who wrote Representative HAYDEN that 100,000 tourists will use this bridge to cross the Colorado River Canyon. His letter of advice appears on page 4599 of the CONGRESSIONAL RECORD, Senate proceedings, February 26, 1926. A Mr. Eakin, local superintendent of the Grand Canyon Park, also wrote Representative HAYDEN that the $100,000 bridge investment will enable the Navajo Indians to sell their pottery, and so forth, to tourists. The Indians are largely living 50 miles or more distant from the bridge and are a race of nomads who graze their stock on this practically desert land near the river.

The argument of my colleague in the House from Arizona was to the effect that the Navajos will get some benefit eventually, but the primary cause appears to be that a tourist bridge for automobiles is needed for 100,000 tourists, and Arizona believes the Navajos should pay for one-half its cost, not because of any value to the Indians now or prospective but because the State needs the money and can not get taxes from the Indian tribes under existing law.

A $200,000 BRIDGE FOR INDIANS SELLING BLANKETS

The land belonging to the Navajos is grazing, almost desert as a whole, not used for agriculture, and nearly valueless for farming or grazing. The tribe is a tribe of nomads, as stated, and has no use for a bridge any more than for a four-story bank building without funds and never will have. A ferry has crossed the narrow river for many years, which is available if ever needed for the sale of all the pottery and blankets the Indians can make and sell to tourists for a century hence. When good agricultural lands in Western States can not be rented for taxes it is idle to talk of collecting taxes from these Indians for these desert grazing lands. Prospects of oil development are made a basis of all reimbursable charges now being lodged against the Navajos. This in part is the argument of proponents for the Navajo Tribe $100,000 charge for the bridge. Counterfacts against the justice of this contention appear from the Indian Bureau testimony, which I quoted with references on February 4 in the House:

> The Navajo Indians are three generations behind the Indians in other parts of the country. There are 7,000 now without school facilities. We have a treaty to educate the Navajo Indians, but are very far behind in that obligation. (Assistant Commissioner Meritt's testimony.)
>
> It is going to take some time to put them (Navajos) on a par with the Indians of the Northwest, who have had educational facilities and education which they have not had. (Commissioner Sells.)

Yet, for these helpless wards of the Government, the Indian Bureau, with Mr. Meritt supporting the "highway robbery" made no defense against the two $106,000 bridge charges against the Navajo Indians, although reimbursable charges already rest against this tribe amounting to $771,000, while their total cash on hand is only $116,000 for 34,000 Indians.

It has been stated repeatedly and without contradiction to my knowledge that one-third of these Indians are suffering from trachoma, that they are sickly and diseased, and sadly in need of schools for their children and water wells for their flocks.

These are the Indians for whom Commissioner Burke with three-quarters of a million-dollar charge already levied against their property gives his support to this charge of $100,000 for an automobile-tourist bridge and against a fund of $116,000, all that is left with which to provide for the present necessities of 34,000 largely destitute, diseased Indians. The additional explanation is offered that the money will not be taken at once from the Navajos by Mr. Burke, but is only a mortgage against them.

THE BRIDGE WAS NEVER TO BE USED BY INDIANS

Now for the evidence that the bridge was not for the Indians, never will be, and was against their knowledge, consent, and was an indefensible reimbursable charge against the Indians approved by Commissioner Burke and his assistants.

Haven Emerson, president of the American Indian Defense Association placed in print on the desks of Members a specific statement based on evidence which he submitted that this bridge is far off from where the Navajos live and only touches the north edge of their reservation. That it is a tourist bridge, not for the benefit of the Indians, and they never knew of the commissioner's act nor consented to the use of their money for that purpose.

John Collier, executive secretary of the same organization, says the bridge will have no value for the Navajo Indians. Mr. Collier, I am informed, has lived among the Navajo Indians and knows their conditions. Both their statements were placed in the RECORD of February 4 last. Rev. Dirk Lay, a Pima Indian Tribe missionary, an unusually intelligent man, also a missionary with these Navajo Indians, says the bridge is of no possible value to the Indians, and they never would have consented to its being made a charge against them. I have talked with him personally on the subject. He points out the diseased conditions of thousands of these Indians imperatively needing help to-day.

To the same effect is the statement of Mrs. Stella Atwood, of California, chairman of Indian welfare, General Federation of Women's Clubs, with whom I have talked, and who protested vigorously against the injustice to the Navajo Indians. She has also been among these Indians. A distinguished Senator from New Mexico [Mr. BRATTON] has stated publicly that the Navajo bridge $100,000 reimbursable proposal is "unjust, inequitable, and iniquitous." This Senator also is familiar with all the circumstances.

Another distinguished Senator, familiar with all the facts, this time from Arizona, Senator CAMERON, says:

> It has been proven that the Navajo Indian Tribe has never, does not now, and never will derive any benefit from the Lee Ferry Bridge. * * * Why does the Bureau of Indian Affairs get behind a proposition to rob these poor Indians? Yet I call it highway robbery.

He further said not 10 Indians would use this bridge during the year if built.

HIGHWAY ROBBERY BY THE INDIAN BUREAU

When a Senator who is probably more familiar with these surroundings than any other Senator or Member of Congress expresses his indignation over Commissioner Burke for committing "highway robbery," it is time to ask for an investigation of the Indian Bureau and of its commissioner.

As if to emphasize a complete disregard for the rights of these Indians, whom Mr. Meritt, assistant commissioner of the bureau, says are three generations behind their fellow Indians in education, are diseased, and sadly in need of protection, Commissioner Burke and his assistant, Mr. Meritt, have approved a further charge against the Navajo Indians for another bridge, which I am informed is located 16 miles distant from the nearest point of the Indian reservation, and in like manner of no use to the Indians.

No evidence of more pathetic helplessness or of utter disregard of all principles of humanity and willingness to rob the blind, helpless, diseased, and friendless, I submit, can be found in all Indian history, and while it is not contended that all the $771,281.09 reimbursable charges against the Navajos allowed by Commissioner Burke and the bureau are indefensible, I submit that bridge items of over $250,000 and all others now invite the close scrutiny of Congress.

Advocates of the bridges to be used by white people contend that the Government has contributed to the support of the Navajos, as by treaty it was bound to do. I have learned that the total amount paid by the Government to the Navajos under the treaty agreement is far less than the average amount paid to all the Indian tribes, and that in five years—1920-1924, inclusive—a total of $4,846,000 was contributed toward the support of the 34,000 Navajo and Hopi Tribes, or an average of just $28.50 per year for each Indian, not enough to pay for doctors' medicine. Yet they never received even this pitifully small amount.

ROBBING THE NAVAJO INDIAN CHILDREN

In the annual report of the Board of Indian Commissioners for 1923-24 it is stated:

> The survey of seven of the boarding schools attended exclusively by Navajo children disclosed the fact that 46.64 per cent of the pupils—nearly one-half—were trachomatous—

An infectious disease which when neglected develops total blindness.

In General Scott's report of 1922 he says:

> It has long been known to the department that there are over 6,800 Navajo children in the Navajo country growing up in savage ignorance for lack of school facilities. * * * The Navajos generally desire the education of their children.

Harking back to the $28.50 average yearly expenditure by the Government for the Navajos during the past five years a further statement is made to me that of that insignificant amount 40 per cent went for Commissioner Burke's Indian Bureau salaries, or a net payment annually of about $17 each to the Indians whom General Scott says we are neglecting in violation of treaty rights.

Commissioner Burke and his bureau are deaf to these demands when he gives away practically every dollar of their money needed for education and medicine for two tourists' bridges, according to the testimony submitted. What further evidence of neglect and worse need be offered.

SUMMING UP THE NAVAJO CASE

I have gone into detail with this one bridge case, one of many, in order to disclose the methods of the Indian Bureau in a specific case.

Within a year or more $116,000 was saved from oil royalties for this tribe of 34,000 Indians, of whom over 80 per cent are Navajos. That was and is their total fund which invites the attention of those who would loot the Navajo Indians for an automobile bridge to accommodate 100,000 tourists. If the fund, however, was one hundred times $116,000 to be distributed annually, not subject to any reimbursable demands of the Indian Bureau, but to be immediately divided among 34,000 Navajos and Hopis, one-third of whom are growing blind and diseased, the individual allotment would hardly pay doctor's bills for one year without considering their livelihood.

An income of at least two hundred times the present fund of $116,000 annually is required to support the Navajos and to care for medical aid and education which we are neglecting, in violation of treaty rights, yet the insignificant amount now to their credit has been mortgaged by the Indian Bureau nearly eight times over, with more charges to come, at the pleasure of the guardian of the Indian Bureau and his assistants.

If further proof is needed of the complete disregard of Indians' rights it is found in this action of the Indian Bureau which has aided private interests to pass other reimbursable bridge claims through Congress when Congress was depending on the Indian Bureau to notify it and to protect Indians from exploitation. These Navajo bridge items were passed without knowledge of the Indians or of Congress of the alleged fraud on the part of the bureau. Thereafter the bridge items were placed this session in an appropriation bill containing hundreds of deficiency items aggregating over $400,000,000. In a five or ten minute discussion permitted on the bridge item in the House it was impossible to inform Members of the gross injustice about to be committed, so the bill ran roughshod over the opposition, due in part to the comparative importance of hundreds of uncontested items and influence of a great committee that prevented any amendments in order to pass the bill intact.

THE SENATE AND HOUSE POWERLESS TO PREVENT THE BRIDGE FRAUD

In the Senate where discussion may be had, the Navajo bridge items were exposed and the $400,000,000 bill was sent back to the House in disagreement on the bridge items. For several days this item was denounced in both bodies with no defenders of its proposed use by the Navajos. The Senate promised by an overwhelming vote to pass a separate bill to strike out the reimbursable feature of $116,000 but finally, after a strong protest, permitted the $400,000,000 deficiency bill carrying many needed items to pass. No repudiation of the Indian Bureau was ever more pronounced than the Senate bill that will repeal the reimbursable $100,000 Navajo item, but with knowledge that the Senate bill probably has a hopeless

road in the House, where one or more objections can prevent unanimous consent, the Indian Bureau may laugh at Congress, at the Senate, and at this effort to protect the Indians after the horse has escaped from the barn which the bureau purposely left unlocked.

Nothing more I submit is needed to disclose the bureaucratic, inefficient, and notorious violation of public trust permeating the Indian Bureau from top to bottom than this exhibition of the bureau's misrepresentation of conditions and present unconcern over legislative opinion.

The sooner such a bureau is wiped out under the administration's new economic plan and a substitution for court supervision of Indian interests provided, the sooner will the Indians be given the protection they need, with an expensive autocratic bureau barnacle removed from public service.

Commissioner Burke it is alleged also approved an indefensible reimbursable charge against the Pueblo Indians of $68,000 for two bridges across the Rio Grande in New Mexico. If I understand the facts correctly he made the entire cost of this bridge a reimbursable charge against the Pueblo Indian funds, and yet I am informed by responsible members of the Indian Defense Society acquainted with the facts that in one case white people will use the bridge three times as often as do Indians and in the other case 10 white persons will cross that bridge for every Indian who crosses, yet the Commissioner of Indian Affairs with a prodigal generosity of Indian money and Indian credit, builds bridges which the Pueblo Indians will entirely pay for—bridges to be used primarily by white people but for which Indian funds look like easy money.

Again I am informed the Indian Bureau made a reimbursable charge of $400,000 for a useless bridge which was charged up against the Pima Indian Tribe. This case is as bad in degree and worse in amount than the Navajo case. It is only another case of looting the Indian funds.

STILL OTHER INDIAN BRIDGE FRAUDS

This bridge business in which Indians are subject to "highway robbery," to use a Senator's characterization and of bridge burglarizing has many additional evidences of Commissioner Burke's generosity with Indian money. I submit a statement received as late as February 26, 1926, from Walter V. Woehlke, an authority on Indian affairs of the West and for years editor and secretary of the Sunset Magazine of California.

It is based on an extended personal investigation, just completed of the Yuma Reservation, Calif. Mr. Walter V. Woehlke says the Yuma Tribe is in great distress and misery and I quote:

> The same inefficiency, disregard for the Indians' rights, the same solicitude for the financial welfare of the white man is apparent in the management of the tribal fund. For instance, the tribal fund of the Yuma paid one-third of the cost of building an automobile bridge across the Colorado River, connecting Arizona and California. On what basis of equity or benefit one-third of this cost, $75,000, was assessed against the 140 Yuma families no one knows. One end of the bridge is on the Yuma Reservation, the other end in the corporate limits of the city of Yuma, with a population five times that of the Yuma Reservation and with an assessed valuation twenty times greater, yet the city of Yuma did not pay one cent of the bridge cost. Nor did the white population residing on the northern half of the reservation contribute anything to the bridge fund, only the 140 Yuma families were, without their consent or even knowledge, arbitrarily assessed $170 per family to build an interstate bridge. And the Indian Bureau never protested against this raid on the tribal fund; perhaps it even suggested the raid.

I do not care to discuss further the unjust, indefensible, and culpable methods of administration charged against Commissioner Burke and his Indian Bureau's allowance for bridges, to be used by whites but paid for out of Indian funds. It has been common knowledge that dishonest white men have practiced robbery, theft, and swindling of Indians in the past; but what shall be said of an Indian commissioner who, according to a United States Senator familiar with the facts as I have quoted, charges the commissioner and his bureau with "highway robbery" of his helpless charges.

MANY MILLIONS OF DOLLARS NOW REIMBURSABLE

Many, many millions of dollars have been charged against the funds of Indian tribes as "reimbursable" with the consent or connivance of the Indian Bureau, according to information I have received, that are unjust charges and can not be defended. Wasteful irrigation schemes, usually instigated by white people, are made reimbursable in part or entirely out of Indian funds. Not all of them are useless, but many of little value can be pointed out from a glance at the hearings and costs, while helpless Indian tribes are made responsible for projects approved by the Indian Bureau that no business man would approve nor any sane company guarantee from loss.

The Indian tribes so held responsible for reimbursable charges are generally poor in property, and it is reasonably certain that two-thirds of these Indian tribes would be bankrupt and without any home or reservation if compelled to pay the reimbursable charges made against them with the consent and connivance of the Indian Bureau. Many of the projects are as valueless to the Indians as the Navajo or Pueblo or Yuma bridge cases which have been set forth.

I have no personal complaint or feeling against Indian Commissioner Burke, as I have stated, and do not pretend to say whether or not he or his assistant, Mr. Meritt, are victims of a dishonest system when engaged in looting the funds of the Navajo, Pueblo, and Yuma Indians. No Indian witnesses have been quoted by me thus far, although many have written me or talked with me about the Indian Bureau's shortcomings. I have offered white witnesses alone, men of high standing, officials of the Government, and those who are governed by altruistic motives entirely when seeking to protect the Indians. No jury in Christendom would fail to bring in a verdict against the Indian Bureau and its responsible officials based on the testimony I have submitted.

THE INDIAN BUREAU'S OIL-LEASING JOKER

The case against Commissioner Burke's gross mismanagement of Indian affairs might rest alone on the facts thus far offered based on the evidence of witnesses presented, but I believe a far more culpable act and threatened loss to the Indians is being pressed on Congress by H. R. 9133, which Commissioner Burke advocates for passage in his testimony before the Indian Affairs Committee of the House, which measure is also before the Senate committee. I have briefly adverted to it before.

Contrary to every principle of justice and equity, this bill, approved by the Indian Bureau, proposes to make all Indian tribes pay, out of their oil royalties, all State taxes that may be assessed against oil producers.

While the Yuma bridge or Navajo bridge or Pueblo bridge projects are to be built primarily for white people entirely, or largely out of Indian funds, the commissioner now goes one step further and asks that all oil taxes which ordinarily are paid by both producers and lessors, according to their shares, shall now be entirely paid out of Indian oil royalties however small, and Commissioner Burke asks for the passage of this outrageous and unjust bill.

Let me state the scope of H. R. 9133, and I shall endeavor to do so without exaggeration, because the facts are simple, although the proposition is brazen and startling.

I can not ascertain from any Indian Bureau report the exact amount of Indian reservation land or proportionate share of Indian reservations which are now divided into treaty reservations and Executive order reservations. Under the law, Presidents have set aside Executive order lands for the use of Indians, and these lands are to be made subject to oil exploitation by H. R. 9133.

Section 2 provides:

> That the proceeds from rentals, royalties, or bonuses of oil and gas leases upon lands within Executive order Indian reservations or withdrawals shall be distributed as follows: Thirty-seven and one-half per cent shall be paid in lieu of taxes to the State within the boundaries of which the leased lands or deposits are located, upon the condition that the same are to be used by such State, or subdivisions thereof, for the construction and maintenance of public roads within the respective reservations in which the leased lands are situated and public roads contributory thereto and forming a part of the same highway system, or for the support of public schools or other public educational institutions attended by Indian children; 62½ per cent shall be deposited in the Treasury of the United States to the credit of the tribe of Indians for whose benefit the reservation or withdrawal was created or who are using and occupying the land, and shall draw interest at the rate of 4 per cent per annum and be available for appropriation by Congress for the expense of administration and for the use and benefit of such Indians.

Here is a bald effort to take 37½ per cent of the Indians' share of oil production by loading onto the Indian royalty all taxes that may be assessed against the oil producer. The State can not tax the Indians under existing law, but Commissioner Burke generously approves having the Indians pay all oil taxes, and singularly enough, out of 22,000,000 acres of Executive-order reservations, a part belongs to the Navajos, who already have been euchered out of $106,000 by the bureau within the last few days for two tourist bridges for which they have no use. Yet it is now proposed to make them pay all of the taxes for oil producers out of any prospective oil royalties.

Thirty-seven and one-half per cent, or over one-third of all the oil royalties they receive, is to be turned over by the Indian Commissioner to the State to be used ostensibly in building

bridges, highways, and roads with their money to harmonize with the tourist bridges which they will pay for to provide for white travel but not use themselves.

I have documents which declare Commissioner Burke and the bureau give to favored oil producers in other fields oil rights with smaller Indian royalties reserved than are given to white lessors of oil rights, but I am not discussing disputed oil royalties at this time. If true, however, they may serve to explain the general terms of H. R. 9133 that will give Commissioner Burke—Secretary of Interior—wide powers to exploit the Indian oil inerests.

SECRETARY FALL'S PROTECTION OF INDIANS?

For instance, over 400 oil speculators grabbed up over 1,000,000 acres of Navajo Indian lands under a ruling several years ago by Secretary of the Interior Fall, another notable "protector" of the Indians. Attorney General Stone, however, rendered an opinion, which I will attach to my remarks, that these Executive order Indian lands were not open to exploitation like the Teapot Dome and other noted oil fields now linked with the memory of Secretary Fall.

This bill H. R. 9133, if passed, will reinstate oil exploiters who were rejected by Attorney General Stone's opinion and may, subject alone to the ruling of Indian Commissoner Burke, include practically all speculators without limit, according to differing views reported to have been expressed before the House and Senate Indian Affairs Committees as to the powers he is expected to exercise under the bill. While the Secretary of the Interior, whose name and title is frequently quoted, furnishes a convenient cloak, the Indian commissioner is the actual power behind the gun.

Each of these 400 selected speculators or explorers gets a first right to 2,560 acres, or 4 square miles, providing he makes a showing under the bill, and an exclusive 20-year lease of Indian lands under bill H. R. 9133 to a square mile subject to its conditions. Under section 3 the first square mile will be leased noncompetitively to each exploiter by Commissioner Burke for a 20-year term with 5 per cent royalty reserved for the Indians, while 95 per cent or nineteen-twentieths of the oil which makes up the balance of this class goes to the speculator or oil exploiter. That in itself would cause a householder to welcome the "highway robbers," mentioned by the Senator, with a shotgun. The poor benighted Indian tribes under Commissioner Burke's effort to care for Secretary Fall's oil-speculating protégés will turn into the Indian tribal funds only 62½ per cent of their insignificant 5 per cent Indian royalty or actually slightly over 3 per cent oil royalty, while the remainder of their 5 per cent royalty, or 37½ per cent, will go to the State to cover all the tax charges of the oil producer, who would ordinarily pay his share but for the generosity of Commissioner Burke and the Indian Bureau that thus guards and protects the 22,000,000 acres of the Indian tribes. Have I made it clear?

BURKE'S GENEROUS GIFT TO OIL SPECULATORS

Notwithstanding that the tax laws of Wyoming and Oklahoma for illustration require oil producers or lessees of oil rights to pay all or at least their proportion of the total oil production in State taxes, Commissioner Burke proposes by this bill to relieve all oil producers from any unnecessary bookkeeping or taxes and by his bill provides that all Indians throughout the United States living on Executive order reservations will hereafter pay all oil taxes ordinarily paid by lessees while the State accepts 37½ per cent of the 5 per cent or other Indian royalty in full payment thereof. Just imagine how grateful the State will be to get 3 per cent of the total oil production tax while it watches oil men escape scot free from taxes with their 95 per cent of the oil and then remember that the guardian of Indian rights now sponsors this bill in hearings before both Senate and House committees.

A cloud of buzzards obscuring the sun may be likened in comparison with the cloud of oil speculators, oil manipulators, and oil promoters who will surround Commissioner Burke and his assistants the moment the oil leasing bill is signed. No such opportunity in a proven oil field has occurred for lo these many years and Lo the poor Indian on the Navajo Reservation with $771,000 reimbursement heretofore allowed by Commissioner Burke's bureau, $106,000 just loaded on them for two new bridges, and 7,000 uneducated Navajo children with disease and distress on all sides may helplessly witness the doling out of plums to oil promoters while the Indians get 62½ per cent of their 5 per cent royalty or 3 per cent net for their own oil share from about 425 oil speculators if recognized by Mr. Burke who may hold Fall's permits for 1,000,000 acres of Navajo lands.

I am informed some of these oil men are here on the job and their efforts to convince Congress that they should not pay taxes on their oil leases are expected to be fast and furious. They have equities worth considering, but should have no sympathy in their efforts to dodge oil taxes. I do not believe Congress, if made acquainted with the situation, will ever consent to this unjust proposal, but I am here calling attention to the willingness of Commissioner Burke and his bureau, according to the bill, to surrender to this oil mob all these permits illegally given by Fall and then to require the helpless Indians to pay all the taxes for the oil mob. I submit the evidence of refusal to protect the Indians again is overwhelming.

It was stated by Commissioner Burke in House hearings that on condition the 37½ per cent oil tax is passed in the interest of private oil producers, although against the rights of Indians on Executive order reservations that some pending suits, which now question the extent of Indian rights of property in such lands, would be withdrawn. Why not validate the Indian titles now by law? Why not have Congress pass a law if uncertainty exists?

INDIAN BUREAU SHOULD VALIDATE INDIAN TITLES, IF UNCERTAIN

By order to-morrow, the commissioner, through the Secretary of the Interior, can allot millions of acres of Executive order lands, and his order could thus vest complete title in the Indians. Why not do so, if concern is had by him over their titles? All sales of Executive order Indian reservations are now turned over to the tribal fund evidencing their vested interest. Other indications point to the court's future favorable decision to the Indians based on the same facts relied upon by Attorney General Stone's opinion in favor of the Indians. If Commissioner Burke is anxious, on the Indians' behalf, why not allot the land so far as possible now unless he wishes to maintain everlastingly the Indian Bureau.

If Commissioner Burke, as guardian for all Indian tribes, is fearful of any question arising over the title of Indians to 22,000,000 acres of Executive order reservations, he can, this session, settle all uncertainty by asking immediate curative action by Congress. Why has he not done so if he seeks to protect the Indians instead of the oil speculators?

If one-half the legislative effort is exercised to protect the Indians in this matter by their official guardian that was exerted within the last 30 days when robbing the Navajos of $106,000 for two tourists' bridges for white people, any needed legislation could be secured. Turn whichever way you will the acts of Commissioner Burke, his assistant Meritt, and the Indian Bureau staff disclose that their professions of friendship for the Indians seem to be evidenced more by words than by deeds.

The Executive order reservation bill granting a huge Christmas present to a waiting army of oil speculators is not the only oil present given by Commissioner Burke and his aids from Indian funds to oil exploiters, if I correctly understand the law.

WHO PAYS THE TREATY RESERVATION OIL TAXES?

In 1924, or less than two years ago, Commissioner Burke is credited with securing the passage of a bill that enables him also to pay out of Indian funds all State taxes on Indian treaty reservations as distinguished from Executive order reservations.

With the Executive order lands the commissioner is limited by the new oil bill to 37½ per cent of the Indians' royalty, which he will give to the State to cover every oil producer's tax. In like manner the oil producer may escape any payment on the remaining Indian reservation lands, as witness the following:

THE LEASING OF UNALLOTTED LANDS FOR OIL AND GAS-MINING PURPOSES, ACT OF MAY 29, 1924

Unallotted land in Indian reservations other than lands of the Five Civilized Tribes and Osage Reservation, subject to lease for mining purposes for a period of 10 years, and the proviso to section 3 of the act of February 28, 1891 (26 Stat. 795), may be leased at public auction by the Secretary of the Interior with the consent of the counsel speaking for such Indians, for oil and gas-mining purposes for a period of 10 years and as much longer thereafter as oil or gas shall be found in paying quantities, and the terms of any existing oil or gas-mining lease may in like manner be amended by extending the terms thereof for as long as oil or gas shall be found in paying quantities; provided that production of oil and gas and other minerals on such lands may be taxed by the State in which said lands are located in all respects the same as the production of unrestricted lands, and the Secretary of the Interior is authorized and directed to cause to be paid the tax so assessed against the royalty interests in such lands; provided, however, that such tax shall not become a lien or charge of any kind or character against the land or property of the Indian owner.

Payment of all oil taxes, it is contended in some quarters, may not be made from the Indians' royalty under this law.

EXECUTIVE ORDER AND TREATY RESERVATIONS SHOULD GIVE LIKE OIL LEASES

A 20-year lease, as stated, without payment of taxes by the oil exploiter is contained in House bill 9133, which, like the 1924 law, will make Lo, the poor Indian, pay all of the oil drillers' tax. If the 1924 law is not construed so as to require the Indians to pay the producers' tax, then why, in good conscience, did the commissioner approve such course in a bill covering two-thirds of all Indian lands now held by Executive order.

In constradistinction to the Indian Bureau's active support of House bill 9133 designed to reinstate oil claims of exploiters under Secretary Fall's order and the opening up to oil exploitation of 22,000,000 acres of Indian Executive order lands on such terms as the Indian Bureau, acting through the Secretary of the Interior, may prescribe, attention is called to House bill 7581, also recently introduced with the approval, if not at the instance, of the Indian Bureau, which provides on the oil lands of the Osage Indians of Oklahoma as follows:

Provided, That the Secretary of the Interior may reduce the area to be offered annually or suspend the offer of leases for not exceeding two years at any time when in his opinion an overproduction of oil or inadequate prices therefor make such extension or suspension desirable in the interests of the Osage Nation.

After reserving to the Indian Bureau the right to bull or bear the oil market by absolute control of the rich Osage oil wells' production the Indian Bureau now advocates throwing open 22,000,000 acres of Executive order lands to the limit without regard to the rights of Indians, who are to receive in some cases the munificent sum of 5 per cent oil royalty under the bill urged for passage by the bureau.

No argument need be offered beyond the mere statement of fact to disclose the bureau's faithless policy.

If any guardian appointed by the court attempted to scatter his ward's royalties and property among oil men like the Indian Commissioner and his bureaucratic force propose to do with these Executive order reservations, the court would discharge him "without benefit of clergy" and appoint another guardian to recover for the ward on his predecessor's bond or to bring more drastic charges.

Bureaucracy reigns when, with bridges, highways, oil leases, and other property of the Indians, the same Indian Bureau guard that for years has filched the Indian's purse continues to give away his rights and property without challenge.

EXISTING NOTORIOUS INDIAN COURTS TO BE MADE PERMANENT

I now come to a real danger, also briefly mentioned before, a danger to the rights of the Indians of America of more importance than any fraudulent expenditure of Indian money for tourists' bridges or Shylock bargains against the Indians' oil-land taxes that a court would say of any guardian will swindle them out of their rights of property in favor of oil promoters. The matters thus far discussed relate to property rights, and however indefensible among strangers and culpably scandalous by those chargeable with guardianship of Indian property this responsibility and the injustice involved is secondary compared with a wholesale violation of the Indians' constitutional rights guaranteed to every American citizen, including his rights to trial by jury, which to-day are ignored.

For years these rights have been taken away from the Indians by the Indian Bureau, and of vast importance to-day H. R. 7826, recently offered by the bureau and now before the Committee on Indian Affairs, seeks to make permanent law a long-continued violation of the constitutional rights of Indians. This Indian bill, prepared by Commissioner Burke's bureau, he vigorously supports in committee. It provides, section 2, as follows:

SEC. 2. The reservation courts of Indian offenses shall have jurisdiction, under rules and regulations prescribed by the Secretary of the Interior, over offenses committed by Indians on Indian reservations for which no punishment is provided by Federal law: *Provided*, That any one sentence of said courts shall not exceed six months' imprisonment or a fine of $100, or both.

Again the name of the Secretary of the Interior is used as a convenient shield.

No jury and no right of appeal from this "court" is granted.

This subject I have already discussed briefly and I do not seek to offer any constitutional argument. That is beside the question because the bill is so abhorrent to every principle of human rights, I predict it has no chance of slipping past Congress like the $100,000 tourist bridge bill charged to the Navajo Tribe did last session. It shows, however, the fundamentally improper understanding of human rights held by the bureau, handling Indian affairs as evidenced by this expression of their control and treatment of the Indians.

SOME OF THE INDIANS' CONSTITUTIONAL RIGHTS

Congress gave every adult Indian full rights of citizenship in 1924. The Indian on the far western plains has the same rights of franchise and protection as any other American citizen now enjoys. The Constitution provides for his protection—

ART. V. No person shall be deprived of life, liberty, or property without due process of law, nor shall private property be taken without just compensation.

ART. VI. In all criminal prosecutions the accused shall enjoy the right to a speedy and public trial by an impartial jury of the State and the district wherein the crime shall have been committed * * * and to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favor; and to have the assistance of counsel for his defense.

Article VII provides the right of trial by jury where the value in controversy exceeds $20 and according to rules of the common law.

Article XIV provides no State shall deny to any person within its jurisdiction the equal protection of the laws.

These constitutional rights and others to which every citizen is entitled for protection I now submit are constantly violated directly or indirectly by the Indian Bureau and its officers and agents.

This violation of such rights has been continued for so long that now the bureaucratic Indian Office demands the passage of H. R. 7826 in order to fasten another chain on the helpless Indians, who have neither the means nor ability to assert their rights against the bureau.

THE INDIAN AGENT IS THE COURT

No reservation courts to try Indian offenses are authorized by law to-day, and yet a quasi Indian agent called a "judge," appointed by the local Indian agent, now tries Indians for "offenses," not offenses enumerated by law but without any law. The Indian agents "judge" or subagent now acts with all the power of the United States Supreme Court, for he is supreme, without right of appeal from his decision. Of course habeas corpus will lie, but the helpless Indian ward of Uncle Sam, far out on the reservation, can neither find nor pay for a lawyer as a rule, and Congress has recognized this anomalous situation by paying these subagents "judges" $10 per month.

The Secretary of the Interior—which means the Indian Bureau under Commissioner Burke—already makes rules and regulations for "offenses" committed on Indian reservations for which no punishment is provided by Federal law. These "judges" or subagents appointed by local Indian agents at the munificent salary of $10 per month already existing are hereafter to be authorized by law to do the things they have done for years without law and to pronounce sentences for six months' imprisonment or labor or a fine of $100, or both fine and imprisonment, for breaking any rules the bureau will write.

This provision is an attempt to make felonies other than those now excepted by law, together with all misdemeanors, alike subject to the control of the subagent of the Indian agent, under rules and regulations to be prepared and amended from time to time by Mr. Commissioner of Indian Affairs. Several crimes now specifically left to be tried in the Federal court are to be permitted to remain with that jurisdiction. Other provisions of this new bill are equally sweeping and indefensible, without any basis of law or reason.

Step 1. Indian Commissioner Burke makes the rules and regulations, that may be as drastic as the laws of the Medes and Persians, and he is the king bee in this new bureaucratic oligarchy.

Step 2. Mr. Burke appoints the Indian agent. The record of some of these agents smells to Heaven if one-third of the complaints received by me are trustworthy.

Step 3. Mr. Burke's Indian agent appoints any other agent he desires, possibly an humble tool, at $10 a month to try cases against Indians who infringe on rules hereafter to be made and enumerated by Mr. Burke. Then the jail or rock pile.

No process, no jury, no law attorney furnished, but the friendless Indian is chucked in jail or at convict labor on the road, or pays upward of $100 fine for infringing on rules yet unprinted, that may be changed overnight according to the Indian Commissioner's whim. All without right of appeal. The Indian ordinarily stands no more chance of a fair hearing or just decision, I submit, than the proverbial snowball would have in the region of eternal heat. His rights of citizenship, rights of liberty, and right to a fair trial by a jury of his peers have been arbitrarily refused him for many years. Now Congress is asked by the Indian Bureau to hand down a law unconstitutional and unprecedented in character in order to give some color for fastening mental and physical handcuffs

handled by Indian agents everlastingly on the Indian wards of the Government. I have letters that cite cruel cases now practiced without law by some of these Indian agents who select the $10 "judges."

The only effect of this un-American plan is to call public attention to the present methods of the new Spanish inquisition that now control citizens of Indian blood living on Indian reservations. To meet conditions that imperatively need action by Congress I have introduced H. R. 9315, which provides a method whereby courts and laws may be employed for trying Indians the same as white persons, with right of appeal the same as is now granted all other citizens.

PRACTICALLY ALL INDIANS BEFORE INDIAN COMMITTEE DENOUNCE THE BUREAU BILL

Before the Indian Committee came representatives of several Indian tribes, and with one exception they all denounced Commissioner Burke's bill and charged repeated inefficiency and acts of abuse by Indian agents. These are not here repeated, because a brief statement of the case will present the field of favoritism, sycophancy, and oppression for which the Indian Bureau is noted that will be enlarged by bill 7826.

The official who makes the rules and regulations and appoints the Indian agents, and through them the $10 "judges," is the same official who as the Indians' guardian forced the Navajo and the Pueblo and the Yuma Tribes to build bridges largely for the use of white men. He is the same official who seeks to compel the Indians whom he is sworn to protect to pay all the taxes of oil prospectors, speculators, and producers on lands to be leased at less than one-half the usual royalties. He now further seeks to fasten all opposition to his will behind iron bars without right of appeal from his orders or his $10 "judges." I do not single out the commissioner, for he is only one of a bureau that for nearly a century past has ridden rough shod over every Indian right.

All Indian tribes, together with all Indian defense societies, denounce the commissioner's proposed Spanish inquisition "court." All excepting one white attorney who came before the committee and claimed to speak for some of the Sioux Indians. He said these Indians were satisfied with the existing system. It then developed that these Sioux Indians live in South Dakota, from which State, I believe, Indian Commissioner Burke also hails; that these Indians have a claim of $750,000,000 against the Government which the attorney named is handling; that this attorney under existing law has been approved by Commissioner Burke to bring suit against the Government, so his statement may be looked upon as a self-serving declaration to which these Indians may not subscribe. A brief statement is appended to these remarks that explain this attorney's connections.

It may be well also to inquire if the Sioux Indians whom Commissioner Burke once represented in Congress when a Member from South Dakota eventually should recover any part of the $750,000,000 to which his approval has been given, how much of that money will get to the Sioux?

Will they receive the same treatment which has been accorded to the Navajos, the Pueblos, and the Yumas, whose money the commissioner is to expend for tourist bridges to be used by whites, or like the Indian oil rights that would be granted away to pay taxes for oil speculators and exploiters? After Commissioner Burke's Indians get their judgment and their money from the Treasury, what then? Take another illustration:

OTHER COMPLAINTS OF EXPLOITATION OF INDIANS

Within the last week, following on the heels of the nefarious tourist bridge item for which the Navajos are now assessed $100,000 by Commissioner Burke through a scandalous law slipped through last Congress last session, 30 Indians representing many tribes met in Washington and perfected an organization for mutual protection so far as possible against further exploitation of their funds by the Indian Bureau. Fred Hendricks, of the Klamath Tribe, one of the leaders in the movement, then said:

> The bureau is supposed to care for the Indians, but instead exploits them. His timber is sold, his land leased for grazing, and his money placed to his credit in the Treasury. Merchants are warned not to credit him—he is a ward of the Government. But when he applies to the Commissioner of the Indian Bureau, he finds only a small fraction of the value of his timber and grazing is actually credited to him.

Hendricks is quoted by the press as saying that $17,000,000 worth of timber has been sold from the Klamath Reservation in Oregon. When he asked Commissioner Burke for a statement, he was told the amount to his tribe's credit was only $243,000. When the chapter on oil based on Commissioner Burke's new proposal is written wherein 95 per cent of all the oil produced goes to the oil exploiter while the Indians of all the tribes pay 37½ per cent out of their remaining 5 per cent or more, with which to cover the oil exploiter's taxes, then the Indians will find a real cause of action that compared with the Klamath Tribe's statement will smell to Heaven.

ABANDONMENT OF INDIANS BY THE INDIAN BUREAU

The greatest official responsibility resting on the Indian Bureau relates to the lives and health of the Indians. Property may be squandered or wrongfully used, and that has occurred without excuse, according to the evidence submitted. Indian property rights may be lost or left undefended by their guardians, and evidence has been presented to this effect on the highly suspicious oil leases. Indian rights based on the Constitution may have been trampled on in a way never before revealed in the treatment accorded the Indians who are now American citizens. Indian safety from an Indian agent's decision as to "competency," or personal freedom, or trial by jury, or with other fundamental rights, all these are essential to freedom and happiness, but health goes with happiness, and without health all the rest is of little value.

HOW THE INDIANS' HEALTH IS CARED FOR

Health conditions among the Indians may depend on many conditions for which the Indian Bureau is not to blame, but when we learn of a top-heavy bureau, with over 5,000 employees and a total expenditure for its maintenance of millions of dollars, it is certain that money now spent for this vulnerable bureau could much better have been spent for the Indians' medical needs. The Navajo, Pueblo, and Yuma Indians, when robbed of their trust funds, needed for their health, in order to build bridges for white people, afford a shocking example of bureaucratic control.

While engaged in looting these poor Indians' funds for the use and pleasure of a hundred thousand white tourists, listen to the condition of these same Indians vouched for by men of the highest character, who denounce in unmeasured terms those responsible for the robbery and neglect of our Indians—the Indian Bureau.

I quote from a letter signed by Frederick L. Hoffman, of Newark, N. J., statistician of the Prudential Life Insurance Co., an eminent actuary, whom I am informed is second to none in his special field of work. In this letter he speaks of the Zunis, the Navajos, and Pueblos of Arizona and New Mexico as follows:

> In my judgment the medical situation is as deplorable as it is disgraceful, and I am satisfied that if the facts were known and thoroughly understood the organized medical profession, through the American Medical Association, would bring pressure to bear on the Government to bring about the required drastic and far-reaching reforms. * * *
>
> There is, broadly speaking, no Indian health service, and very little is done to prevent the occurrence of disease, though some progress has been made in controlling disease after its occurrence through a medical staff unquestionably much better to-day than at any time in the past. * * *
>
> The situation is so serious that the very existence of certain tribes is at stake. Other tribes suffer a decrease or stationary condition of population because of a death rate which would be inconceivable under modern conditions if it were not sustained by the official records.
>
> The registration of births and deaths is far from accurate and complete. On the Navajo Reservation, which represents one of our finest Indian tribes, the death rate from tuberculosis is appalling—2,847 per 100,000, or 48 per cent of all causes—and the frequency of trachoma is not less than 25 per cent.

Doctor Hoffman is further quoted as saying:

> Thousands of Indians die for want of proper attention and thousands of others suffer dreadfully the consequences of apathy and neglect.

Dr. Haven Emerson, professor of public health administration at Columbia University and president of the American Indian Defense Association, is quoted as saying:

> The neglect of the health of the Indians is recognized by all health officers of this country and by the informed medical profession as a classical example of governmental incompetence.

This question of "incompetency" suggests that as long as the Indian Bureau now insists upon determining the "competency" of American Indians it would seem to be just and proper for the American Indians, who have been subject to neglect, disease, and distress, according to these eminent authorities, to be permitted to pass judgment on the competency of the Indian Bureau.

Dr. Frances Sage Bradley, director of the State division of child welfare, Montana, writes regarding conditions there, as follows:

Pathetic and hopeless is the physical condition of the young children and the eagerness of the mothers for help. We have held what we call children's health conferences on various reservations, and men and women have sledded their children 35 and 40 miles in snow on a level with their roofs, with the thermometer 14 below zero, to find out how to cure rickets, trachoma, tuberculosis. What can we tell them? I want to state that nothing but a prompt, vigorous baby-saving program can prevent the extermination of the Blackfeet. Their maternal and infant mortality is shocking, and their superintendents admit that their seeming increase is limited to half-breeds. The end is inevitable.

Dr. C. A. Harper, State health officer of Wisconsin, with whom I have been personally acquainted for over 20 years, a man who possesses the confidence of the people of that State and a medical officer of high authority, says regarding the Indian tribes in Wisconsin:

The reservations are filled with the most prevalent contagious and infectious diseases; that they are infecting the white communities, and that the laws are such that the State health officers are not allowed to do anything about it.

It should be stated that Wisconsin is one of the few States that has recently taken up medical assistance for the Indian tribes, and last year it devoted $16,000 of State funds for immediate medical aid for the 11,000 Indians of our State.

I do not believe a stronger statement can be found than that put forth by Drs. Allen F. Gillihan and Alma B. Schafer, representing the California State board, who were appointed by the governor to make a survey of the conditions of the Indians of California. In a report covering over 80 pages, complete and definite in character throughout, this California commission concluded by saying that—

The conclusions which have been arrived at will be found to be almost identical with those arrived at by other investigators. Recommendations which were offered will be found to differ from those of the experts in so far only as the expressions of the general practitioner differ from those of a specialist.

The commission concludes:

As the result of two months' sojourn and field study among the Indians of northeastern California the following conclusions have been reached:

1. That the ill treatment of the Indians (of California) during the past 70 years has resulted in reducing the population from over 100,000 to about 17,300 (which is the figure just obtained from the 1920 census report).

2. That the Indians are now living a hand to mouth existence:

a. In houses not fit to live in.

b. Upon land that is useless.

c. Without water.

3. That they are not receiving an education worthy of the name.

4. That a great deal of sickness exists among them, and they are receiving absolutely no care.

5. That they are not receiving any advice, assistance, or encouragement in their business dealings with the outside world or in the personal side of their lives or in the lives and health of their families.

Heretofore statements have been submitted regarding inexcusable neglect of education by the Indian Bureau in specific cases.

I have received many communications from various States emphasizing the widespread character of diseases among the Indians of various tribes and the incapacity and lack of effort of the present bureau system to arrest the march of disease, or to save the Indians from its ravages.

Manifestly it would be unfair to charge any bureau or any officials with sole responsibility for these conditions, but when it clearly appears from the record that Indians sadly in need of medical help are neglected by the bureau, and their property, as in the case of the Navajos, Pueblos, and Yumas and other tribes, is being used for tourist bridges for white pleasure seekers and for equally unwarranted diversion of their funds in irrigation schemes and highways for the benefit largely of white population, then the necessity of correcting existing Indian control is apparent.

AMERICA'S DARK PAGE IS YET DARK

No darker page in America's history has ever been written than that which describes our treatment of the American Indian. This is a trite statement but nevertheless it is of full force as appears to-day, when after granting full rights of citizenship to all Indian tribes without reservation we have failed utterly to start them on the right road and then to hold them responsible for their future conduct. At this stage of proceedings, it is certain nothing can be accomplished under the existing system. For nearly a century the Indian Bureau has been on trial. It should have been abolished many years ago and a system substituted that would be of some substantial and lasting benefit to these wards of the Nation.

I do not intend to repeat many charges against Indian agents, some of which may not be just, but one charge of many received is quoted, and detailed statements regarding that case have come to my hands, so I have confidence the situation is substantially as presented by Governor Blaine, of Wisconsin, in his telegram to President Coolidge, which I have read but here repeat:

MADISON, WIS., *February 15, 1926.*

President CALVIN COOLIDGE,

Washington, D. C.:

Responsible woman, whose word I believe, reports that Paul Moore, an Indian, charged with a misdemeanor, was found on January 26 at Lac du Flambeau (Wis.) Agency Jail, in a cell 6 by 8 feet, with clogged toilet, and with ball and chain fastened to ankle. In same jail were incarcerated Indian women. This condition is abhorrent to the dictates of decency and our vaunted civilization. This is the tyranny of the Dark Ages and the practice of the degenerate dominant to terrorize the Indian who needs help more than a jail. In the name of humanity, I beg that that sort of thing cease.

JOHN J. BLAINE, *Governor.*

Additional facts in my hands also indicate the character of some Indian agents who are now serving under Commissioner Burke. Again I call attention to one further situation, unbelievable to those not familiar with existing practice, which I briefly discussed at the outset.

THE INDIAN AGENT ALSO DECIDES ON INDIAN COMPETENCY

The commissioner, in the name of the Secretary of the Interior, through his local Indian agent, now holds many thousands of Indians—240,000, I am told—to be "incompetent" to manage their affairs. Congress has given them full citizenship but a local Indian agent or a "commission" appointed by the department or bureau can say an Indian is "incompetent" and further that any Indian, whatever his actual qualifications, can not become possessed of his own property where allotted, nor lease or otherwise manage it.

No right of appeal from the Indian agent's or commissioner's dictum is had; no jury is known as in ordinary judicial proceedings to determine sanity when called for. Here, as everywhere, the Indian agents—like the Indian Commissioner and these subdeputy "commissioners"—are above the law and in fact are the law, the judge, the jury, and final court of appeals. Hundreds of millions of dollars in property are retained in the custody of the Indian Office to-day on the plea that the Indian American citizen is incompetent, while his competency is determined by this agency of the bureau that holds in subjection these wards of the Nation. All whites, all Negroes, all people of every race or former degree of servitude if adults and American citizens are now given full rights of person and property, while these rights are not possessed by American citizens if Indians. I do not believe this overstates the case.

I have introduced a bill with a purpose of giving over 200,000 Indians, still declared by the bureau after a half century of bureaucratic enlightenment to be "incompetent," a right of appeal to the Federal court when they are declared "incompetent" by the small army of Indian agents or subdeputy "commissioners" who now sit in judgment. The bill does not assume to take away the initial right to examine into competency by these Indian agents, some of whom have records as unsavory as the sewers of Paris, according to their well-known reputation, but it does give a right of judicial examination by the court on appeal from the Indian agent's or subdeputy commissioner's decision.

INDIAN BUREAU OPPOSES ANY COURT REVIEW

This small boon or privilege accorded every other citizen thus far has been summarily denied by the Indian Bureau and no legislation to that effect, I predict, will be permitted to pass Congress without the Indian Bureau's active opposition. So be it.

Think of this condition under the American flag, where citizens of our country can not have their rights to person or property tested in their Government's courts but must surrender all their constitutional rights to the Indian Bureau where every material interest lies in continuing the job of all employees by holding the Indian in continued subjection. Where in all history will be found a more arrogant display of bureaucratic power in a Government that claims to give its subjects the inherent rights which every other civilized nation concedes to its people? The only real Americans have been despoiled of their property, and now through a disgraceful system of oppression, infamous in character, they are arbitrarily deprived of their full rights of citizenship and control

of property after a law passed by Congress guaranteed them rights without restrictions.

If right is retained by the Indian Commission to inquire as to the competency of any Indian which properly may arise in some cases, as when rarely invoked by the courts with the property of white, black, or other citizens, then the right of appeal by the Indian to the same court for a judicial decision on competency should be had. Any other method of determination is open to fraud, prejudice, and to the all-persuasive influence of personal interest possessed by the Indian agent.

I have not attempted to set forth a tithe of the charges sent me by various parties who may or may not have just complaints against the Indian Bureau. All I have presented to the House has been based on pending bills or evidence of highly responsible white persons who have no motive to mislead as to the facts. Without suggestion from any one I have presented these facts as a basis for an investigation by a joint congressional committee of which possibly no member of the Indian Committee, myself included, should be obliged to serve because of the influence the commissioner may have with the Indian tribes represented by such members if he sees fit to exercise it.

Not only the commissioner but the entire bureau should be investigated and dismissed from public service with a temporary dissolution arrangement, whereby Indians may be accorded their full rights without needless delay. A fair impartial probe ought to present an intelligent speedy method of winding up the Government's management of Indian affairs and the abolishment of an archaic bureaucratic control that always has been and always will be connected with scandal. I am offering the resolution of inquiry which I have read to the House and have inserted in my remarks.

FALL'S OIL ORDER THROWING OPEN INDIAN LANDS AND COMMISSIONER BURKE'S COURSE

Some oil exploiter depending upon the order of Secretary Fall throwing open to oil exploitation Executive order Indian lands has brought suit to have his oil rights given preference over the Indian rights as to such Indian lands.

This suit, after a hazardous career on appeal, is now on the Supreme Court docket, not to be reached for two years.

In the meantime, Commissioner Burke appeared before the Committee on Indian Affairs of the House and urged the passage of his oil leasing 37½ per cent taken from the Indians for oil producers taxes bill, so that the oil suit appealed to the Supreme Court "may be dismissed," which he assured the committee would then occur. Commissioner Burke, as a friend and guardian of the Indians, who holds 22,000,000 acres of Executive order reservations for them, should have sought at once to validate the Indian rights and title by introducing a bill in Congress for that purpose. Instead he now pleads for the oil exploiters of Indian lands and refuses to be governed by the opinion of the Attorney General of the United States, Hon. Harlan F. Stone, now a member of the United States Supreme Court. Mr. Stone, in an exhaustive opinion, disclosed the weakness of Secretary Fall's order, which was as unwarranted as the celebrated Teapot Dome and naval reserve gifts to oil exploiters, for all of which Secretary Fall's action instead of introducing a bill to make certain by act of Congress the justice and equity of General Stone's opinion, can not fail to excite apprehension for other Indian property for which under the law he is made custodian.

The Attorney General's comprehensive opinion holds that Indian tribes are entitled to the oil rights and the opinion is set forth in full because of its far-reaching effect on 22,000,000 acres of Executive order Indian lands on which oil properties worth hundreds of millions of dollars are located to be "protected" by Commissioner Burke whose oil producers bill speaks for itself.

The Attorney General's opinion to the present Secretary of the Interior follows:

WASHINGTON, D. C., *May 27, 1924.*

MY DEAR MR. SECRETARY: I have your letter of February 12 asking my opinion on the question whether Executive order Indian reservations are subject to the leasing act of February 25, 1920 (41 Stat. 437).

On the day before the date of your request, the President asked for an opinion on the same question propounded by you. Both requests and all papers transmitted with them, together with briefs and arguments submitted in behalf of other parties interested, were fully considered and an opinion formulated and sent to the President with the suggestion that he transmit a copy thereof to you.

The opinion transmitted to the President, copy of which is handed to you herewith, and which I now also give in response to your question of February 12, is as follows:

The general leasing act (41 Stat. 437) is entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain." Its first section reads in part:

"That deposits of coal, phosphate, sodium, oil, oil shale, or gas, and lands containing such deposits owned by the United States, including those in national forests, but excluding lands acquired under the act known as the Appalachian forest act, approved March 1, 1911 (36 Stat., p. 961), and those in national parks, and in lands withdrawn or reserved for military or naval uses or purposes, except as hereinafter provided, shall be subject to disposition in the form and manner provided by this act * * *."

The title refers solely to the "public domain," and nowhere in the whole act is there any mention of Indians, Indian lands, or Indian reservations of any kind.

The long-settled rule of construction is that general laws providing for the disposition of public lands or the public domain do not apply to lands which have been set aside or reserved for particular public uses, unless the contrary clearly appears from the context or the circumstances attending the legislation. Newhall *v.* Sanger, (92 U. S. 761); Bardon *v.* Northern Pac. R. R. Co. (145 U. S. 535, 538); Mann *v.* Tacoma Land Co. (153 U. S. 273, 284); Union Pac. R. R. Co. *v.* Harris (215 U. S. 386.) Concerning Indian reservations, Indian lands, and Indian affairs generally, Congress habitually acts only by legislation expressly and specifically applicable thereto. Missouri, Kansas & Texas Ry. Co. *v.* Roberts (152 U. S. 114, 119).

This is true historically, and the fact is one of necessity, because Indians, and especially tribal Indians, remain a people apart, for whom it is impracticable to legislate in terms common to them and the whites. Ex parte Crow Dog (109 U. S. 556, 571).

Now, however, the Secretary of the Interior, explicitly reversing the attitude of his predecessors (47 L. D. 424, 437, 489), has decided that an act of Congress purporting to deal with lands of the public domain and a certain class of reservations owned exclusively by the United States, is applicable to Executive order Indian reservations, although it contains no express or specific reference to Indians, Indian reservations, or Indian lands.

The first section of the act describes the deposits and lands to which it applies. They are deposits and lands "owned by the United States." Then follow words of inclusion which make it clear that the act applies to the national forests of the West. This language in turn is followed by expressions of exclusion, and the reserves expressly excluded are Appalachian forest lands, national parks, and lands reserved for military or naval uses.

It is obvious that the words of inclusion and the words of exclusion, taken together, do not by any means embrace all the lands "owned by the United States." Neither Indian reservations, national monuments, bird reservations, nor lighthouse reservations, are either expressly included or excluded; and of course the United States is the sole owner of other bodies of land such as the Capitol Grounds at Washington, parks, and squares in the District of Columbia, national cemeteries, etc., which are neither expressly included nor excluded.

Yet no one would contend that any of these latter lands are subject to the leasing act, whatever mineral deposits they may be found to contain. It is thus apparent that there are many classes of lands owned by the United States to which the leasing act does not apply, although they are not expressly excepted from it. Nevertheless, the Secretary of the Interior and others who take the same view base their conclusions mainly upon the broad language "owned by the United States." But this language is not new in the legislation of Congress. The mineral law of May 10, 1872, now embodied in Revised Statutes, section 2319, provides for the disposition of "all valuable mineral deposits in lands belonging to the United States, both surveyed and unsurveyed." * * * The Supreme Court had occasion to consider this language in Oklahoma *v.* Texas (258 U. S. 574). After quoting it the court said (pp. 599, 600):

"This section is not as comprehensive as its words separately considered suggest. It is part of a chapter relating to mineral lands which in turn is part of a title dealing with the survey and disposal of 'The Public Lands.' To be rightly understood it must be read with due regard for the entire statute of which it is but a part, and when this is done, it is apparent that, while embracing only lands owned by the United States, it does not embrace all that are so owned. Of course, it has no application to the grounds about the Capitol in Washington or to the lands in the National Cemetery at Arlington, no matter what their mineral value; and yet both belong to the United States. And so of the lands in the Yosemite National Park, the Yellowstone National Park, and the military reservations throughout the Western States. Only where the United States has indicated that the lands are held for disposal under the land laws does the section apply; and it never applies where the United States directs that the disposal be only under other laws."

The court accordingly held that the mining laws did not apply to certain lands "belonging to the United States" and lying in the south half of the bed of Red River.

MINING LAWS NEVER APPLIED TO INDIAN RESERVATIONS

The general mining laws never applied to Indian reservations, whether created by treaty, act of Congress, or Executive order. Noonan *v.* Caledonia Min. Co. (121 U. S. 393); Kendall *v.* San Juan Silver Min. Co. (144 U. S. 658); McFadden *v.* Mountain View M. & M. Co.

(97 Fed. 670); Gibson v. Anderson (131 Fed. 39). Yet "owned by the United States" and "belonging to the United States" are equivalent expressions, and there seems to be no ground whatever for giving one a broader meaning than the other.

The foregoing considerations, I think, are conclusive. However, the leasing act contains a number of other provisions leading to the same result, two only of which will be mentioned. Section 28 declares that "rights of way through the public lands, including the forest reserves, of the United States are hereby granted for pipe-line purposes for the transportation of oil or gas." If the act were intended to provide for the leasing of Indian reservations, there would be the same need of rights of way for pipe lines through those reserves, but none are granted.

Again, the act, in section 35, provides in mandatory language for the disposition of all the royalty moneys realized. They are to be divided in certain proportions between the Treasury, the reclamation fund, and the States within which the leased lands lie. Yet, as hereafter shown, it would violate practically all legislative precedents for Congress to dispose of lands and mineral deposits in Indian reservations of any kind without directing the payment of some portion of the proceeds to the Indians. It is notable that Secretary Fall, in making his decision, realized this so strongly that, ignoring the mandatory directions of the act, he ordered the royalties from Executive order Indian reservations to be deposited in the Treasury in a special fund to await disposition by Congress.

In view of the foregoing, any reference to legislative history seems hardly necessary, yet, in fact, none of the numerous committee reports made during the long pendency of the measure before Congress shows any indication whatever of an intent to embrace Indian reservations of any kind, but they do show affirmatively an understanding that the only lands to be affected were public lands, western forest reserves, and lands withdrawn by various Executive orders to protect the minerals therein pending congressional action for their final disposal. Thus, in the report of the conference committee dated February 11, 1919, occur the following significant statements (65th Cong., 3d sess., H. Repts., vol. 2, H. R. 1059, p. 20):

"This bill makes possible the leasing, in whole or in part, of approximately 700,000,000 acres of public land, approximately 365,000,000 acres of forest reserve, 35,000,000 acres of coal land, 6,000,000 acres of oil land, and 3,500,000 acres of phosphate land. Under present law all of this land may be passed to patent, without Government regulation, without Government royalties, and without the receipt of any remuneration by the Government, excepting such purchase price as may be provided for the patenting of the same."

* * * * * * *

"This legislation is made necessary by certain withdrawals made by President Taft during his administration and later by President Wilson during his administration. Both Presidents Taft and Wilson and the Secretaries of the Interior under them have felt the necessity of passing this legislation."

I might stop here; but the reasons advanced by the Secretary, reinforced as they have been by arguments and briefs submitted to me in behalf of lessees or permittees now exploring executive order reservations under this legislation, seem to require some comment. The gist of the argument is that the President could not reserve the minerals for the Indians; that they remained the property of the United States and were therefore "deposits owned by the United States" in the meaning of the leasing act.

That the President had authority at the date of the orders to withdraw public lands and set them apart for the benefit of the Indians, or for other public purposes, is now settled beyond the possibility of controversy. United States v. Midwest Oil Co. (236 U. S. 459); Mason v. United States (260 U. S. 545). And aside from this, the general Indian allotment act of February 8, 1887 (24 Stat. 388, sec. 1), clearly recognizes and by necessary implication confirms Indian reservations "heretofore" or "hereafter" established by Executive orders.

Whether the President might legally abolish, in whole or in part, Indian reservations once created by him, has been seriously questioned (12 L. D. 205; 13 L. D. 628) and not without strong reason; for the Indian rights attach when the lands are thus set aside; and moreover, the lands then at once become subject to allotment under the general allotment act. Nevertheless, the President has in fact, and in a number of instances, changed the boundaries of Executive order Indian reservations by excluding lands therefrom, and the question of his authority to do so has not apparently come before the courts.

When by an Executive order public lands are set aside, either as a new Indian reservation or an addition to an old one, without further language indicating that the action is a mere temporary expedient, such lands are thereafter properly known and designated as an Indian reservation; and so long, at least, as the order continues in force the Indians have the right of occupancy and use, and the United States has the title in fee. Spalding v. Chandler (160 U. S. 394); In re Wilson (140 U. S. 575).

But a right of "occupancy" or "occupancy and use" in the Indians, with the fee title in the sovereign (the Crown, the original States, the United States), is the same condition of title which has prevailed in this country from the beginning, except in a few instances, like those of the Cherokees and Choctaws, who received patents for their new tribal lands on removing to the West. And the Indian right of occupancy is as sacred as the fee title of the sovereign.

INDIANS RIGHT OF OCCUPANCY SACRED

The courts have applied this legal theory indiscriminately to lands subject to the original Indian occupancy, to reservations resulting from the cession by Indians of part of their original lands and the retention of the remainder, to reservations established in the West in exchange for lands in the East, and to reservations created by treaty, act of Congress, or Executive order out of public lands. The rights of the Indians were always those of occupancy and use, and the fee was in the United States. Johnson v. McIntosh (8 Wheat. 543); Mitchell v. United States (9 Pet. 711, 745); United States v. Cook (19 Wall. 591); Leavenworth, etc., R. R. Co. v. United States (92 U. S. 733, 742); Seneca Nation v. Christy (162 U. S. 283, 288–289); Beecher v. Wetherby (95 U. S. 517, 525); Minnesota v. Hitchcock (185 U. S. 375, 388 et seq.); Lone Wolf v. Hitchcock (185 U. S. 553); Jones v. Meehan (175 U. S. 1); Spalding v. Chandler (160 U. S. 394); McFadden v. Mountain View Min. & Mill. Co. (97 Fed. 670, 673); Gibson v. Anderson (131 Fed. 39).

In Spalding against Chandler, supra, which involved an Executive order Indian reservation, the Supreme Court said (pp. 402, 403):

"It has been settled by repeated adjudications of this court that the fee of the lands in this country in the original occupation of the Indian tribes was from the time of the formation of this Government vested in the United States. The Indian title as against the United States was merely a title and right to the perpetual occupancy of the land, with the privilege of using it in such mode as they saw fit until such right of occupation had been surrendered to the Government. When Indian reservations were created, either by treaty or Executive order, the Indians held the land by the same character of title, to wit, the right to possess and occupy the lands for the uses and purposes designated."

In McFadden v. Mountain View Min. & Mill Co., supra, the Circuit Court of Appeals for the Ninth Circuit said (p. 673):

"On the 9th day of April, 1872, an Executive order was issued by President Grant, by which was set apart as a reservation for certain specified Indians, and for such other Indians as the Department of the Interior should see fit to locate thereon, a certain scope of country 'bounded on the east and south by the Columbia River, on the west by the Okanagon River, and on the north by the British possessions,' thereafter known as the 'Colville Indian Reservation.' There can be no doubt of the power of the President to reserve those lands of the United States for the use of the Indians. The effect of that Executive order was the same as would have been a treaty with the Indians for the same purpose, and was to exclude all intrusion upon the territory thus reserved by any and every person other than the Indians for whose benefit the reservation was made, for mining as well as other purposes."

The latter decision was reversed by the Supreme Court and on an entirely different ground (180 U. S. 533). The views expressed in the McFadden case were reaffirmed by the same court in Gibson v. Anderson, supra, involving a reservation created by Executive order for the Spokane Indians.

The general Indian allotment act of February 8, 1887 (24 Stat. 388, sec. 1), is based upon the same legal theory as the decisions of the courts, for it is expressly made applicable to "any reservation created for their use either by treaty stipulation or by virtue of an act of Congress or Executive order setting apart the same for their use," etc.

INDIANS PROTECTED BY UNIFORM LEGISLATION

If the extent of the Indian rights depended merely on definitions, or on deductions to be drawn from descriptive terms, there might be some question whether the right of "occupancy and use" included any right to the hidden or latent resources of the land, such as minerals or potential water power, of which the Indians in their original state had no knowledge. As a practical matter, however, that question has been resolved in favor of the Indians by a uniform series of legislative and treaty provisions beginning many years ago and extending to the present time. Thus the treaty provisions for the allotment of reservation lands all contemplate the final passing of a perfect fee title to the individuals of the tribe. And that meant, of course, that minerals and all other hidden or latent resources would go with the fee. The same is true of the general allotment act of 1887, which applies expressly to Executive order reservations as well as to others. Then, beginning years ago, many special acts were passed—with or without previous agreements with the Indians concerned—whereby surplus lands remaining to the tribe after completion of the allotments were to be sold for their benefit. In all these instances Congress has recognized the right of the Indians to receive the full sales value of the land, including the value of the timber, the minerals, and all other elements of value, less only the expenses of the Government in surveying and selling the land. Legislation and treaties of this character were dealt with in Frost v. Wente (157 U. S. 46, 50); Minnesota v.

Hitchcock (185 U. S. 373); Lone Wolf v. Hitchcock (187 U. S. 553); United States v. Blendaur (128 Fed. 910, 913); Ash Sheep Co. v. United States (252 U. S. 159).

Similar provisions have been made in many other cases for the sale of surplus tribal lands, all the proceeds of all elements of value to go to the tribe. In a recent act for further allotment of Crow Indians lands (41 Stat. 751), the minerals are reserved to the tribe instead of passing to the allotees (sec. 6); and moreover, unallotted lands chiefly valuable for the development of water power are reserved from allotment "for the benefit of the Crow Tribe of Indians" (sec. 10). The Federal water power act of June 10, 1920 (41 Stat. 1063), applies to tribal lands in Indian reservations of all kinds, but it provides (sec. 17) that "all proceeds from any Indian reservation shall be placed to the credit of the Indians", etc.

Again, by a provision in the Indian appropriation act of June 30, 1919, the Secretary of the Interior was authorized to lease, for the purpose "of mining for deposits of gold, silver, copper, and other valuable metalliferous minerals," and part of the unallotted lands within "any Indian reservation" within the States of Arizona, California, Idaho, Montana, Nevada, New Mexico, Oregon, Washington, or Wyoming heretofore withdrawn from entry under the mining laws. These States contain numerous Executive order reservations, and yet the act declares that all the royalties accruing from such leases shall be paid to the United States "for the benefit of the Indians." (41 Stat. 3, 31–33.)

The opening to entry by Congress of a part of the Colville Reservation, established in Washington by Executive order, has been cited as an exception to this line of precedents. (Act July 1, 1892, 27 Stat. 62.) But the exception is more apparent than real, for Congress, though it expressly declined to recognize affirmatively any right in the Indians "to any part" of that reservation (sec. 8), yet, in fact, preserved the right of allotment, requiring the entrymen to pay for the lands, and set aside the proceeds for the benefit of the Indians for an indefinite period. Later the proceeds of timber sales from the former reservation lands were secured to the Indians, but the mineral lands were subjected to the mineral laws without any express direction for the disposal of the proceeds, if any. (Act July 1, 1898, 30 Stat. 571, 593.) The committee reports show that the reservation was considered as improvidently made, excessive in area, and that the action taken was really for the best interests of the Indians. (Senate Rept. No. 664, 52d Cong., 1st sess., vol. 3; House Rept. No. 1033, 52d Cong., 1st sess., vol. 4.)

In respect to legislation and treaties of this character two views are possible. First, that the right of occupancy and use extends merely to the surface and the United States, in providing that the Indians shall ultimately receive the value of the hidden and latent resources, merely gives them its own property as an act of grace. Second, that the Indian possessions extended to all elements of value in or connected with their lands, and the Government in securing those values to the Indians recognizes and confirms their preexisting right. If it were necessary here to decide as between these opposing views I should incline strongly to the latter; mainly because the Indian possession has always been recognized as complete and exclusive until terminated by conquest or treaty, or by the exercise of that plenary power of guardianship to dispose of tribal property of the Nation's wards without their consent. Lone Wolf v. Hitchcock (187 U. S. 554.) Moreover, support for this view is found in many expressions of the courts. Thus, in the case just cited, the court quotes from Beecher v. Wetherby (95 U. S. 517, 525) as follows:

"But the right which the Indians held was only that of occupancy. The fee was in the United States, subject to that right, and could be transferred by them whenever they chose. The grantee, it is true, would take only the naked fee, and could not disturb the Indians; that occupancy could only be interferred with or determined by the United States."

If a transfer by the United States would convey only the naked fee, it goes without saying that the complete equitable property was in the Indians. The earlier and fundamental decisions make this plain. In Worchester v. Georgia (6 Pet. 515, 543, 544) Chief Justice Marshall clearly states that the right asserted in behalf of the discovering European nations was merely a right, as against each other, which he defines as "the exclusive right of purchasing such lands as the natives were willing to sell." As late as 1872 the Supreme Court said:

"Unmistakably their title was absolute, subject only to the preemption right of purchase acquired by the United States as the successors of Great Britain, and the sign * * * to prohibit the sale of the land to any other governments or their subjects." (Holden v. Joy, 17 Wall. 211, 244.)

The important matter here, however, is that neither the courts nor Congress have made any distinction as to the character or extent of the Indians' rights as between Executive order reservations and reservations established by treaty or act of Congress. So that if the general leasing act applies to one class there seems to be no ground for holding that it does not apply to the others.

You are, therefore, advised that the leasing act of 1920 does not apply to Executive order Indian reservations.

Respectfully,

HARLAN F. STONE,
Attorney General.

Hon. HUBERT WORK,
Secretary of the Interior, Washington, D. C.

THAT OIL LEASING BILL

A concise statement of the effect of H. R. 9133, indorsed and actively supported by the Indian Bureau, is submitted herewith. It comes from the American Indian Defense Association, and discloses that the bill in effect is intended to overrule the opinion of Attorney General Stone and to reinstate the notorious Fall order ousting the Indians' rights to oil and minerals on 22,000,000 acres of Executive order reservation lands. The vast importance of this bill that thus seeks to overturn the law department's opinion and to throw out the Indians can not be overstated:

MARCH 1, 1926.

THE ALBERT B. FALL INDIAN TITLE CANCELLATION AGAIN REVIVED

The Indian Bureau has indorsed House Resolution 9133. S. 3159 is identical in its main features with H. R. 9133. The bills are before subcommittees of the Indian Affairs Committees, House and Senate; the House subchairman, Hon. GEORGE F. BRUMM; Senate subchairman, Hon. SAM G. BRATTON.

These bills provide that unallotted lands on any Executive order reservation may be leased for oil and gas mining in accordance with the act of May 29, 1924, dealing with the treaty reservations. So far, good.

The bills above named then make the following provisions:

1. They validate about 20 oil prospecting and leasing permits on Executive-order land issued by Secretary Fall before former Attorney General Stone overruled Fall on the questions of the vested right of Indians in Executive reservations and the applicability of the general lands leasing act to Executive reservations. This validation recognizes by implication a vested right in the permittees, because not only are those permittees authorized to go ahead who have invested substantially in good faith but the Secretary of the Interior may validate every permit, including the wildcat and speculative ones. This means that the bills in section 3 are a congressional declaration that the Executive reservations are only public lands, hence that the Indians have no title or vested right in them.

2. The bills above named in section 2 provide that 37½ per cent of the oil and gas royalty from Executive-order Indian reservations shall be paid to the State within whose boundaries the lands are situated; 62½ per cent shall go to the credit of the Indians. Slightly varying provisions are contained in the two bills designed to insure that some of the money paid to the State shall be used for Indians.

The effect, as demonstrated below, will be to place on the Indian the whole oil-production tax burden, at a rate which would be deemed confiscatory by whites and in a manner to exempt the producing companies from any taxation, Federal or State.

The larger effect of section 2, independently and likewise in conjunction with section 3 which validates the Fall permits, will be to legislate out of existence any title or vested right possessed by the Indians in Executive order reservations. This result will follow in so far as action by Congress can effect such nullification, and it is shown below that this proposed action by Congress will heavily prejudice if not predetermine the Supreme Court opinion on this subject of dominating importance to the Indians.

The Executive order area is 23,000,000 acres and a natural wealth of billions is represented. Two-thirds of the whole unallotted area of Indian lands is Executive order reservation. Executive Indian reservations exist in 11 States, and in them scores of tribes have staked absolutely all their legal and equitable rights. Many Executive reservations go back a generation and usually they are the ancestral homes of tribes.

Secretary Fall had many projects affecting Indian wealth. His boldest and greatest project was that of establishing the total absence of a vested right by Indians in Executive reservations, thus making it possible for the administration, without the consent of Congress, to take away or confiscate all the Indian property values in the unallotted areas of all these reservations.

Now comes the Indian Bureau indorsing as a legislative proposal that which Secretary Fall attempted by administrative act and a construction of law subsequently overruled by the Attorney General.

It is taken for granted that the measures here discussed, like so many other Indian bills, are the product of the Indian Bureau which has indorsed H. R. 9133, and that the congressional sponsors are not prime movers or intentionally parties to the sought-for confiscation.

The Executive Indian reservations need to be opened for oil and mineral development; taxation on such development needs to be permitted. These legitimate matters can be attained as stated below, without incidentally, or by primary intent, legislatively clouding or destroying the Indian vested rights. Many western Senators want development of the Executive reservations and want these reservations

to yield revenue to the States. All friends of the Indians should want the same thing. No friends of the Indians or of American honor should want the vaster and wholly different result of nullifying the Indian vested right and repudiating national undertakings that have been cumulative across 50 years.

WHAT THE HOUSE INDIAN AFFAIRS SUBCOMMITTEE HEARING REVEALED FEBRUARY 20

H. R. 9133 places the whole production tax burden on the Indian receivers of royalty. This, in contradistinction to the status under the act of May 29, 1924, authorizing a production tax on unallotted treaty lands.

In absence of specific congressional permission, the States can not tax Indian lands. The pending bills omit such specific permission but place the burden exclusively on the Indians. Page 60 of the House hearings:

"Mr. HAYDEN. Oklahoma levied a production tax on oil (from unallotted treaty reservations), and the money was collected and impounded, and the Supreme Court said: 'This oil came out of untaxed Indian land, and the land itself could not be taxed and the production could not be taxed.' Then we passed this subsequent act (of May 29, 1924) that permitted a tax to be levied. It could not be done without the consent of the United States." (Commissioner Burke concurred.)

A REQUEST FOR SECRETARY WORK'S OPINIONS

WASHINGTON, D. C., *February 25, 1926.*

Hon. HUBERT WORK,
Secretary Department of the Interior, Washington, D. C.

MY DEAR MR. SECRETARY: I am inclosing copy of House bill 9133 and suggest that it be referred to you personally and not by your office to the Indian Bureau because of the tax policy involved in the bill. I am advised that this measure will cover some 22,000,000 acres of Executive order Indian reservations and has the approval of the Indian Bureau. The commissioner appeared before the committee of which I am a member supporting its passage. Careful consideration of its provisions should be had, and I am presenting to you serious objections that I feel assured in any event may prevent the passage of the bill, but also will prevent development of oil production on Indian lands to the possible injury of the Indians and oil producers concerned.

Your attention is invited to section 2 of the bill wherein Indian royalties are subjected to a tax of 37½ per cent, to go to the State ostensibly for their benefit. This tax is to cover any State oil-production tax that might properly be levied by the State on oil producers. In other words, section 3 of the bill, which allows the Indians 5 per cent oil royalty on claims heretofore filed under an interpretation by Secretary Fall, are now to be reinstated and of this 5 per cent royalty, 37½ per cent will go to the State to cover the oil-production tax of both the Indians and oil producers. No one can reasonably object to the Indians paying an oil-production tax to the State and that can easily be brought about by just legislation. On the other hand, no one fairly can defend a measure that places the total oil-production tax burden on the Indians whether they get 5 or 50 per cent royalty from the producer.

The effect of this policy, if it should be passed, is best evidenced by the statement of the Commissioner of Indian Affairs before the committee that 400 oil claims covering over 1,000,000 acres of the Navajo Indian Reservation will be disregarded, provided the bill should be passed in its present form, because these 400 applicants for permits were acting for speculative purposes without any effort to develop the land. If the bill is passed as drawn, it will result in a similar effort to despoil Indians of their oil rights. This will not willingly be permitted by you, although your approval of the bill has been referred to during its consideration by the committee. That such approvals are secured without a full understanding on your part of their provisions is evidenced by the $100,000 Navajo Colorado River bridge wherein you were quoted as favoring this bill on the theory that the bridge would be equally used by the whites and the Indians. Senators denied this and two Senators familiar with the facts stated in debate yesterday that the Navajo Lee bridge proposal approved by you is unjust, iniquitous, and indefensible (RECORD, Feb. 24, 1926, pp. 4468–4473). No Congressman will place on you responsibility for your approval but rather upon those who have been chargeable with presentation of the facts to you.

The reimbursable feature was defeated in the Senate yesterday because of that fact, notwithstanding its active support by the Indian Bureau, and it is still in conference.

With bill H. R. 9133 I am only interested in protecting the rights of the Indians, which I feel assured is your own attitude, and for that reason I suggest that in order to promote oil development on Indian lands the bill be changed so as to require both Indians and producers to pay to the State whatever oil tax is assessed against them in proportion to their respective shares of oil production, and not entirely by the Indians. I understand this has been done on treaty reservations, and, as the commissioner impressed us with the desirability of having the bill passed with section 3 embodied therein in order to settle pending litigation on Executive order Indian reservations, no objection was made to recognizing the equities of 20 or more actual oil developments affected by that section.

Arguments might be advanced against the inclosed bill, and probably will be, providing the bill reaches a threatening stage, but I am asking your attention to the policy proposed by the Indian Bureau on all Executive-order reservations, and ask that a constructive bill, fair to the Navajo Indians and others alike and not alone to oil producers, may be prepared and passed at the present session.

I believe the Indian defense societies will strenuously oppose the Hayden 37½ per cent Indian tax bill in the form recommended by the Indian Bureau, yet a reasonable and constructive measure looking toward the development of Indian oil lands will have their support.

Very sincerely,

JAMES A. FREAR.

THE SECRETARY OF THE INTERIOR,
Washington, February 27, 1926.

Hon. JAMES A. FREAR,
House of Representatives.

MY DEAR MR. FREAR: I have your letter of February 25, 1926, relative to H. R. 9133.

Before answering your letter I desire to have certain law questions that I regard as fundamental investigated. I have given directions for a full investigation of these law questions and have also requested that their determination be expedited. When I shall have received the opinions on the law questions involved I shall again communicate with you.

Very truly yours, HUBERT WORK.

MANACLES AND CHAINS

The statement has been made repeatedly by the officials of the Indian Bureau and others without full information, who seek to defend the bureau's action, that no definite charges of cruelty or misgovernment on the part of the Indian agents has been shown.

I am submitting several complaints from among many others I have, not alone to evidence cruelty or harsh treatment but to indicate some of the agents who are empowered by the bureau bill to appoint $10 a month judges.

Although only a member of the Indian Committee something over 60 days, I am attaching herewith statements that give specific cases that should forever condemn any bureau in this enlightened age that insists upon maintaining an organization for the development of the Indians which includes subordinates such as appear to represent the bureau in the cases named.

I am assured that many such cases can be offered if further evidence is desired on this subject. And remember that these agents are among those who appoint the Indian "judges" at $10 a month, to be paid by the Government. They have control of the Indian administration and of the reservation matters:

WASHINGTON, D. C., *March 4, 1926.*

Hon. JAMES A. FREAR,
Committee on Indian Affairs,
House Office Building, Washington, D. C.

SIR: We desire to call your attention, as an exhibit bearing on H. R. 7826 and H. R. 9315, the shackles and chains taken from the police office in the same building as the Indian reservation jail at Fort Peck, Mont., January 20, 1926.

We desire to state this is not a typical shackle and chain, because there is no heavy iron ball attached to it and no lock for chaining the Indian to the wood or stone wall of his prison.

This apparatus was purchased with money voted by Congress for support and civilization of the Fort Peck Indians. We do not know whether this particular expenditure came out of our own money or tax money. Very likely it came out of our own money.

The following statement is of importance as showing the kind of law and order which the Indian Bureau enforces through such shackles, balls, chains, and iron locks.

The last time that Mr. Rufus Ricker, member of the Fort Peck Indian delegation, happened to see a Fort Peck Indian in chains in the jail, the case was as follows:

It is about a year and a half ago and the name of the imprisoned Indian was Benjamin Kills-Thunder.

Benjamin Kills-Thunder committed the offense of going off the Fort Peck Reservation without a permit or passport from the Indian superintendent, to visit his relatives at Devils Lake Indian Reservation, N. Dak.

When Benjamin Kills-Thunder returned to the Fort Peck Reservation he was seized and tried in the reservation court and sentenced to the reservation jail where he was kept chained up. No other charge was alleged against him.

We bring this particular case to your attention because it shows the kind of power which the Indian Bureau is trying to get Congress to confirm in it.

The Indian Bureau declares anything to be an offense in its discretion. The offense does not have to involve any violation of known law or customary law or to involve a turpitude. The offense in this case was simply to have gone off the reservation to visit relatives without getting a permit from the Indian agent.

Now, we Indians are voters and you can see what this kind of power means when used over us.

We desire to add this fact. All kinds of labor known to be performed around a reservation, sometimes the labor is needed by the agency and sometimes it is needed for the convenience of an Indian Bureau employee, and we Indians are captured and sentenced in this arbitrary way and put to work, sometimes for the Indian Bureau, but more often for the Indian Bureau employees. We want to ask you whether this is not plain slavery.

We want to point out to you that it is no use just to defeat the Indian Bureau bill H. R. 7826, because of these things they are doing now, but Indians must be set free from this kind of brutal treatment and slavery, and we want Congress to set us free by giving us rights in a real court.

If the Indian Bureau or any other person disputes the above statements, we desire that they shall confront us and we will support statements, multiply examples, and we will proceed under oath and furnish any needed corroboration.

Very truly yours, MEADE STEELE.
RUFUS RICKER, Sr.

A WISCONSIN CASE OF CHAINS AND MANACLES

ODANAH, WIS., *January 23, 1926.*

Hon. ROBERT M. LA FOLLETTE, Jr.,
United States Senate.

Hon. HUBERT H. PEAVEY,
United States Congressman, Washington, D. C.

DEAR SENATOR AND CONGRESSMAN: I am appealing to you for the release of my son, Paul Moore, age 26, from sentence of six months imposed on him by J. S. R. Hammit, superintendent of the Lac du Flambeau School and Agency, in a jail thereat within the Lac du Flambeau Indian Reservation in Vilas County, State of Wisconsin.

The facts in the case so far as I have been able to learn, are as follows:

Paul Moore, George Sharlow, and Samuel Smart, on the 27th of October last, motored from Odanah to the village of Lac du Flambeau, which is within the Lac du Flambeau Reservation and adjoined by the said school and agency premises. They were arrested by the Indian police of said reservation on some alleged misdemeanor and taken before said superintendent, who has with him an Indian whose name is Saw-gitche-way-ghezis, who does not read nor write, or talk English, posing as a judge, but the said superintendent prepared and read his sentence.

Paul Moore and George Sharlow were thereafter kept in said jail for five days, when they were taken out on a field to dig potatoes, and from there they returned to Odanah.

On the 21st day of January, 1926, about 8.30 a. m., the Indian police at this place, said to be acting under orders of the LaPointe Indian Agency at Ashland, and through the local Government farmer at Odanah, at the request of the said school superintendent of Lac du Flambeau, came to my home and took Paul Moore and detained him in jail here until the following morning and then turned him over hand-cuffed at the 6.50 train to one Albert Snow, an Indian police of the Lac du Flambeau Reservation, concerning which no papers were read nor referred to at this or the previous arrest.

In thus writing your honor, I do so believing that it would be of no avail should I direct my complaint in this matter to the Indian Bureau, as they would sustain their agent no matter how arbitrary his act may be, and thereby their greater oppression.

I only ask that Paul Moore be released from such improper detention, and if he has committed any offense against the laws of the State of Wisconsin, of which he is a citizen, that he be accorded under due process a right of defense therein against his accusers.

I am advised that a certain township government of Vilas County, of which one John St. Germain, a member of the Indians of said reservation, is its elected clerk, has its seat in the village of Lac du Flambeau, and also thereat its justice of the peace court, which has been resorted to be the Indians of said reservation for sometime past.

Only since the transfer from somewhere out of the Southwest to the Lac du Flambeau Indian Reservation of the now superintendent thereat has there been such detentions as that referred to in this writing.

Thanking you for such consideration and attention as you may cause to be given this subject looking to a trial in the proper court, if that may be required, I shall be

Very gratefully yours, MRS. MARY MOORE.

ODANAH, WIS., *January 30, 1926.*

MRS. ELIZABETH MALONEY,
1017 Main Street, Stevens Point, Wis.

MY DEAR MRS. MALONEY: You will pardon my apparent negligence in not acknowledging receipt of your most kind letter received some time ago, on which I hope to be able soon to write you. But at this time I am impelled to vent a grievance, which may be better understood out of the following statement than from any other observation:

About 70 miles southeast of here, and in the county of Villas, is a cluster of beautiful lakes all linked together within the Lac du Flambeau Indian Reservation through which the Northwestern Railway passes. The principal habitation on this reservation is in the Lac du Flambeau village, which is about centrally located, and besides its being the seat of one of the township governments of said county, and embracing all of said reservation. Two members of its board and its assessor are members of the Indians of said reservation, and also at said village is the justice of the peace court for said township, known as the town of Flambeau.

The said village is adjoined by an Indian school and agency premises known as the Lac du Flambeau School and Agency and included with the school and agency building is a jail.

The superintendent of said school and agency, now there since the month of June last, is one J. S. R. Hommet, transferred from somewhere out of the Southwest, who, I am informed has set up a new terror to the Indians there by imposing sentence and subjecting them to imprisonment in said jail—men, women, and children.

The case which brings this subject to Odanah is that of one Paul Moore, age 26, a resident of Odanah, who, together with other Indians, was penalized by said school superintendent. The facts in the case, so far as I am informed, are as follows:

Paul Moore, George Sharlow, and Samuel Smart, all of Odanah, on the 27th of October last, motored from Odanah to the village of Lac du Flambeau; they were later arrested by the Indian police of said reservation on some alleged misdemeanor and taken before J. S. R. Hemmet, who sentenced each Paul Moore and George Sharlow to detention in said agency jail for a term of six months.

Paul Moore and George Sharlow, after being kept in said jail for five days, were then taken out on a field to dig potatoes, and from there they, without leave, returned to Odanah.

On the 21st day of January, 1926, at about 8.30 a. m., the Indian police of this place, said to be acting under orders of the superintendent of the LaPointe Indian Agency at Ashland, a Mr. P. S. Everest, and through the local so-called Government farmer, a Mr. A. L. Doan, at Odanah, at the request of the said school superintendent, Hemmet, of Lac du Flambeau, went into the home of Mrs. Ben Moore, mother of Paul Moore, and took Paul Moore and detained him in jail here until the following morning, and then turned him over, handcuffed, at the 6.50 a. m. southbound North Western train to one Albert Snow, an Indian police of the Lac du Flambeau Reservation, concerning which no papers were read nor referred to at this or the previous arrest.

On the 26th instant, when Paul Moore was visited from Odanah, by his sister, Mrs. Joseph Rabideaux, he was found to be in a cell of said Las du Flambeau Agency jail, size about 6 by 8 feet, having bunk and a clogged toilet therein, and further made miserable with a ball and chain fastened to his ankle. Within the other part of this jail were three Indian women and three Indian men.

To my mind, this is a terrible state of affairs, and such a depressive, enslaving practice should not be tolerated—at least not be allowed to displace the right of trial, and to be heard in the proper court, heretofore accorded our Indians.

The wrong that may have been done by the imprisoned, I submit, is beside the question, and would seem not to be a wrong at all compared with the practice of this degenerate dominat and his aids, who, without objection by those in position, will be the more emboldened to greater terrorism, and then seem that Coolidge economy was surely drifting in on the lives of the least protected, and that a retrograde on dispensing justice was about to ensue in progressive Wisconsin.

Can we turn the devil away; and what would you suggest that may be done in such a matter?

Very sincerely yours,

MRS. VERONICA RAICHE.

INDIAN RELIEF COMMITTEE OF MINNEAPOLIS,
Minneapolis, Minn., February 26, 1926.

Hon. JAMES A. FREAR,
House of Representatives, Washington, D. C.

HONORABLE AND DEAR SIR: The executive committee of the Indian relief committee of Minneapolis, at its meeting held on Thursday, the 25th instant, passed the following resolution:

"*Resolved,* That inasmuch as the opportunity for tyranny is but poorly concealed in H. R. 7826, introduced by Mr. LEAVITT, and could, and we fear would, be used in many sections to reduce the Indians to a state little, if any, above that of slavery, we believe that the very presentation of such a bill to our National Congress constitutes an affront against the intelligence of our people and outrages all that is left of decency on the part of the white man in his dealings with the Indian. We protest against every feature of this bill and call upon all men of fair mind to repudiate it in its entirety.

"We note with pleasure the presentation by the Hon. JAMES A. FREAR, of Wisconsin, of H. R. 9315, which seems to be a substitute measure for H. R. 7826. This bill, by guaranteeing to the red man

'due process of law' on an equality with the whites, bring to the Indian the first indication of the fulfillment of promises, and some measure of justice. While the bill does not and can not remedy the wanton ways of the past, yet it does give some hope for their cessation. We urge the support of this measure, and urge that a copy of this resolution be sent to the Hon. JAMES A. FREAR, of Wisconsin, and to Senator THOMAS SCHALL, of Minnesota, with notices of it to the chairman of the House Judiciary Committee, the Hon. GEORGE S. GRAHAM, and to all the other members of the Minnesota delegation."

The committee urges you to repudiate the Leavitt measure, and to give your strongest support to the one of Mr. FREAR.

Very sincerely yours,

LOUISE GREGORY LADD,
MRS. ALBEE LOVEJOY LADD,
Secretary Indian Relief Committee of Minneapolis.
LOUIS P. CHUTE,
Vice President Indian Relief Committee of Minneapolis.

EVERETT HOTEL,
Washington, D. C., February 20, 1926.

Hon. SCOTT LEAVITT,
Chairman Committee on Indian Affairs,
House of Representatives.

DEAR MR. LEAVITT: Reference is made to H. R. 7826.

Under the present system of administering justice on our reservation the superintendent is virtually the arresting officer, the jailer, the prosecuting attorney, the defendant's attorney, and the supreme court.

We here cite a few cases which we readily recall, and there are many others of like nature that could be furnished had we known that a law of this kind was being proposed. (The cases all fall within the last two years.)

John Kinepoway, a Menominee Indian, laborer, was fined $75 for intoxication. No intoxicants were found in his possession. The fine was imposed by the superintendent merely on information and belief.

John Kaquatosh, sr., married, a Menominee Indian, was fined $50 under like circumstances.

Mitchell Okatchikum, a Menominee Indian having several small children dependent upon him, was fined $50 also under like circumstances.

Louis Dodge, jr., married, a Menominee Indian laborer, was fined $100 under like circumstances.

No hearings whatever were given in the cases of Kinepoway, Kapuotosh, and Okatchikum. In the cases involving married men with families the fine imposed necessarily worked a hardship on the dependent wives and children, requiring several months of privations to recover.

About the summer of 1916 a Menominee Indian by the name of Joe Striker was charged with intoxication. An agency farmer by the name of Smith was sent out to arrest him. Striker attempted to escape, whereupon the farmer whipped out a pistol and shot him through one or both legs at the knees, resulting in his being permanently crippled.

About January, 1924, Francis LaMotte, a Menominee Indian, was arrested at Neopit, Wis., and found to have in his possession a traveling bag containing a gallon jug full of moonshine whiskey. The arrest was made by A. M. Morrin, a clerk in the office of the superintendent, assuming the authority to make the arrest. In handling the prisoner Morrin lost his temper and struck LaMotte full in the face with his fist. Another clerk in the office, a Menominee Indian, criticized Morrin for his unnecessary brutality and was severely reprimanded by the superintendent for his criticism.

Robert Wheelock, about a month ago, was arrested at Neopit for intoxication. On the day set for the trial before the Indian court the arresting officer failed to appear to make a complaint and Wheelock was released. The superintendent was not satisfied that Wheelock got by without punishment and caused him to be taken from the reservation and ordered never to return. It will be noted here that Wheelock is a nonmember of the tribe but is a resident of the reservation, established through his stepfather, who is a member.

Peter Mahkimetass, a Menominee Indian residing at Neopit, and another Menominee, whose name we do not recall at this time, suspected of having drunk moonshine whisky, were arrested by the Indian policeman and jailed on a Saturday night. They were confined in the jail until the following Tuesday afternoon, at which time their case was brought to the attention of the lumber sales manager, A. B. Finney. The arresting officer requested instructions from Finney in this matter: "What'll I do with those two men I have in jail?" Mr. Finney asked. "Who are they?" Mr. LaMotte, the arresting officer, answered, "Peter Mahkimetass and so-and-so." Whereupon Mr. Finney loudly exclaimed, "Let 'em stay there!"

Your attention is invited to the fact that in a number of the cases cited above, the power to administrate justice lay wholly with the subordinate employees of the agency not vested with police power in regular form, illustrating the evil of a system so elastic in its operation that the question of justice is practically inoperative. It occurred to us that section 2 of bill H. R. 7826 provides for even a more elaborate legalizing of the present tyrannical system.

Very respectfully,

THE MENOMINEE DELEGATION.
By RALPH FREDENBERG.

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637 MUNSEY BUILDING,
Washington, February 19, 1926.

Hon. SCOTT LEAVITT,
Chairman Committee on Indian Affairs,
House of Representatives.

DEAR MR. LEAVITT: Can what follows be placed in the RECORD on H. R. 7826 before the spokesmen of the Indian office are heard, in order that they may deal with its statements?

It is an example of a tyrannical use of power by an Indian superintendent, which was repeatedly appealed to the Commissioner of Indian Affairs and the Secretary of the Interior.

THE ZUNI CASE

The hearings thus far have established that the so-called reservation courts are nothing but the superintendent or subordinates or appointees of his, acting under such regulations and definitions of offenses as may be supplied by the Indian commissioner.

It has been pointed out that reservation courts subordinate to the superintendent exist on some reservations but not on others; that where they exist the superintendent may supplant them at will; that where they do not exist the superintendent is continuously a reservation court.

It is the autocratic power of the superintendent which is at issue, and it is his abuse of this power which has been variously alleged in the hearings. If this autocratic power exists and is lawlessly used, the term "reservation court" can not successfully mask it.

The Zuni case is as follows:

About January 1, 1924, subordinates of Superintendent Bauman, of Zuni Reservation, using methods of duress, took away from the tribal officers the ancient Spanish canes and the more famous Lincoln cane; likewise the silver badges which are emblems of influence in the tribe.

This act was not preceded by any formality of investigation, accusation, hearing, or trial.

After some delay the Lincoln cane was restored, but the Spanish canes, of great age and symbolic and sentimetal value, and the silver badges, were refused.

Instead, the superintendent attempted to persuade the tribal officers to accept a cheap set of substitute canes and a very cheap looking set of new badges.

The officers, instructed by the governing body of high priests, refused to accept the substitutes.

This case was first brought to the Commissioner of Indian Affairs and the Secretary of the Interior in February, 1924, by a delegation of Pueblo Indians in Washington.

There followed one of the "investigations" which are the despair of Indians and their friends; an investigation carried out by one Inspector Safford, which not merely was egregiously a white-wash investigation, but which was an application of threat and of something approaching the third degree to the Indians in the effort to break their resistance. The full report of Inspector Safford's proceedings can be had from the Indian Bureau. Thereafter, not once but repeatedly, the Indians have petitioned the Commissioner of Indian Affairs and the Secretary of the Interior for a return of these almost sacred emblems and objects which had been torn from them without cause and without legal process. They could obtain no satisfaction whatever.

After one and one-half years of thus petitioning and vainly waiting, the Zuni Indians authorized a law firm to represent them. First, an investigation on the ground was made by Mr. Leo J. Rabinowitz, of San Francisco, a member of the board of directors of the Indian Defense Association, who acted as a volunteer.

Thereafter the firm of Barker & Fahy, of Santa Fe, was professionally retained, and Mr. Charles Fahy went to Zuni and completed a thorough investigation.

The case was thus in hand, and it was the advice of the several attorneys that civil suit would lie and probably a prosecution for larceny.

At this stage of the proceedings Mr. James W. Young, of Chicago, joined with me in a final effort to secure administrative correction without a lawsuit. The matter was discussed with ex-Gov. H. J. Hagerman, a member of the Pueblo lands board and a commissioner of the Navajo Indians. Mr. Hagerman has no administrative jurisdiction over Zuni Pueblo.

Mr. Hagerman saw the outrageous character of the facts, and likewise obtained from me as secretary of the American Indian Defense Association a written assurance that in fact the suit or suits in the courts would be brought instantly unless the administration yielded and the purloined objects were returned.

Commissioner Hagerman's visit to Zuni corroborated the statements, and the immediately impending suits gave power to his arm, and the

canes and the badges were finally, after about 18 months, restored to the Indians.

No discipline was meted out to this lawless superintendent, who is still the complete master of the Zunis.

The incident has not yet ended; indeed, it is only given as an example, and there have been numerous incidents in Mr. Bauman's Zuni career. But the following relates to the subsequent history of the fake badges which Mr. Bauman tried to force upon the Zunis in place of their real badges:

The great yearly religious ceremony of the Zuni is called the Shalako and it takes place in December. It is a ceremony of extreme beauty, and to the Zuni of great solemnity.

In this ceremony the gods (symbolic masked figures of enormous height) come back into the pueblo from the desert, and for all of a night and a day they are received in one after another of houses, newly built, to be consecrated by them. Afterwards these houses are lived in by the Zunis.

The Shalako is likewise an occasion of hospitality. Last December perhaps a thousand Navajos came as guests and perhaps a hundred white persons. Like all the Indian sacred occasions, the Shalako is wholly devoid of commercial features.

What I shall now recount was witnessed by all who attended the Shalako, December 22 last.

I can specifically call the following witnesses, in addition to myself: Mrs. Collier; Miss Jessie Flanagan, of Woodbury, N. J.; Miss Harriet Wilson, of the International Institute of the Young Women's Christian Association, of San Francisco; Mrs. Mabel Lujan, of Taos, N. Mex., and New York.

The management of the Shalako has immemorially been the duty of the tribal officers. They are like ushers and church deacons. They show the onlookers where to stand, prevent a crowding of the priests, dancers, and symbolical deities, and come and go in the many houses where the ceremonies proceed all night, ushering in the sacred dancers from house to house, welcoming the guests, and keeping order without the use of force.

In all the years it has never been intimated that these tribal officers were not completely effective. There was one exception: The Shalako ceremony, which took place just before Mr. Bauman, through his subordinates, seized the tribal insignia and at the same time attempted to overthrow the tribal government. That disturbance, now two years gone by, was precipitated by a handful of Zuni, who, whether or not incited to this violation of a sacred occasion by Mr. Bauman, were and are his supporters—his few supporters, less than 50 in number in a tribe of 2,000. As I stated, Mr. Bauman seized the tribal tokens of office immediately after this disturbance had been created, using the disturbance as his excuse.

Now, at sundown the gods, with their masked forms 15 feet high, came over the desert and at the borders of the Pueblo stopped for prayer and for the planting of sacred feathers. It was at this point that a number of white men and Indians, carrying clubs and wearing the rejected fake badges which Mr. Hagerman had restored to the superintendent—the fake badges which the Indians had rejected—thrust themselves in front of the onlookers and worshippers. They were noisy, they swung their clubs, and one of them on horseback rode half way between the congregation and the priests and symbolic deities, turned his horse backward from the deities, and sat smoking. This man was the type of Indian who is often chosen for judge. He wore the fake badge and his deliberate insult to the Zunis and their religion was symbolical of the behavior of many Indian superintendents and indeed of the policy of the Indian Bureau.

Thereafter, through the whole night, these wearers of the fake badges and swingers of clubs took charge of the Zuni Shalako. The tribal officers were pushed aside, and these men strode hither and thither, invading even private homes, knocking men's hats from their heads with their clubs, and talking loudly.

In some other Indian tribes violence would have resulted from this deliberate and wanton outrage. The Zunis have learned that physical resistance is hopeless and no violence was done.

At Zuni Pueblo Mr. Bauman continues as a hostile czar. He knows that the Commissioner of Indian Affairs knows the facts. Why should Mr. Bauman be disturbed if more of the same kind of facts are made known to the commissioner? Why should the commissioner be disturbed if Mr. Bauman continues to do the sort of things that he has been allowed to do for years? There is no law; Mr. Bauman is the Government; the Zunis are practically voiceless, and any white person on the reservation must have the good will of the bureau. He can not stay there without it. He can be arrested and thrown off the reservation if the bureau so desires.

Should your committee desire the corroborating affidavits, documents, etc., of the above case, they can be assembled for it. Should the Indian Bureau make a denial of the facts, the entire record will be presented to your committee. It is voluminous.

Two violent acts by the superintendent of the northern Pueblos of New Mexico, Mr. Crandall, have already been brought to the attention of your committee. The imprisonment of the Taos Safarino was not only appealed to the Commissioner of Indian Affairs by the tribe, but was given publicity several months ago.

Compared to the situation on reservations in general, the Pueblo situation is relatively free from acts of oppression. The reason is that a limelight of publicity can be turned onto the Pueblo situation at almost any time because of the great public interest in these New Mexico tribes. I have quoted examples from the Pueblos precisely for this reason. They exhibit the operation of the Indian Bureau system of lawlessness at its best. That system at its worst could be observed, for example, among the Apaches, and from time to time among the Hopis, and in various of the more remote Northwest reservations; it has been above all exhibited at Yuma, Ariz., during the years since 1920.

Mr. Brosius, of the Indian Rights Association, brought before your committee the nature of the unregulated powers of superintendents when he referred to the system of leasing. As I have stated above, the superintendent is the Government, and he is the Government not limited by constitutional limitations. If he wants to evict an Indian from his allotted land, the law permits it and the regulations of the Indian Bureau expedite it. If he wants to lease the land secretly and even without consideration, he is free so to do. If he wants to destroy the will of a dead Indian or whimsically to determine heirs, he or other agencies of the Indian Bureau have unrestricted liberty so to do.

The very fact that all of these acts are described as acts of the Secretary of the Interior indicates the futility of administrative appeal. No court review is possible in any circumstance, and the administrative appeal is taken from the Secretary of the Interior to the Secretary of the Interior, as words are used; from the Indian Bureau to the Indian Bureau in actual fact.

The question before the Indian Affairs Committee is as follows: Shall the citizenship law be made real through a supplementary affirmative act by Congress abolishing the criminal jurisdiction held by the Indian Bureau and abolishing its unregulated control of Indian property? Or shall Congress by an affirmative act cancel the fragment of a citizenship grant made in 1924, and while allowing the unregulated control over Indian property to continue also give statutory recognition to a criminal jurisdiction, which operates as follows:

The Indian Bureau makes the laws.
It arrests for the crime.
It prosecutes the criminal.
It is the judge of the criminal.
It is the attorney for the defendant.
It is the jailer.

And all of this under laws and regulations that it does not publish. A government of a subject race by unpublished administrative decrees executed through a subordinate bureaucracy.

On one or the other of these lines of policy the Committee of Indian Affairs and the Congress will proceed.

(Signed) JOHN COLLIER,
Executive Secretary American Indian Defense Association (Inc.).

This letter has been sent to Chairman LEAVITT:

PUEBLO OF TAOS, N. MEX., *July 23, 1925.*

Hon. CHARLES H. BURKE,
Commissioner of Indian Affairs, Washington, D. C.

DEAR SIR: It has come where we have to request you for information and advice, because we have been thrown in confusion by the act of our our superintendent, Mr. C. J. Crandall.

These are the facts:

Originally in the month of June, the 10th, two members of the Taos Indian Tribe got into a fight over the act of one who encroached on the land of the other. One man, Lorenzo Martines, set up posts on the land of the other man, Sefarino Martines.

Lorenzo Martines is 56 years old and Sefarino Martines is 36 years old. Of course naturally the younger man whipped the older and won the fight, though both were hurt but Lorenzo the most. They fought with their fists only.

Then Lorenzo Martines complained to the Pueblo officials. He came at once from the fight and made his complaint The Pueblo officials made preliminary investigation before going to trial. There were two Indian witnesses to the fight and also a white man. The governor talked with the white man and before a judgment was reached all the witnesses were to be listened to in the presence of the plaintiff and the defendant.

But just before the trial the plaintiff, Lorenzo Martines, came to the Pueblo officials and asked for dismissal of the case. The plaintiff admitted when asking for dismissal of the case that he had been responsible for the trouble and that he was the guilty one and did not want a trial. The case was dismissed and Lorenzo, the complainant, was charged the customary charge for cost of investigation and preparation for trial.

At this time the governor questioned Lorenzo about why he had made a complaint to the Taos County Court after having made one to the Pueblo officials. Lorenzo replied that two Government officials,

Mr. Marks, the school principal here, and Mr Berzeal, and a third friend, Doctor Martin, of Taos, had told him to do it.

Though the case did not come for trial, the investigation proved as follows:

That two times before Lorenzo Martines had interfered with Sefarino Martines's land, and when Sefarino protested Lorenzo had attacked him each time.

That the two witnesses who saw the fight of June 10 close by, Cesario Duran testified that Lorenzo attacked Sefarino when Sefarino said: "Why did you again interfere with my land"?

That after the fight, the same day, the Pueblo officials had examined Lorenzo and had found no injuries except face injuries resulting from the fist fight, and another witness, James Mirabal, testified to seeing the last part of the fight, and there was no fighting except fist fighting and no trampling of one man by the other.

That Sefarino is generally law-abiding and has this reputation with the white people and Indians alike.

That Lorenzo is quarrelsome and has often made trouble, and has this reputation generally among the white people as well as among the Indians.

That after the fight Lorenzo had said to Sefarino that if they had any more trouble he would do something very dreadful to Sefarino; that he had said he knew already what he would do.

These are the facts so far as revealed in the investigation made by the Pueblo officials.

How last Friday, July 15, Mr. C. J. Crandall, our superintendent, came bringing with him the sheriff. He said he had investigated. He said he had asked Lorenzo without having Sefarino present. He said he had then talked with Sefarino. He did not talk with the witnesses, and he did not ask the Pueblo officials what they had found out, but erroneously he said they had already punished Lorenzo, which was not a fact. He told Sefarino that he had done wrong in fighting with a man old enough to be his father. The officials asked Mr. Crandall, "What shall a younger man do if an older man attacks him?" And Mr. Crandall answered, "It would be no shame to run away."

Then the thing which causes us to write to you took place. Mr. Crandall told Sefarino Martines that he must go to jail in the county jail for 10 days, though there had been no trial, no questioning of witnesses, and no commitment. He told Sefarino that unless he went to jail under these circumstances then he, Mr. Crandall, would have the case taken to the Federal court at Santa Fe, 75 miles from here. The Government would prosecute Sefarino. Mr. Crandall knew that to defend himself before the court at Santa Fe, Sefarino would have to spend several hundred dollars for a lawyer, the transporting of witnesses, etc., and immediately to put up bail, and Mr. Crandall knew that Sefarino could not possibly meet these costs.

So at once the sheriff took Sefarino to the county jail, and there he now is, though the county and State have no jurisdiction, and there has been no trial of any kind whatever and not even an informal questioning of the witnesses by Mr. Crandall.

Now the questions we want to ask you are these:

First. The Pueblo officials have been recognized as peace officers at all times in the past. They make arrests, hold trials, and pass judgments in civil matters as well as breaches of the peace. Mr. Crandall himself, on this very occasion when he was suspending the authority of the officials without giving them a hearing or assigning cause, made the following statement, when it was mentioned that the quarrel between these two men grew out of a land matter: "I do not want to hear anything about land disputes; they are a thing to be handled by the Pueblo officials."

Now is it right, and is it your wish, that our Indian superintendent shall overrule the Pueblo officials in matters that have always been within their jurisdiction, and shall do this without a trial and without clearly stating his reason why?

Second. Is it your wish that an Indian superintendent shall put Indians in jail in this irregular way, without any form of trial and without even an informal examination of witnesses? It is reliably reported that Mr. Crandall said to Mr. Lorenzo M., the man who started this fight for which his victim is now in jail: "The next time you get in a fight I will send you to jail, and I won't stop to investigate." If our Pueblo government is to be made powerless and a thing to laugh at through actions like this of Mr. Crandall, and a lawless rule which throws Indians in jail without an investigation is to be substituted, then what are we Indians of Taos Pueblo going to do?

Third. What instruction are we to give our young men? We can not tell them that if an older man starts to attack them they must run away. Do you want us to try to make such a regulation in this pueblo?

Fourth. Can a local Indian superintendent, as in this case, do whatever he likes about the Pueblo's internal government, abolishing some powers, then restoring them, then overriding them without investigation? A great demoralization will come in our life if this is the case.

Very respectfully,

THE GOVERNOR AND COUNCIL OF TAOS PUEBLO.

RONAN, MONT., *February 11, 1926.*

Hon. JAMES A. FREAR,
Washington, D. C.

DEAR MR. FREAR: I am writing to you to ask a favor of you. As I have been reading the CONGRESSIONAL RECORD and I see by the RECORD of February 5, your speech on bill (H. R. 8722) that you are a very just and conscientious gentleman in regards to fair dealings with the Indians. The matter that I wish you would use your influence and kill bill (H. R. 8050). Under this bill what would the Indian have to say? I would like to know what is the status of the Indian to-day. He is granted citizenship one day and the next day they want to pass a law that the poor Indian can not say a word to defend himself with bureau officials under bill (H. R. 8050). You get a copy of it and read it; give me your opinion on same. So I ask of you to do all in your power to kill the bill when it comes on the floor of the House, as it would sure work an awful hardship on the Indians. Hoping you will do what I ask of you for the benefit of all the Indians, I remain,

Sincerely,

FRANK KIRKPATRICK.

In a hearing before the Indian Affairs Committee an attorney named Case claimed to represent the Sioux Indians, whom he claimed were willing to live under the existing inquisition methods employed by the Indian Bureau through its $10 "judges" on the reservation. At that time Mr. Case was asked, as the hearings will show, if he had any connection with or interest with the Indian Bureau. Hearings have not been printed and the exact phraseology of the question is not certain, but that was substantially the question, and the answer was in the negative. None of the Sioux present volunteered any statement whatsoever, and the testimony given by Case was the only proof offered from any Indian tribe that they are satisfied with existing conditions on the reservation.

A statement that gives the close relation of Case to the Indian Bureau has been handed me and is offered, as follows:

FEBRUARY 22, 1926.

In re statement by Ralph H. Case, attorney at law, before the Committee on Indian Affairs, House of Representatives, February 18, 1926, then having under consideration H. R. 7826, entitled "A bill to extend the civil and criminal laws of the United States to Indians, and for other purposes"

Attorney Case indicated at above hearing that he was not in employ of the Government and that his statements were not influenced through personal interests; at least, that was the import of his statements to the committee.

There is now pending in the Court of Claims of the United States, in which the Sioux Tribe of Indians in North and South Dakota—which includes the Rosebud Band of the Sioux Tribe—an action seeking to recover several millions of dollars from the Government, aggregating $632,362.80, with interest, "which said sums are wholly unpaid, except as hereinbefore stated and for costs of this action," as stated in the "Petition of the Sioux Tribe of Indians," filed May 7, 1923, in the Court of Claims (case No. C-531).

Page 5 of the petition, paragraph 52, states:

"The plaintiffs have entered into a contract with Ralph H. Case and C. C. Calhoun, attorneys at law of Washington, D. C., under date of September 11, 1922, whereby said attorneys are duly authorized to represent them, the plaintiffs, and to file this suit in their behalf; and that said contract has been duly approved by the Commissioner of Indian Affairs and the Secretary of the Interior on December 21, 1922."

Section 2103, Revised Statutes of the United States, provides that agreements shall not be made with Indians under certain conditions without the approval of the Secretary of the Interior and the Commissioner of Indian Affairs.

The act of Congress approved June 3, 1920, authorizes the institution of the claim of the Sioux Nation in the Court of Claims (41 Stats. p. 738) and stipulates at length the manner of approval of contracts with Indian tribes.

The employment of Case and Calhoun was arrived at after a great deal of thought being given to it. The contract to prosecute these claims was first negotiated with the law firm in which Charles J. Hughes, of New York, was a partner, but that firm was released from prosecuting the claim in court at their request.

We submit that Messrs. Case and Calhoun, as attorneys, prosecuted Sioux claim in United States Court of Claims.

In the foregoing suit are officers of the court; that naturally they are kindly disposed to the Commissioner of Indian Affairs and the Secretary of the Interior, since these attorneys could not have been approved without the sanction of these officials of the Indian Department, as provided by the act approved June 3, 1920, heretofore alluded to (41 Stats. 738).

A VICIOUS INDIAN BUREAU BILL

IN THE HOUSE OF REPRESENTATIVES,
January 16, 1926.

Mr. LEAVITT introduced the following bill; which was referred to the Committee on Indian Affairs and ordered to be printed:

A bill (H. R. 7826) to extend the civil and criminal laws of the United States to Indians, and for other purposes

Be it enacted, etc., That hereafter the civil and criminal laws of the United States shall apply to Indians, and the United States district and circuit courts shall have jurisdiction of crimes and misdemeanors or other violations of Federal statutes committed within Indian reservations by or against Indians.

SEC. 2. The reservation courts of Indian offenses shall have jurisdiction, under rules and regulations prescribed by the Secretary of the Interior, over offenses committed by Indians on Indian reservations, for which no punishment is provided by Federal law: *Provided*, That any one sentence of said courts shall not exceed six months' imprisonment at labor or a fine of $100, or both.

SEC. 3. The term "Indian reservations" shall be construed to include Federal reservations for Indians created by treaty, agreement, act of Congress, or Executive order; and shall include individual Indian trust allotments during the trust period; restricted fee allotments during the period the restrictions against alienation are in force; and Indian reservations opened for settlement and sale for the benefit of Indians while title thereto is in the Indians, or in the United States in trust for Indians.

SEC. 4. Indian custom marriage and divorce are hereby abolished from and after one year from the date of the approval of this act and thereafter Indians shall comply with the marriage and divorce laws of the State within which they reside: *Provided*, That Indian custom marriage and divorces between Indian wards living on Indian reservations actually consummated in good faith prior to the date this section goes into effect shall be recognized as valid: *Provided further*, That the children of Indians who attempt to marry by Indian custom after this section becomes operative shall, for all purposes, be taken and deemed to be the legitimate offspring of their respective parents; but the father of such children shall not inherit any of their trust property unless there shall be no other heirs, lineal or collateral: *Provided further*, That the Secretary of the Interior, in his discretion, is hereby authorized to make such provision for the care and maintenance of the mother of such children out of any trust property, real or personal, belonging to or inherited by the father of such children, by sale, lease, or other disposition, as in his judgment may be advisable.

SEC. 5. Superintendents or other officers in charge of Indian reservations or schools, when authorized by the proper State officers, may issue marriage licenses to Indians residing under their jurisdiction.

SEC. 6. Any Indian who knowingly violates section 4 of this act, upon conviction, shall be fined not more than $200 or imprisoned for not more than one year or by fine and imprisonment in the discretion of the Federal court.

SEC. 7. While living on Indian reservations, Indians shall be subject to the jurisdiction of the United States district and circuit courts and the reservation court of Indian offenses: *Provided*, That this act shall not apply to the New York Indians, the Osage Indians, or the Five Civilized Tribes.

A SUBSTITUTE FOR 7286 THAT GRANTS INDIANS COURT TRIALS AND RIGHT OF APPEAL

IN THE HOUSE OF REPRESENTATIVES,
February 13, 1926.

Mr. FREAR introduced the following bill, which was referred to the Committee on the Judiciary and ordered to be printed:

A bill (H. R. 9315) to prescribe the application of the civil and criminal laws of the United States and the several States to Indians, and for other purposes

Be it enacted, etc., That for the purposes of this act the term "Indian reservation" shall be construed to include all lands held in trust for Indians by the United States.

SEC. 2. That hereafter any Indian charged with a crime or misdemeanor against any other Indian or against other person, committed on an Indian reservation, shall be guaranteed due process of law; and the reservation courts of Indian offenses are hereby abolished and all criminal jurisdiction is hereby taken away from the Secretary of the Interior, the Commissioner of Indian Affairs, or any subordinate of such official.

SEC. 3. That the United States district courts shall have exclusive jurisdiction over felonies committed by Indians against Indians or against other persons on Indian reservations, and over civil suits in controversies exceeding $500, and the United States General Statutes covering felonies shall be applied.

SEC. 4. That for felonies not enumerated in Federal statutes, and for all misdemeanors and in all civil matters, the laws of the State within whose boundaries the Indian reservation is located shall be applied; and the United States district courts shall have exclusive jurisdiction over such felonies and over appeals from verdicts in civil and misdemeanor cases as hereinafter provided.

SEC. 5. That commitment for felony and fixing of bail of Indians, and trial for misdemeanors committed by an Indian against any other Indian or against any other person, and trial of civil matters in controversy not exceeding $500, shall be executed and conducted by the Indian law enforcement magistrates as hereinafter provided: *Provided*, That where an Indian possesses property held under United States trust, in the form of land or trust funds equal to the amount fixed as bail, the court is authorized to exempt such Indian from furnishing bail, and in the case of any default by said Indian, said property held in trust shall be liable: *Provided further*, That appeals shall be allowed from the acts of the Indian law enforcement magistrates to the Federal court, but the cost of such appeals shall be charged to the appellant.

SEC. 6. That the United States district court shall, as need arises, appoint Indian law enforcement magistrates, who shall be deputy officers of the court. The Indians living on Indian reservations within the jurisdiction of the court shall be authorized to submit through their tribal council, the members of which shall have been chosen by the Indians according to their tribal customs, or through such other representative method as the United States court shall direct, nominations for the position of Indian law enforcement magistrate, and such nominations shall be taken into consideration by the court in making its appointment: *Provided*, That in the discretion of the court occasional services as provided in section 5 may be performed by the United States commissioners of the United States district court, who are hereby vested with the authority vested by section 5 of this act in the Indian law enforcement magistrates.

SEC. 7. That where Indian tribal authority exists and Indian custom continues operative, said tribal authority and custom shall prevail in all civil and criminal matters other than felonies: *Provided*, That the question of fact as to the existence of tribal authority and the continued operation of tribal custom shall in all cases be subject to determination by the United States district court: *Provided further*, That where tribal authority and custom continue to prevail, Indian custom marriage and divorce shall be held lawful.

SEC. 8. That sections 2111, 2112, 2113, 2134, 2135, 2147, 2148, 2149, 2150, and 2151 of the United States Revised Statutes be, and the same hereby are, repealed.

SEC. 9. That the above sections of this act, except section 8, shall not apply to the Indians of New York State, the Osage Indians, and Five Civilized Tribes.

RESOLUTION FOR INVESTIGATION OF INDIAN BUREAU

IN THE HOUSE OF REPRESENTATIVES,
March 4, 1926.

Mr. FREAR introduced the following joint resolution; which was referred to the Committee on Rules and ordered to be printed:

Joint resolution (H. J. Res. 189) authorizing the appointment of a committee to investigate the Indian Bureau and report thereon

Whereas Congress in 1924 granted citizenship to every adult Indian for the purpose of enabling him or her to become a self-supporting, responsible member of society; and

Whereas through 70 years of bureaucratic guardianship the Indian has been held by the Indian Bureau in a hopeless, un-American, and unambitious position, with 240,000, or two-thirds of all Indians, still kept by the Indian Bureau in a restricted condition and declared by it to be incompetent to own or manage property, this status being determined by the Indian Bureau itself without right of court review; and

Whereas the Indian Bureau, directed by Commissioner Burke and Assistant Commissioner Meritt, exercises practically unlimited control over Indian property estimated at $1,600,000,000 in value and has consistently, through administrative usurpation and through a ceaseless persuasion of Congress, increased its power as a means of politically perpetuating itself in more than 5,000 salaried positions paid for by the taxpayers and by the Indians without the Indians' consent; and

Whereas the Commissioner of the Bureau of Indian Affairs has made rules and regulations and has authorized Indian agents to appoint $10 a month subordinate agents called "judges," who, without trial by jury or any known code of law or legal practice, have confined Indians in jail and compelled them to work on the highways as convicts and to pay fines for infringing such rules, all in violation of the constitutional rights and guaranties given every American citizen, and has further, through his agents, permitted many acts of cruelty and mistreatment of Indians which deprived them of their property and liberty of person; and

Whereas the Indian Bureau has neglected the health of the Indians until disease conditions shocking beyond description have developed and now menace the white population of several States, while destroying the Indians; and

Whereas, cooperating with local interests in using pressure upon Congress, the Indian Bureau has charged to the several tribes, through legislation initiated or approved by the Indian Bureau, many millions of dollars for bridges, roads, irrigation projects, and other public and

private work not consented to by the Indians and not intended primarily, if at all, in some cases, to be used by the Indians; and

Whereas the Commissioner of Indian Affairs has advocated laws that have required and will require the Indians to give unjust oil leases reaching many millions of dollars and unwarranted favors to oil producers and speculators, including payment by the Indians of the white producers' and speculators' tax, and further has failed and refused to protect the Indians' property, but, on the contrary, in repeated cases involving enormous results has favored legislation designed to cancel and confiscate Indian property rights and to remove the legal protection to which the Indians as wards of the Nation are entitled; and

Whereas after 70 years of Spanish inquisition guardianship under an Indian bureaucracy that to-day rivals the autocracy of a Russian Czar, the Indians are without hope or protection save through an aroused public sentiment and intervention by Congress; and

Whereas the Indian Bureau, with its notorious scandals, robbery of its wards, and systematic oppression, has outlived any usefulness it was supposed to have when first organized; and

Whereas Congress, having granted full citizenship to the American Indian, must now, in tardy justice, enable these wards of the Nation to enter into the privileges and responsibilities of citizenship, which can never be done under the present archaic, tyrannical, and exploiting system of the Indian Bureau: Therefore be it

Resolved, etc., That a committee of 10 Members of Congress is hereby authorized, five to be appointed by the Vice President from the Senate and five appointed by the Speaker from the House; that such committe shall be instructed to investigate any charges of neglect, dissipation of funds, improper treatment, or misgovernment of the American Indians and further report their findings, with such recommendations as may afford the Indians opportunity to improve their conditions without delay and better qualify themselves for rights of citizenship heretofore granted them by Congress. And for such purposes said committee shall have power to send for persons and papers and administer oaths and shall have the right to report at any time. The expense of said inquiry shall be paid jointly in equal proportions out of the contingent funds of the Senate and House upon vouchers approved by the chairman of said committee, to be immediately available.

Mr. SHREVE. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. NEWTON].

Mr. NEWTON of Missouri. Mr. Chairman, by act of Congress we have created in the Labor Department a Children's Bureau, whose duty it is to make investigations, study, collect, and distribute information pertaining to the welfare of children and child life. In this bill we appropriate for the payment of the salaries of the chief and personnel of this bureau in the District of Columbia the sum of $105,000. We appropriate $135,000 to cover the expense of investigation and report by that bureau upon matters pertaining to the welfare of children and child life, and especially to investigate the questions of infant mortality. Of course the jurisdiction of this bureau is not limited to the District of Columbia, but extends throughout the United States. It is necessary, in order to get the information which Congress and the country demands regarding children and child life in the various sections of the Union, that the bureau should send its representatives throughout the country—and in order to pay the expenses of such representatives we are appropriating in this bill the sum of $54,000.

We have also, by a recent act of Congress, imposed a duty upon this bureau to promote the welfare and hygiene of maternity and infancy throughout the country, and in order to enable it to carry out this duty we are appropriating the sum of $1,000,000.

It is evident to any thoughtful person that in order for this bureau to investigate and report upon matters pertaining to the welfare of children and child life, and to promote the welfare and hygiene of maternity and infancy as required by law, it is necessary for them to meet and confer with groups of people throughout the country interested in this subject; and I can not conceive of a more economical or practical way for the officials of this department to carry out this work, both to gather information and to disseminate information for the promotion of the welfare and hygiene of maternity and infancy, than for such representatives of the bureau, who are being trained at the expense of the Government, to attend and appear before conventions and meetings of juvenile officers and others who are assembled for the purpose of discussing and considering the welfare of children and child life and the welfare and hygiene of maternity and infancy. Yet under the decision of the Comptroller General of the United States, appearing on page 421, volume 4, November, 1924, also decision appearing on page 630, volume 4, January, 1925, if any officer, agent, or representative of this bureau, with the view to carrying out the provisions of the act creating the bureau, should attend a meeting or convention in the interest or for the purpose of considering matters pertaining to the welfare of children, as well as the welfare and hygiene of maternity and infancy, the expenses of such agent on the entire trip upon which such meeting should be attended would be disallowed by the Comptroller General. This decision of the Comptroller General was based on an act, approved June 26, 1912, dealing with the government of the District of Columbia and appearing in section 8, page 184, Thirty-seventh Statutes of the United States, and reads as follows:

> No money appropriated by this or any other act shall be expended for membership fees or dues of any officer or employee of the United States or the District of Columbia in any society or association or for expenses of attendance of any person at any meeting or convention of members of any society or association, unless such fees, dues, or expenses are authorized to be paid by specific appropriations for such purposes or are provided for in express terms in some general appropriation.

It is not my purpose to criticize the rulings or action of the Comptroller General, but I have taken the floor to say that if the Comptroller General has correctly interpreted the law in refusing to permit the payment of the expenses of any agent of the Children's Bureau upon any trip where such agent appears before any meeting, assemblage, or convention considering the welfare of children, for the purpose of either collecting or disseminating information upon that subject, then the law upon which the Comptroller General bases his ruling is wrong and ought to be modified.

Not only does the act creating the Children's Bureau clearly indicate that it was the intent of Congress that the agents of that bureau should travel over the country in order to collect and disseminate information in the carrying out of the purposes of the act, but the appropriation of $54,000 in this bill for the traveling expenses of the agents of the bureau is further proof that such was the intent of Congress. However, I am advised that the Comptroller General has ruled that even though an agent of that bureau should travel upon official business, yet if such agent should attend any meeting or assemblage gathered for the purpose of considering the welfare of children, or the hygiene of maternity and infancy, or should address such meeting for the purpose of promoting the welfare and hygiene of maternity and infancy—or should discuss matters pertaining to the welfare of children or should get information for the use of the bureau in compiling reports pertaining to these subjects; still such agent's expenses would not only be disallowed for the time while attending such convention or meeting, but that his or her expenses would be disallowed for the entire trip.

One of the necessary duties imposed upon the Children's Bureau is to study and collect information regarding delinquent children, and, as far as possible, to find a solution for the prevention of such delinquency. I can not conceive of a greater opportunity for effective work of this kind than for an agent of the bureau to attend a national convention of juvenile officers assembled in some city in this land.

An expert of the bureau, with the data and information compiled by that bureau, could undoubtedly disseminate information at such a convention which would do much for the promotion of the welfare and hygiene of maternity and infancy; and such agent could undoubtedly gather much information from the discussions of a national convention of juvenile officers pertaining to the welfare of children and child life, as well as conditions throughout the country relative to hygiene of maternity and infancy. Yet, under the rulings of the Comptroller General, even though an agent of the bureau should be in a city on official business where such convention is held, if he should appear before the convention for the purpose of disseminating information or gathering data for the use of the department, his expenses for the entire trip would be disallowed. It is perfectly legal for the bureau's agent to see the members of such convention singly in their home town, but if he sees them all in one day in one body, then his trip is void and his expenses can not be paid.

Such a ruling upon the part of the Comptroller General may be the law, but it is certainly not consistent with economy or the best interests of the public. I am advised that under the rulings to which I refer, even if the object of the representative's trip is to confer with local individuals in making arrangements for investigations for the bureau, yet, if any of his time, however brief, is spent in seeing persons from other cities who happen to be in attendance at meetings or conventions considering the welfare of children, the transportation of such agent for the entire trip will be disallowed.

It is frequently possible, through the meetings of societies and conferences called by outside agencies, to deal with the subjects which the Children's Bureau are required to study, for the

bureau's agents to appear at such meeting and confer with and gather information from experts from all over the country; and yet, under the ruling of the Comptroller General, this can not be done, but, on the contrary, the bureau must go to the enormous expense of visiting these people separately at their various stations throughout the land in order to get the information which the bureau must have.

In order to carry out the purposes of the bureau in dealing with the welfare of mothers, infants, and children it is most feasible that meetings should be called of State groups who are interested in the subject and who are anxious to help the bureau in carrying out its work for the betterment of child life in the country. In fact, it is difficult to conceive how the work of the bureau can be carried on efficiently and successfully unless it is possible for agents and representatives of the bureau to confer with groups of this kind; and yet, under the ruling of the Comptroller General, such is impossible.

It is certainly not in accordance with a sound program of economy to compel the bureau to assemble information at the great cost which the ruling of the department requires, and then make it impossible for the agents of the bureau to disseminate such information by a first-hand and personal presentation to those persons in the country who are ready, willing, and anxious to cooperate with the bureau in doing work for the welfare of mothers, babies, and children.

Printed reports can, of course, be used, but they never can be a successful substitute for local conferences when administrative programs and adoption of programs for local conditions are under consideration.

On March 4, 1913, see Thirty-seventh United States Statutes, page 854, Congress enacted a provision exempting the Department of Agriculture from rulings such as that of the Comptroller General which is so seriously handicapping the Children's Bureau; and agents and representatives of that department are authorized to appear before agricultural meetings for the purpose of instructing the farmers upon the breeding, feeding, and caring for horses, cattle, hogs, and other livestock.

The good mothers of this country who are interested and willing to give freely of their time to cooperate with and assist the Children's Bureau in solving the problems of hygiene for mothers and infants, and caring for the welfare of children, are necessarily bewildered to find that our great Government will send its agents at public expense to lecture upon cattle and hogs, while it refuses to permit its experts to appear before conventions of such mothers and other unselfish, public-spirited persons to instruct them regarding the problems of motherhood, infancy, and childhood.

On August 24, 1912, Congress enacted a provision which appears on page 560, United States Statutes, volume 37, exempting the Post Office Department from rulings of the Comptroller General, such as that to which I have referred. On June 2, 1920, Congress enacted a provision, which appears on page 737, Forty-first United States Statutes, exempting the Federal Board for Vocational Education from rulings of the Comptroller General, such as that to which I have referred. On January 3, 1923, Congress enacted a provision, which appears on page 1101, Forty-second United States Statutes, exempting the Treasury and the Public Health Service from rulings of the Comptroller General, such as that to which I have referred.

On January 5, 1923, Congress enacted a provision, which appears on page 1117, Forty-second United States Statutes, exempting the Department of Commerce, Bureau of Standards, from rulings of the Comptroller General such as that to which I have referred. On January 24, 1923, Congress enacted a provision, which appears on page 1204, Forty-second United States Statutes, exempting the Bureau of Education, Department of the Interior, from rulings such as that to which I refer. On January 24, 1923, Congress enacted a provision, appearing on page 1208, Forty-second United States Statutes, exempting the United States Geological Survey, Department of the Interior, from rulings such as that to which I have referred. There is certainly infinitely more reason for the enactment of a provision which will enable the Children's Bureau to carry on its work successfully than there is for making exemptions in the cases which I have specified.

It is clearly evident that the ruling of the Comptroller General, of which I complain, is seriously handicapping the successful operation of this bureau—that it is retarding beyond calculation the accomplishment of good for which the bureau was intended—and that it is enormously increasing the cost of its efforts; and I sincerely hope that if additional legislation is necessary in order to cure such existing evil, that such legislation will be incorporated into this bill.

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

Mr. NEWTON of Missouri. Certainly.

Mr. SHREVE. In order to keep the records straight will the gentleman please tell the committee what his proposed amendment is?

Mr. NEWTON of Missouri. Yes. The amendment which I propose is to be added as the last paragraph in the bill appropriating for the Children's Bureau, and it will read as follows:

Nothing contained in the act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1913, and for other purposes, approved June 26, 1912, shall be so construed as to prohibit the payment from appropriations for the Children's Bureau of the Department of Labor, of expenses incidental to the attendance by representatives of the Children's Bureau, when deemed necessary by the chief of such bureau, upon conventions or meetings having under consideration matters pertaining to the welfare of children or to the promotion of the welfare and hygiene of maternity and infancy.

I want to make it possible to permit the agencies of the Government to at least do as much for the children as they are now allowed to do for the pigs, sheep, and cattle. As the law now stands, if some disease should break out among the livestock in the hill country in Kentucky, the Agricultural Department could send an expert to that section who could call the farmers of the whole region together and instruct them collectively as to how to combat such disease; but if afflictions should develop among the mothers and babies in the mining districts of Pennsylvania, and the Children's Bureau should send an expert to that community who should call the parents of those children together to instruct them as to how to proceed to promote the welfare and hygiene of such mothers and babies, then the comptroller would declare the entire trip of such agent illegal and void and would bar the payment of his traveling and hotel expenses upon such trip. It seems to me that we ought to make sure that we give as much consideration for the mothers and babies of our country as we do for the livestock of our farmers.

Mr. SHREVE. This matter was not proposed to the committee at the time we had the hearing. I think there is merit in the provision. I should be glad to take it up with the gentleman.

Mr. NEWTON of Missouri. I am delighted to see this attitude of fairness upon the part of the gentleman from Pennsylvania [Mr. SHREVE], who has charge of this bill as the representative of the Committee on Appropriations. I hope the committee will accept my amendment, because it will make it possible for the Children's Bureau to get greater returns for the money it expends than it has been able to do in the past. The amendment will not increase the expense of the Government by a single cent, but will increase the return to the Government enormously.

Mr. OLIVER of Alabama. The bureau is doing excellent work, I appreciate, and surely it can not properly function unless it be allowed to do what the gentleman suggests.

Mr. NEWTON of Missouri. I am grateful to note the magnanimous and public-spirited attitude taken by the gentleman from Alabama [Mr. OLIVER], the ranking Democrat representing the Appropriations Committee in charge of this bill. You can readily understand that if we give the bureau $54,000 for traveling expenses, and require its agents to make their investigations and gather their data by going to persons singly instead of permitting such agents to reach the public collectively, then this appropriation will not go very far. It is certainly in the interest of economy and good service to allow the agents of the bureau to confer with groups and aggregations of people rather than to compel them to travel long distances in order to see such persons individually, and it is in the interest of economy and good service that I am proposing this amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. OLIVER of Alabama. Mr. Chairman, I yield 20 minutes to the gentleman from Oklahoma [Mr. SWANK].

Mr. SWANK. Mr. Chairman and gentlemen of the committee, it is indeed a great honor and privilege to belong to the House of Representatives, the greatest lawmaking body on earth, and a further honor to be a member of the great Committee on Agriculture. That is a most important committee for the reason that it deals with the most important subject. It sounds good to the ears of some gentlemen to say that the business industries of the country are in a prosperous condition, that there is more money in the great banks and financial centers of the East, and that industry in general is flourishing as never before; but let me tell you that all prosperity depends upon agriculture and the prosperity of the farmer. Unless he is in a reasonably prosperous condition there can be no general prosperity. Agriculture is our basic industry and the one upon

which all other business depends. Therefore when we legislate for agriculture we legislate for all lines of business. The financial centers are too accustomed to seeing prosperity when their profits are great and their prices high and pay too little attention to the basis of all wealth. When the farmers receive a fair price for the products of their toil—and in the past five years that fair price has not been received—there is a general wave of prosperity throughout the whole country, but when agriculture is depressed and the farmers receive for their crops less than cost of production this depression is felt in all other lines of business. It is the farmers who feed the world and clothe them, too, and receive less attention from this administration than any other class of business people. Why is this so? I answer for the reason that the farmers are not organized like other classes of business who know how to get what they want. Every Member of Congress is flooded with propaganda asking him to support certain legislation—and let me say that the people of the country have the right to petition Congress for legislation that in their judgment will be beneficial to the country—but too much of this propaganda comes from big business organizations of the East that are interested only in their own welfare. If these large business concerns would only realize that farming is the most important business, they would not only benefit their own business but the entire country as well.

Yes, Mr. Chairman, the farmers of America are engaged in the most important business. All that we eat, all that we wear, is produced on the farm. Let our farmers take a holiday for one year and starvation and death to our people would be the result. He is the only business man to-day who is entirely independent, for he can raise what he eats, and in time of necessity he can produce all that he wears. The other people of our land must call on the farmers for their food and clothing. Let the farmer's strong right hand become paralyzed for one year and civilization would be destroyed. Let his good wife and children take a few months off for a holiday, as is done by many in the cities, and a famine would result. These things would not occur in any other line of business. I mention these facts to call attention to the importance of agriculture and the farmers' business. With these facts before us, Mr. Chairman, why is not the farmer entitled to some of this prosperity that we see so much about in the large newspapers of the East, and that we read about in the numerous bulletins emanating from the White House and the Department of Agriculture? He is among our best and law-abiding citizens. In the country, gentlemen of this House, you find Christianity and morality undefiled, and there the faith is still firm in the religion of our fathers. There, Mr. Chairman, is where you find your real hospitality and friendship supreme. It is there—on the farm—where you find people communing with nature and engaged in our most important business. The farmers have the same feelings and impulses as other people and long for the time when they, too, can take a little holiday and, with their good wives and children, can go down to the river and in the forest to hunt and fish awhile. But you do not see that, Mr. Chairman. While he and his family are plowing the corn and chopping the cotton, other people who live from his toil are enjoying themselves by the rippling brooks and quenching their thirst at the bubbling springs, away from the noise and bustle of the city and business.

Ah, do those who always oppose any sort of legislation that will benefit the farmers realize that the farmer thinks as much of his children as they? That he is just as much interested that his children shall go to school and obtain an education, that they may not be compelled to struggle as their parents have done in order to live? They are just as much entitled to some of the luxuries of life as the men who wear their silken shirts and the wealthy women who are adorned with sparkling gems. He is entitled to more than the bare necessities of life. Why should he not have more, as he produces it all? He pays taxes as other people do and usually more according to his property, as all he has the assessor can see, which is not always the case with some people with large property holdings.

Our farmers should be given the same consideration that other lines of business are given; for their prosperity all is dependent upon the industry of the farmers of the country. When he harvests his crops and markets them he must take what the buyers offer, and when he buys back any of the manufactured articles, made from the products that he produced, and buys other necessities of life, he must pay what the seller asks. The farmer is the only business man who has nothing to say about the price he receives for the products of his toil. His prices are fixed when he sells and when he buys. He also is the only producer who continues to produce at less than cost. The manufacturer, protected by an unreasonably high tariff law, can fix his own price on his manufactured articles and pass the cost of production and his added profits on to the consumer, but not so with the farmer.

In the June, 1925, Supplement to Crops and Markets, published by the United States Department of Agriculture (pp. 180–181), on production costs of corn and wheat we find the following:

Net cost per bushel

	1922	1923	1924
CORN			
North Atlantic States	$0.83	$0.87	$1.02
South Atlantic States	.83	.85	.97
East North Central States	.56	.61	.75
West North Central States	.53	.54	.70
South Central States	.75	.88	.88
Western States	.67	.66	.88
WHEAT			
North Atlantic States	1.35	1.24	1.42
South Atlantic States	1.60	1.60	1.60
East North Central States	1.17	1.11	1.15
West North Central States	1.03	1.24	.97
South Central States	1.44	1.32	1.18
Western States	1.09	1.09	1.20

Wheat production costs, as given by the Agricultural College of North Dakota, varied from $2.47 per bushel in 1919 to $1.49 in 1923.

The American Farm Bureau Federation, with headquarters in Washington, furnishes estimates on cost of production of the leading farm crops, and the estimate on cost of production of this organization is as follows:

Cost per bushel

	1924	1925
Corn	$0.82	$0.74
Wheat	1.22	1.58

Circular 340 of the Department of Agriculture, May, 1925, says that replies to the questionnaire from 11,238 farmers all over the United States on the cost of corn production in 1923 show an average cost of 68 cents per bushel and 66 cents per bushel in 1922. This circular also says that the average sales value of corn per bushel in 1923 was 81 cents per bushel. But, Mr. Chairman, there is not included in this sales price the cost of hauling the corn to market, where that alleged average price of 81 cents per bushel was received.

The same circular says reports were received from 2,519 farmers on the cost of cotton production and that 407 of these reports showed yields from 101 to 140 pounds per acre, averaging 124 pounds. The statement says that the average cost of cotton production on these 407 farms was 22 cents per pound lint. In the monthly supplement to Crops and Markets, June, 1925, we find statements showing the cost of producing cotton from 7 cents per pound to 51 cents per pound. These varied estimates show the difficulty of making an accurate estimate, and, in my judgment, the estimates on cost of producing farm crops are almost always too low.

Cotton News, published by American Cotton Association at St. Matthews, S. C., gives the following estimates on the cost of producing cotton:

The average for the United States:	Cents per pound
1923	29
1924	27
1925	25

This publication gives the following statement on cost of cotton production for 1925 by States:

Cost of production per pound	Cents
North Carolina	26
South Carolina	30
Georgia	29
Florida	21
Alabama	26
Mississippi	24
Louisiana	24
Texas	28
Arkansas	26
Tennessee	23
Missouri	26
Oklahoma	23
Arizona	21

Some of these reports say that the cost of producing cotton is more than the price received.

I say to the President of this great Republic, to the Congress, and to those in charge of the administration now in power that the farmers can not continue to produce the necessities of life at a loss. No other business would even attempt to produce at a loss. It is time for this administration to act and act now.

Political parties in times of campaigns publish to the public what they call their platforms, which is a contract to do certain things and enact specified legislation if intrusted with power. Let us briefly examine the two last platforms of the Republican Party. Concerning agriculture, the platform of the Republican Party in 1920 contained the following statement:

The farmer is the backbone of the Nation. The crux of the present agricultural condition lies in prices, labor, and credit. The Republican Party believes that this condition can be improved by practical and adequate farm representation in the appointment of governmental officials and commissioners.

Mr. Chairman, the Republican leaders always discover just before election time that the "farmer is the backbone of the Nation," and as soon as the election is over those leaders then forget the farmer until the next election. Your platform for 1920 makes one astounding statement, that prices play some part in the present agricultural condition. That is what makes the farmer complain—that his prices are not in ratio to the prices of the articles that he has to buy.

Mr. McKEOWN. Will the gentleman yield for a question?

Mr. SWANK. Yes.

Mr. McKEOWN. I take it from the gentleman's speech he is in accord with the statement that political platforms are like platforms on coaches, merely to get in on?

Mr. SWANK. That seems to be the view of the Republican leaders.

In 1920 you believed that—

this condition could be improved by farm representation in the appointment of officials.

Where and when did you improve the condition of the farmer in this manner? How do you propose to improve his condition—by creating new boards to make investigations as to his condition?

By your platform pledge in 1924 you have again discovered—just before the election—that—

the prosperity and welfare of the Nation as a whole are dependent upon the prosperity and welfare of our agricultural population—

And in this platform you go further and—

recognize that agricultural activities are still struggling with adverse conditions that have brought deep distress.

Distress to whom, Mr. Chairman? Let me say to the leaders of this administration and to the President that you have had complete control of both branches of Congress since March 4, 1919, and complete and full control of both branches of Congress, the President, and all branches of government since March 4, 1921. Five years since you have had complete control of all branches of government you have just discovered that—

agricultural activities are still struggling with conditions that have brought deep distress.

What have you done, and what do you intend to do? You have done nothing to relieve the situation, but continue to feed the farmers on more campaign pledges. You have the power—you have had the power since March 4, 1921—why do not you act for the good of this great industry? Of course, everyone knows that these—

adverse conditions have brought deep distress—

And yet you sit idly by with your great majority in Congress and do nothing. The campaign and platform pledges of political parties should be strictly kept, the same as any other contract. The Committee on Agriculture for this Congress convened and organized January 11, 1926, and would have considered legislation to relieve agriculture if the administration had so desired. It is prices that the farmers need and not information.

From a statement of the Bureau of Agricultural Economics of the Department of Agriculture the production and value of cotton, wheat, and corn for the past seven years are as follows:

	Production	Value
Cotton (bales):		
1925	15,603,000	$1,419,888,000
1924	13,628,000	1,540,884,000
1923	10,081,000	1,563,347,000
1922	9,964,000	1,151,846,000
1921	8,340,000	674,877,000
1920	13,439,603	933,658,000
1919	11,420,763	2,034,658,000
Wheat (bushels):		
1925	669,365,000	947,993,000
1924	862,627,000	1,120,787,000
1923	782,000,000	725,501,000
1922	856,211,000	864,139,000
1921	794,893,000	737,068,000
1920	833,027,000	1,197,263,000
1919	968,279,000	2,080,686,000
Corn (bushels):		
1925	2,900,581,000	$1,956,326,000
1924	2,312,745,000	2,270,564,000
1923	3,029,000,000	2,222,013,000
1922	2,890,712,000	1,900,287,000
1921	3,081,251,000	1,305,624,000
1920	3,230,532,000	2,168,768,000
1919	2,816,318,000	3,768,516,000

It will be noted from this statement that, while the production of cotton in 1919 was 4,182,237 bales less than in 1925, the value of the 1919 crop was $614,770,000 more than for 1925. You will note from statistics that the values do not change in this manner on factory products. When we have a large agricultural yield the farmers receive much free advice to produce less, and when he produces less then he is urged to produce more. And advice is about all that he gets from this administration, and while it is supposed to be free, it has proven costly to the farmers. What he wants and should receive in all fairness is a reasonable profit over his cost of production. And remember, too, when you figure his cost of production you should take into consideration not only his taxes, groceries, clothing, feed for stock, depreciation of his working capital, but also the price of his labor and that of his work stock, and the price of the labor of his wife and children. No women work harder than the farm women, and their labor should be included in an amount that they would have to pay to hire some other person to do the work that our farm women do in connection with their business. They are engaged in the most important business in the country—assisting in producing those products upon which the human family subsists. In addition to this they nurture healthy, industrious boys and girls who are entitled to the same consideration as is accorded the more privileged classes. The farmers are the bulwark of our country—always have been and always will be—and should receive due consideration from the Government that they help to maintain.

I ask again, Mr. Chairman, what does this administration propose to do? Oh, yes, the spokesmen of the administration refer to the Capper-Volstead Act, approved February 18, 1922, as a remedy which would cure all agricultural ills. That law has been in operation for more than three years, and what relief has it brought the farmers? It provides that producers of agricultural products may act together in collectively processing and marketing their products. Section 2 of the bill provides, however, that such association shall not pay dividends on stock or membership capital in excess of 8 per cent per annum.

The bill also gives the Secretary of Agriculture the power to suspend any such association from doing business, when in the opinion of the Secretary such association restrains trade to such an extent that the price of any agricultural product is unduly enhanced. This administration has great fears that the farmers of the country, through their cooperative associations, may receive a fair price for the products of their toil. Who has ever heard of the President or the present Republican leaders advocating but 8 per cent profit by the American Steel Corporation or the manufacturers of the East who unduly profit by means of a tariff law for their benefit?

I ask again for some one to point out the good results to the farmer by the enactment of this law. The Secretary of Agriculture, Mr. Jardine, said in his address before the meeting of Illinois Agricultural Association at Champaign, Ill., January 21, 1926:

The agricultural situation since 1920 has, of course, been only too well known to this audience. In a general way, it has been understood by the country as a whole. But the community at large has not seen the close-up shock of this depression period on the farm. It is difficult to visualize the details of economic depression that spread itself through thousands upon thousands of homes over the length and breadth of the land.

This statement, gentlemen of the House, in spite of the fact that the above-named bill was enacted into law. The farmers not only have seen but have felt the "shock" referred to by the Secretary. And this great depression in agriculture after the enactment of the emergency tariff law that the administration said would result in raising the prices of the products of the farm. And yet the Republican platform of 1924 says:

We pledge the party to take whatever steps are necessary to bring back a balanced condition between agriculture, industry, and labor.

When are you going to bring back that "balanced" condition, I ask the leaders of this administration?

In the speech of the Secretary of Agriculture, above referred to, he further said that the purchasing power of farm products,

in terms of nonagricultural commodities, averaged 85 for the year 1920. In 1924 it had worked up to 83 and since last August it had dropped back to 87 through the latter months of the year. Statisticians can figure out the purchasing power of the farmers' dollar on the necessities of life, but these figures do the farmer no good when he continues to produce at less than cost. Of what value to him is the purchasing power of his dollar, when under this administration he has no dollar? The Secretary further says:

In the first place the problems must be dealt with from the farm end. I have said repeatedly, and I reiterate, that a substantial part of the farmer's problems must be solved on the farm.

Then he sets out eight points as of outstanding importance in a farmer's program. First he takes up taxes. We all know that the farmer pays more than his just share of taxes, in comparison to the property which he owns. His property is easily found and it is not invested in nontaxable securities and it is not hidden from the assessor. Freight rates are mentioned as the fourth point. We know that freight should be reduced on farm products and I ask why this administration does not have the freight rates adjusted? Some stalwart republican will say that we have an Interstate Commerce Commission to fix freight rates. That is true and that commission is under the present Republican administration, and if the administration wanted a reduction in freight rates it would be had. Ah, but they say the railroads must have a fair return on their investments. We agree to that, but what we want is to see this administration extend the same treatment to the farmers of the country. No guaranteed profit is given the farmers as is given the railroads. I believe that all legitimate business should make a reasonable profit and I want to see agriculture, the greatest business of all also make a fair profit. Yes, this administration takes care of the railroads all right, and a statement from the Interstate Commerce Commission shows the following net revenue from railway operations:

	Net revenue
1921	$969,346,226
1922	1,162,779,249
1923	1,412,962,592
1924	1,304,206,157
1925	1,468,995,683

You will note that the net revenue of the railroads of the country was more last year than for any of the past five years. You can take care of the railroads to the extent of these profits, but when any legislation is proposed for the farmers you refer to it as special legislation which should not be enacted. Not only has this administration been most generous to the railroads and other special industries, but you have lavishly given the people's money to foreign governments without the consent of the taxpayers of this country. In the Sixty-seventh Congress, you gave $20,000,000 to Russia and only a few days ago the Italian debt settlement bill passed this House by the assistance of the administration, in which settlement you gave Italy $1,500,000,000. Why not pass some legislation for our own people while dealing so lavishly our money to these countries? The Secretary in the address above referred to, says concerning the surplus problem of the farmers, that the Nation must recognize this problem for it is a matter of national concern. Then, let me ask again, why does not this administration do something to relieve the agricultural situation that was so forcefully called to your attention by the farmers' convention in Des Moines, Iowa, a few days ago?

Some of the big business institutions of the country are already out with their early assaults against any proposed legislation to assist the farmers. I have just received a lengthy memorial from the Philadelphia Board of Trade. The statement says:

Without attempting to deal specifically with the plans proposed to raise the price of agricultural products through congressional action, as set forth in the bills under criticism—S. 290, by Mr. CURTIS; S. 973, by Mr. SHIPSTEAD; S. 2001, by Mr. MCKINLEY; S. 2002, by Mr. HARRIS; H. R. 131, by Mr. CHRISTOPHERSON; H. R. 328 and H. R. 329, by Mr. SINCLAIR; H. R. 332, by Mr. SWANK; and H. R. 6563, by Mr. DICKINSON—they all ignore the immutable law of supply and demand and disturb, if not destroy, those instrumentalities of commerce which have in the past and should be depended upon in the future to find a market for the agriculturalist under established processes.

Think, gentlemen of this House, that this statement should come from the Philadelphia Board of Trade, from the city which only last week received an appropriation passed through the House of some $2,186,000 to asist them with their fair next summer. Taking this money and then telling Congress what to do with agriculture. Great institutions of this kind opposed agricultural legislation in the last Congress, and that legislation was defeated. The Illinois Manufacturers' Association of Chicago, the Washington Post, the New York and Chicago Boards of Trade, the National City Bank of New York, and similar organizations opposed such legislation, and none was enacted along the lines of that which they opposed. The National City Bank of New York in its bulletin of October, 1925, after reviewing the great earnings of the Federal reserve banks and stating that the bond market showed improvement all along the line, says: "The advocates of a special program of legislation in behalf of agriculture have not wholly ceased their efforts, although they are forced to admit that conditions as to agriculture have improved very much in the past year." These institutions are still opposing agricultural legislation. When have agricultural conditions improved? That statement shows what that concern knows about agriculture.

Why do these organizations continually oppose all legislation for the assistance of agriculture? Perhaps the farmers of the country will eventually organize as big business is organized, and then demand fair treatment with other business. This opposition may assist in organizing the farmers. No, Mr. Chairman, we have not ceased our efforts but will continue to fight for justice to agriculture.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SWANK. May I have five minutes additional?

Mr. OLIVER of Alabama. I yield the gentleman five additional minutes.

Mr. SWANK. You told the farmers that you were going to deal fairly with them and raise the price of their products by means of the emergency tariff. In a very short time after that act was approved and became a law, the prices dropped on most of the protected products and the farmers understand that a high tariff does not affect the price of any article with small imports. The outrageous Fordney-McCumber tariff law has greatly increased the cost of almost everything the farmer has to buy, and it is about time that something was done to render some assistance to the farmer, to put him on an equal basis with the tariff-protected manufacturers. In 1920, before the present tariff law was enacted, our agricultural exports amounted to the enormous sum of $3,466,619,819, and in 1925 the amount was decreased to $2,130,000,000, or a difference of $1,336,619,819. When this administration erected that high tariff wall it succeeded in increasing the profits of the manufacturers but almost destroyed our foreign markets for American agriculture. In order to have a foreign market where we can dispose of our surplus farm products, it is necessary that we buy from those countries. Our exports increase in proportion to our imports, and there is a greater demand for our products. Our total exports have fallen from $8,100,000,000 in 1920, under a Democratic tariff law, to $4,441,404,047, 11 months ending November 30, 1925, under a prohibitive Republican tariff law. This is a reduction in our exports of about 50 per cent and a reduction in farm prices. These are some of the benefits to the farmer of the Fordney-McCumber tariff law. Yes; you tried to fool the farmer into thinking he would receive a larger price for his wheat through the emergency tariff law.

During the first eleven months of 1925 there were imported into the United States but 1,059,888 bushels of corn, 11,837,425 bushels of wheat, and 280,000 bales of cotton; and a tariff on these products, however high, could not affect the price, as such a small amount is imported. Why was the emergency tariff enacted? Well, you can not fool the farmers much longer with that worn-out argument. Harness is on the free list, but the amount of harness and saddles imported in 1925 amounted to only $156,969, and if the farmer made harness you would place that on the protected list to raise the price, as you claim, but the iron and steel in the harness are protected by a high tariff. Yes, the farmers are waking up to the truth of the situation. In Iowa recently at a great convention of farm and business organizations the resolutions adopted said that the staggering burdens imposed upon the consumers of the country through the Fordney-McCumber Act fall as heavily upon the farmers as upon any other class. And then the resolutions ask this pertinent question: "If the existing tariff is such a boon to agriculture, then how can the fact be explained that, although this tariff has been in operation for five years, agriculture is at this hour staggering on the brink of complete collapse?"

The Wheat Belt Delegate Convention of Allied Farmers Organizations held at Fargo, N. Dak., January 14–15, 1926, said:

We appeal to the eastern beneficiaries of a one-sided tariff, which can only be maintained with the support of the agricultural West, to refrain from forcing the farmer, in self-preservation, to tear down the wall which prevents him from buying in the markets in which he is compelled to sell.

These organizations have begun to see the light. In the Census of Manufacturers for 1923 we find the value of prod-

ucts for that year (at factory prices) of manufacturing establishments as follows:

	Cost of materials	Value of products	Value added by manufacture
Agricultural implements	$63, 492, 000	$151, 286, 000	$87, 794, 000
Metal and metal products	1, 767, 072, 000	2, 634, 031, 000	866, 959, 000
Chemical and allied products	3, 680, 407, 000	5, 706, 866, 000	2, 026, 459, 000
Leather and its manufactures	1, 083, 345, 000	1, 880, 085, 000	796, 740, 000
Lumber and allied products	1, 666, 188, 000	3, 633, 034, 000	1, 966, 846. 000
Iron and steel and their products	4, 152, 918, 000	6, 828, 841, 000	2, 675, 923, 000
Textiles and their products	5, 408, 424, 000	9, 487, 184, 000	4, 078, 760, 000
Food and kindred products	6, 990, 846, 000	9, 524, 051, 000	2, 533, 205, 000
All industries	34, 705, 698, 000	60, 555, 998, 000	25, 850, 300, 000

This bulletin says that the aggregate of these products represents an increase of 38.7 per cent, as compared with $43,653,283,000 in 1921. It will be seen that these figures from the Bureau of the Census show the enormous prices added by the manufacturers to the cost of materials. They are enabled to reap these great profits largely by reason of the present tariff laws which prevent the manufacturer from competition, but no such protection is given the farmers. Senator CUMMINS, of Iowa, a stalwart Republican, concerning a tariff on agricultural products, said:

It is idle for even an enthusiast to assert that the price of these products is directly affected by the protective tariff.

Senator McCumber, one of the authors of the present tariff law, said:

The wheat acreage to-day is producing a surplus of wheat, which must be thrown into the world's market; thereby keeping down the price of the home product, tariff or no tariff.

And even that stanch Republican from Kansas, Senator CAPPER, said:

It will not be long before he—the farmer—will be demanding a reduction of the protective tariff, which keeps up the price of the manufactured articles he consumes.

And, Mr. Chairman, in spite of these figures and the opinion of these eminent Republicans, this administration continues to try to show the wonderful achievements of the high tariff law. The Washington Post, the chief organ here of the present administration, January 3, 1926, said:

Agitation against the tariff coming from the Corn Belt of the Middle West is nothing new. The threat of an assault upon the protective tariff from the corn States of the West suggests a shortage of calm reason and common sense. As in former similar instances, the corn fever will subside.

Yes, Mr. Chairman, these administration organs, which always favor special legislation for certain favored interests, are confident that the fever will subside as formerly and that this section will continue to vote for a high tariff. When the farmers of that section ask for an equal opportunity with the protected industries, their official organs say the farmers are lacking in common sense. But the Post, in this same article, admits that the tariff does not help the farmer with his products, and says:

A tariff, primarily, has nothing to do with domestic prices, except in so far as it reduces or increases the competition in the home markets through imported competitive products.

That is what the Democratic Party has always contended, and the Post, a high-tariff paper, admits the correctness of that position. That is why a high tariff increases the price of manufactured products and the cost to the consumer as it stops competition. It is all right, says this administration, for the farmer to compete in an open world market, but the favored manufacturers must be protected. And yet, Mr. Chairman, in the face of uncontroverted facts and statements from leading Republicans, as quoted above, the Republican platform of 1924 contains this language concerning the tariff:

We reaffirm our belief in the protective tariff to extend needed protection to our productive industries.

The farmers of the West and Northwest do not seem to reaffirm their faith in this tariff law as does the Republican administration.

Mr. Chairman, while the chief industry of Oklahoma is agriculture, she has other great industries. In 1924 she was second among the States in the production of winter wheat, and fourth in 1925. In 1925 she was first in the production of broomcorn and in 1924 produced more than all the other States combined. In 1925 she was third in cotton production and second in 1924. In 1925 she produced 176,760,000 barrels of oil and was second among the States in oil production in 1924 and 1925. For several years before she was first. She is first in the production of zinc, and the United States Geological Survey has estimated the total coal supply of Oklahoma at 79,000,000,000 tons.

The farmers are not in the prosperous condition that this administration and its official publications would have you believe. We read in those papers almost every morning that prosperity for the farmer is just around the corner and will soon shower down upon him. The farmer is not selfish and asks for nothing that is not given to our other citizens. He has been patient and long suffering and now demands fair treatment and an equal chance with the protected industries. A few days ago you passed a bill through this House appropriating $395,000 to build bathing beaches in Washington when the citizens here have 40 per cent of their taxes paid by the people of the entire United States. Bathing beaches for Washington but nothing for the farmer whom you continue to feed on platform promises. The Army appropriation bill recommended for 1927 $339,585,924.16 and the Navy appropriation bill proposed $331,431,787 for the same year. The farmers help pay these expenses and yet with these enormous appropriations for other activities of the Government, you can do nothing for the farmers who produce most of the wealth of the land.

Mr. BLACK of Texas. Will the gentleman yield?

Mr. SWANK. Yes.

Mr. BLACK of Texas. I understand there is another farm relief measure that is intended to be offered which is an increase of the salaries of Federal judges from $7,500 to $12,500.

Mr. SWANK. The administration may make that claim.

Congress convened December 7, 1925, and has been in session for almost four months and yet you have done nothing to relieve the great distress in agriculture. When do you propose to redeem your promises to the farmers of America, and how long do you intend to continue your policy for increasing the cost of living to the people of this country in order that a few favored industries may continue to fill their pockets from the hard-earned dollars of our citizens—the great masses of the country—through the special privilege of a high-protective tariff?

It is time for the people to arouse themselves and demand the equal protection of the law. This is a country for all our citizens and not for a favored few. I want to see all our people enjoy a reasonable degree of prosperity and especially those who toil and produce the wealth. I am more interested in this than to see a few profit at the expense of the rest of our people. I repeat that you have the President and all branches of the Government and you should do something to relieve the situation and do it now. [Applause.]

Mr. SHREVE. Mr. Chairman, I yield 20 minutes to the gentleman from Michigan [Mr. HUDSON].

Mr. HUDSON. Mr. Chairman, after more than two decades of agitation and experience, Congress yielded to the pleas for humane dealings on the part of the Government with its employees and enacted, in May, 1920, the Federal retirement act.

This is an age of specialized employment. It is a machine age; the jack-of-all-trades of the old day has no place in our system of industry. Hence every great industrial organization has recognized this principle and placed in operation retirement plans for their employees ranging in a retirement age ranging from 55 to 65 years after periods ranging from 15 to 30 years of service.

The Federal employee, as a rule, if he continued his service with the Government, acquires a degree of skill and knowledge of great value to the Government, but which in ordinary business has no counterpart and for which there is little market.

This fact makes it all the more incumbent on the Government to aid the employees in establishing an annuity for retirement. The civil-service provisions of Government employment makes continuance in service dependent upon efficiency and character. Now, if we can make our retirement provisions above starvation amounts we can secure a class of employees who can give all their energies to a career of the highest public usefulness and service.

Former Postmaster General Will Hays said:

These men forego the opportunities offered by industry and enterprise to those who carry on the world's work. They miss the prizes and rewards that come to those workers. The Government capitalizes their efforts and faithfulness, and it is only fair consideration and compensation that some commensurate return should be guaranteed them for the long years of service. The retirement law has recognized this in a measure, but the benefits paid are entirely too small, and it lacks the provision for retirement upon an adequate compensation after a specific period of service.

The present law provides entirely too low an annuity, with the result that great groups of employees are kept from retiring because it would mean starvation to themselves and dependents.

Right here I would like to insert a statement showing the average annual annuity paid:

For the fiscal year 1921, $568.44.
For the fiscal year 1922, $564.48; decrease, $3.96.
For the fiscal year 1923, $551.64; decrease, $12.84.
For the fiscal year 1924, $546.30; decrease, $5.34.
For the fiscal year 1925, $544.64; decrease, $1.66.
Total decrease in the average annuity, $23.80.

This means an average of $45.38 per month, a pitiable sum for an annuitant to feed and clothe and house himself and an aged companion on.

Oh, but you say where is the accumulation through all these years of service on a good salary? Yes; let us see again what these salaries were through all these years from which the employee was to lay up a reserve to live on when he could labor no longer:

Average annual salaries of annuitants on the roll

(Estimates based on the examination of 7,520 cases)

$1,800 and less	per cent	94
$1,600 and less	do	87
$1,400 and less	do	71
$1,200 and less	do	33
$1,000 and less	do	19
$900 and less	do	14
$800 and less	do	8
$720 and less	do	5

Less than 6 per cent received $1,800 and over.

THE RETIREMENT FUND

The retirement law has been in operation for six years. There are now about 11,600 persons on the annuity roll, while about 3,341 have been dropped on account of death—more than 900 within the past year.

The amount deducted from the salaries of those in the classified civil service together with interest on the retirement fund is more than $15,000,000 per annum, about $6,000,000 in excess of obligations. The amount paid to those on the retired list last year was nearly $6,235,830, while some $2,713,000 was paid in refunds to those who separated from the service and to the estates of employees who died in the service before reaching the retirement age.

The average amount being paid to those on the retired list is about $550 per annum.

The amount to the credit of the retirement fund at the close of the fiscal year 1925 was $44,665,778.56. At the close of the fiscal year 1926 this fund will have increased to more than $50,000,000.

The expenditures from the retirement fund are being met entirely by the deductions from the salaries of the employees of the Government plus the interest and profits on the surplus available for investment. The Government has not been called upon for any appropriation whatever to meet any of the expenditures from the retirement fund, and there is no good reason to anticipate that any appropriation for the purpose will be required within the next 25 years.

The foregoing estimate of results is based on a 2½ per cent deduction from the former salaries of the Government employees; but at the same rate reclassification will add from $2,000,000 to $3,000,000 to the annual retirement deductions, heretofore approximately $15,000,000, while a deduction of 3½ per cent, as proposed, would probably yield between $23,000,000 and $24,000,000 annually for retirement purposes.

RETIREMENT A SAVING TO THE GOVERNMENT

In estimating the cost to the Government of retiring its employees incapacitated by age or physical or mental disability little attention has been given to the incidental saving to the Government.

In January, 1925, the Government actuary, Mr. Joseph S. McCoy, prepared a memorandum in regard to the operation of the retirement act for the use of congressional committees, in which he said:

According to the report of the Board of Actuaries the entire normal cost of the retirement system under the present law is 3.82 per cent of the pay roll. Of this the employees pay 2.50 per cent, leaving a balance to be made up by the Government of only 1.32 per cent. The deficiency cost, however, for some years to come will be 2.55 per cent in addition to this normal cost.

This is the cost that must eventually be met by the Government, and this is the cost that is more than counterbalanced by the saving in increased efficiency and morale due to the retirement of those whose productive capacity is reduced by age or disability. This cost amounted during the fiscal year 1924 to $5,694,899. On the other hand, the Government has promoted some twenty-five or thirty thousand younger and more efficient employees, reducing the total number of employees, solely because of the retirement law, over 5,000, and bringing into the service, due to the same law, some 5,000 new employees. The salaries of the 10,550 upon the retired list probably averaged about $1,500, while their annuities average about $550 per annum. The salaries of the new employees entering the service because of these retirements average probably about $1,100 per annum. This would give the following statement of cost and saving to the Government:

Total former salaries of those retired		$15,825,000
Total annuities now paid to them	$5,695,000	
Total increase in salary of those promoted, 25,000 persons, at $150 per annum	3,750,000	
Total salaries of new employees, 5,000, at $1,100 per annum	5,500,000	
		14,945,000
Net saving to the Government, 1924		880,000

Thus it is evident that for the fiscal year 1924 the Government, had it paid directly from the Treasury the entire cost of all the annuities, would actually have saved some $880,000 in cash. Add to this the cash value of the increased efficiency and improved morale of the service, due to the numerous promotions and introduction of new blood, and we may count a gain to the Government of not only $880,000 but of many times the total amount of annuities paid for that year.

The various units of the Government have not the time, facilities, nor authority to make a detailed study of the actual advantage to the Government of the retirement law now in force. Because of this, Mr. McCoy was asked to prepare the above general estimates for use of the congressional committees. Particular attention is invited to the following sentence in his statement:

Thus it is evident that for the fiscal year 1924 the Government, had it paid directly from the Treasury the entire cost of all annuities, would actually have saved some $880,000 in cash.

As this statement was made by an official charged with the duty of analyzing the fiscal operations of the Government, and as it was furnished at the request of congressional committees for the information of the Congress, it is entitled to full credence.

In this connection I desire to read to you the cost of retirement pay for some other branches of Government service:

Retirement from the military service

Class	Number retired	Total annual cost	Average annual annuity
Army (officers and enlisted men)	9,113	$14,651,460.00	$1,607.75
Navy (officers and enlisted men)	7,866	9,927,512.00	1,262.08
Marine Corps (officers and enlisted men)	671	895,024.00	1,333.87
Coast Guard (officers and enlisted men)	723	879,800.00	1,216.87
U. S. Public Health Service (officers)	19	60,425.00	3,180.26
Coast and Geodetic Survey (officers)	10	33,030.00	3,303.00
Total	18,402	26,447,251.00	1,457.14

Mr. McCoy further states:

It may be confessed, however, that, because of the low retirement annuity as compared with the salaries previously earned by many of the annuitants together with the high prices, many who have even reached the high retirement age benefited by their retirement. It is possible to make a close estimate of the gain to the Government through the present retirement act—an act which has not as yet cost the Government one penny.

Gen. Winfield Scott, Commissioner of Pensions, states that the total number of persons on the retirement roll on June 30, 1925, was 11,689, distributed by groups, as follows:

Mechanics	2,741
City letter carriers	1,884
Rural letter carriers	1,778
Post-office clerks	1,025
Railway postal clerks	981
Departmental and other clerks	2,651
Classified laborers	259
Unclassified laborers	370

General Scott also states that 4,017 employees who have reached the retiring age were on June 30, 1925, still continued in the service under the provision of the law authorizing such continuance. These employees are distributed as follows:

Mechanics	299
City letter carriers	405
Rural letter carriers	915
Post-office clerks	469
Railway postal clerks	366
Departmental and other clerks	1,117
Classified laborers	366
Unclassified laborers	80

Why were these 4,017 employees kept on the rolls of Government employment? Simply because the provisions for retire-

ment were vastly inadequate to live on, and department heads continued them on not having the heart to retire them.

Mr. Thomas J. Howell, acting chief clerk of the Post Office Department, states that a total of 3,935 employees in that department have been continued in the service beyond the retiring age, from the date that the retirement law became effective up to June 30, 1925, divided by groups as follows:

City and village letter carriers	741
Post-office clerks	865
Railway postal clerks	594
Rural letter carriers	1,735

The foregoing statement includes employees who have been separated from the service after having been continued therein, as well as those still in the service.

That leads me to call your attention to the following additional valuable data:

From August 20, 1920, to June 30, 1925

Received in the retirement fund:		
Contributions of employees		$73,698,275.06
Interest and profits		5,211,391.73
Total receipts		78,909,666.79
Estimated receipts for the fiscal year 1926		17,000,000.00
Expenditures from the retirement fund:		
Paid out for annuities		23,671,103.08
Paid out for refunds		10,889,508.36
Total expenditures		34,560,611.44
Balance in the retirement fund (at end of fiscal year):		
1921		$9,672,842.09
1922		18,134,263.91
1923		25,510,288.97
1924		33,586,193.19
1925		44,665,778.56
1926 (estimated by the Treasury Department)		52,000,000.00
Employees retired:		
Total number retired		15,192
For age	12,273	
For disability	2,919	
For involuntary separation	869	
Dropped from the roll:		
On account of death		3,341
For other causes		162
Annuitants on the roll:		
Number of annuitants on the roll June 30, 1925		11,689
Mechanics	2,741	
Departmental and other clerks	2,651	
City letter carriers	1,884	
Rural letter carriers	1,778	
Post-office clerks	1,025	
Railway mail clerks	981	
Unclassified laborers	370	
Classified laborers	259	
For the fiscal year 1925:		
Paid out for annuities		$6,235,830.16
Paid out for refunds		$2,713,452.16
Total expenditures		$8,949,282.32
Number of annuitants placed on the roll		2,084
Number dying within the year		943
Net gain of annuitants during the year		1,141
Number of refunds paid during the year		36,989
Average amount of each refund		$73.41
Total number of refunds paid since the retirement law became effective		238,217

THE AVERAGE SALARY BASIS USED

Under the provisions of the present retirement law, the annuity is based on the average salary for the last 10 years of allowable service. This period, 10 years, is too long, and in view of the great reduction in purchasing power of the dollar since 1913, the salary basis should not cover more than five years of service, and might, with justice, even be less than five years.

Other retirement systems, as a rule, use a much shorter service term. Germany, Norway, Portugal, the Netherlands, Massachusetts, and Chicago use the salary paid at time of retirement; Great Britain, the average salary for the last three years of service; Belgium, Denmark, Argentina, Connecticut, Maine, New Jersey, New York, Pennsylvania, Boston, and Philadelphia, the average salary for the last five years of service; France, the average salary for the last six years of service. In fact, only three systems appear to use the 10-year period; namely, Canada, the city of New York, and the United States. To summarize, out of the 21 systems examined, the salary of the service-periods used is as follows:

At time of retirement	6
Last three years of service	1
Last five years of service	10
Last six years of service	1
Last 10 years of service	3

It is thus apparent that 17 out of the 21 retirement systems examined, all available, use a service-period of five years or less.

Mr. BLACK of Texas. Mr. Chairman, will the gentleman yield there?

Mr. HUDSON. Yes.

Mr. BLACK of Texas. It is not the contention of the gentleman that these funds are really paying the ultimate cost of the retirement, is it?

Mr. HUDSON. No; it is not.

Mr. BLACK of Texas. It is just like a new insurance company, where the members all come in. The death losses at first are much less than the total amount of premiums collected, but nevertheless the liabilities are accruing, which must ultimately be met; and I am quite sure that substantially the same situation exists as to this fund.

Mr. HUDSON. Yes.

Mr. BLACK of Texas. We must not deceive ourselves. The fact is that we will have to pay eventually 50 per cent of the cost of retirement.

Mr. HUDSON. Yes.

I would ask your patience for a moment to review briefly the provisions of the present law. All employees in the classified civil service who have reached the age of 70 and rendered at least 15 years of service are eligible for retirement on pension. However, mechanics, city and rural letter carriers, and post-office clerks may be retired at 65 and railway postal clerks at 62 years of age. But all must be retired at 70, excepting those to whom extended service for two-year periods after retirement are granted, until 1930, when no employee may be continued in service for more than four years beyond retirement age. The length of service reckoned as a condition for retirement ranges from a minimum of 15 years to a maximum of 30. These periods include all active employment in the civil service, but exclude all periods of separation from the service and absence on leave in excess of six months.

Employees who fulfill these requirements are entitled to annuities of various sizes upon retirement. The minimum annuity granted, however, is set at the flat rate of $180 per year; the maximum at $720 a year, or 60 per cent of a $1,200 salary. In addition to superannuation benefits, two other benefits are paid. Any employee who has given at least 15 years of service and who can prove disability by periodic medical examinations is retired in the same way as the superannuated. Finally, any employee who withdraws entirely from the service may have returned to him the total of his payments into the retirement fund, plus 4 per cent accrued interest compounded annually.

The funds out of which these benefits are to be paid are provided in theory from four different sources. The workers pay 2½ per cent of their salaries, deducted automatically as contributions toward its accumulation. Various legacies, bequests, and donations may be made by interested individuals or organizations. It was assumed that the Government would furnish when necessary the remainder of the moneys that would be required in the course of its operation. The funds accumulated continuously from these sources are to be invested and the earnings of these investments, of course, became a part of the retirement fund.

Five years' experience reveals the incomplete success in achieving the purpose of its enactment, namely, a better grade of employees, a reduction of costs, and justice to the workers.

To remedy the situation, the present law must be liberalized.

The first need is to provide for a more adequate annuity. Postmaster General New, in his report of June 30, 1925, says:

> According to statistics published by the Department of the Interior, which administers this act, about one-third of the total number of annuitants receive the maximum of $720, almost one-third receive less than $432, while the lowest annuity now being paid is $30.60. These amounts are entirely too small to meet the requirements of ordinary living conditions, and the maximum should be suitably increased. Such a modification of the law would be justified by every consideration of humanity and justice, as well as result in ultimate economy to the Government, by inducing retirements without requests for extensions of service.

This annuity at least should be $1,200 as a maximum. There should be added a provision for optional retirement after 30 years of service at any age, comparable to the class of service rendered, and that the benefits of this liberalized law shall be applicable to those already on the roll of annuitants.

That age ought to be at its maximum for voluntary retirement at 65 years. For the other preferred class perhaps 60 years, and the other preferred class at least 58.

The increases for the retirement are expedient, modest, and equitable. They are fair to the younger workers and to the loyal workers. It will enable the higher executive to provide automatic retirement without being urged to heed requests for further extensions beyond retirement age. It will make possible the elimination of the inefficient veteran with an honorable and adequate retirement. It will improve the morale of

the entire Government force and reduce to the minimum the turnover.

A better quality, an improved quality of service, must result, which, in turn, will result in a saving of thousands, yes, millions, of dollars in the aggregate to the taxpayer.

Thirty years of service being a condition for optional retirement at certain ages is again a great incentive to a better morale. It recognizes that superannuation is a condition that comes at different times to different men rather than at an inflexible, definite age. It presents a direct comprehensible challenge to a young employee.

To meet these more liberal provisions of the retirement law it is proposed to increase the deductions from the pay roll from 2½ per cent to 3½ per cent. This the employees willingly concede to thus emphasizing the fact that retirement allowances are really but deferred pay.

It is to be hoped that this meritorious legislation so earnestly asked for and justly expected will receive the overwhelming support of this body on both sides of the aisle. There ought to be no partisan division on the question. It will bring a new hope and a new incentive and a great peace in the hearts of thousands of our faithful employees. [Applause.]

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

Mr. SHREVE. Mr. Chairman, will the gentleman from Alabama [Mr. OLIVER] use some of his time?

Mr. OLIVER of Alabama. Yes. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. BOYLAN].

The CHAIRMAN. The gentleman from New York is recognized for five minutes.

Mr. BOYLAN. Mr. Chairman and gentlemen of the committee, to-day the Washington Post carried a dispatch from the city of New York stating that exiled priests from Mexico were herded among pigs on a ship. The refugees who arrived at the port of New York yesterday stated that they were taken from their homes without a chance to take any of their possessions with them and were herded on shipboard and deported from the country.

Mr. Chairman and gentlemen, the time for temporizing with the present Mexican Government has passed. When an outlaw points a pistol at your head you do not argue with him. You do one of two things; you submit and hand over your valuables or you try to take his gun from him. Mexico, not so much by constantly recurring outrages against American citizens and seizures of American property, as by adoption of a constitution at variance with international honor and the deepest instincts of civilization, has grievously offended against all those who subscribe to our own constitutional guaranty of freedom for the pursuit of life, liberty, and happiness. Further argument with Mexico, I am convinced, will prove fruitless; it is time to act, and in a way that will assure Mexico of our determination to protect American rights and citizens.

We can no more negotiate with Mexico or continue friendly relations with that country than we could with Russia. The two nations are on a par as far as their attitude toward the fundamental rights of humanity are concerned. It is time our official attitude toward Mexico became that which has characterized our relations with the soviet. For eight years we have refused to recognize the Trotski-Lenin régime because we look on Russia as an international outlaw, in fact and law; yet during much of that same period we have maintained diplomatic relations with Mexico, although its constitution of 1917 places it in the same category with Russia. It needs only a cursory analysis of the Mexican constitution to reveal the similarity, particularly as regards the two nations' attitude toward religion, freedom, property, and education. We have heard much of article 27, which confiscates American property held by our capitalists, but there are other articles of that constitution little known in America, but equally iniquitous and much more offensive to the deepest instincts of humanity. I propose to discuss a few of them before I finish, and believe you will agree with me that the United States should take the lead in marking Mexico as the soviet of the Western Hemisphere.

I do not mean to attack or criticize the Mexican people, for they are merely pawns in the hands of selfish politicians. Furthermore, it is perhaps natural that a people suffering every few years from revolutions inspired by foreign interests should, when the chance comes, set up an intensely nationalistic instrument as the law of the land. I do not quarrel with them on that score. But they can not expect other nations to hold out the hand of friendship in the face of a constitution which disregards the international code generally prevailing among the family of nations. If Mexico prefers a bolshevistic constitution and radical government to the fellowship of the other nations of the world, that is Mexico's affair. But I do maintain that the United States should make clear to the Mexican Government that we can not longer continue diplomatic relations on any such basis as that necessitated by the limitations of the Mexican constitution of 1917.

As a matter of fact, our recognition of the Obregon government in 1917 was a mistake; all our troubles with Mexico have proceeded out of that fact. Let us admit it; better still, let us look the thing squarely in the face, admit our error and correct it. Until Mexico revises her present constitution in certain vital respects, establishes a government of law and order and ceases to offend against everyday considerations of decency, the United States should withdraw the recognition extended prematurely in 1917. In my opinion, this is the only course open to us, not only for our own honor and protection but also for the best interests of Mexico. Such an act on our part may bring the present insolent government to its senses and cause revision of a document which, as it stands now, is a challenge to American traditions and institutions. And I say this with the greatest consideration for the struggling people of Mexico, who are more to be pitied than punished. It is the self-seeking politicians who would suffer, rightfully so, if our moral influence were withdrawn.

You have heard a great to-do concerning article 27 and its bearing upon American owners of land and mineral rights, but you have not heard of other provisions in the 1917 constitution which are even more iniquitous than article 27, bad as that is and significant of the present attitude of the Mexican Government. It must be remembered that the constitution of 1917 was not framed by the Mexican people, but by a small group of self-appointed leaders. It is time the American people understood the real purport of the instrument under which the Mexican people live and the Mexican Government conducts relations with foreign nations, including the United States.

Under that document there is no such thing as religious liberty, untrammeled culture, education, or freedom of worship in Mexico. All these things, like the mineral subsoils, are the sole possession of the State. A man can not worship God as he pleases, think as he wishes, or live his own life. The constitution does not permit it. Exercises of religious worship, places of prayer, ministers and priests, educators and nuns, their property and their liberty, all are subject to the whim of the Government. Inhibitory regulations surround each individual in his relations with his God, whether it be the God of the Protestants, Catholics, or Jews. As in Russia, an intense spirit of nationalism inflamed by radical politicians has supplanted the Christian spirit. The church, the school, the meeting place—those three institutions upon which our own Government is founded—have been taken over by the Government and made subordinate to the State.

It is under such provisions as these that churches have been invaded, sanctuaries violated, ministers, priests, and nuns expelled, and every canon of decency flouted. Denials of this state of affairs by brazen Mexican officials are mere evasions. Despite the strictest kind of a censorship over news coming out of Mexico, the New York Times of March 2 carried the following dispatch from Mexico City:

> El Universal reports that more Catholic schools are being closed in various States of the Mexican Republic. The newspaper quotes a telegram from the State of Tepic, where the closing of a school caused a small riot. The telegram said that tranquillity seems to have returned after the riotous acts of yesterday, when the officials were saved from the townsmen by federal forces.
>
> The townsmen objected when 12 men entered the church of the Sacred Heart of Jesus, throwing statues into the street.
>
> El Universal prints a telegram from Vera Cruz, saying that the Josefino College and the Asylum of Vera Cruz and the Siervas of Maria Convent were closed. The report also said that 200 of the pupils at the asylum were orphans who receive instructions and are given a home there.
>
> A telegram from Cordoba says the police closed the Asylum Maria, forcing the Sisters of Charity to leave the building, and reported that 42 small orphans were left without bread or shelter.

Why, gentlemen, the present Mexican Government seems to have forgotten what to me is the most appealing of the Master's sayings:

> Suffer the little children to come unto me, and forbid them not: for of such is the Kingdom of God.

I want to read a few of the provisions of the constitution of 1917 affecting the right of religious worship. First, however, in order that you may consider these in the light of our own constitutional guaranties of religious liberty, let me read what our own Constitution has to say on this point:

> Congress shall make no law respecting the establishment of religion or prohibiting the free exercise thereof, or abridging the freedom of

speech or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievance.

There is the American idea of religious liberty, freedom of speech and of the press. I can give the Mexican idea merely by reading a few articles from their constitution.

Article 130 says that—

The Federal authorities shall have power to exercise in matters of religious worship and outward ecclesiastical forms such intervention as by law authorized. All other officials shall act as auxiliaries to the Federal authorities.

The intervention of the State in church affairs—and is there anything more sacred than a man's religious beliefs and means of expressing them—goes so far as to prevent the formation of religious orders. Here is what article 5 says on this point:

The law, therefore, does not permit the establishment of monastic orders, of whatever denomination, or for whatever purpose contemplated.

The very acts of worship are submitted to official scrutiny. One can not give thanks to God for his daily bread without interference, for here is what article 24 provides:

Every religious act of worship shall be performed strictly within the places of public worship, which shall be at all times under governmental supervision.

Think of it, gentlemen. If a crimson sunset seen from a lonely hill brought an involuntary breath of adoration for the Creator of the Universe from some fervent Christian in Mexico, he would be guilty of violating this article of the constitution, for it provides that all acts of worship must be performed within bounds of a church, and under government supervision.

No religious institution, irrespective of creed, has the legal capacity to acquire or own property. It all belongs to the State, which has confiscated all such property and will seize all churches in the future. Article 27 covers this question in detail. Here it is—

ART. 27. The religious institutions known as churches, irrespective of creed, shall in no case have legal capacity to acquire, hold, or administer real property or loans made on such real property; all such real property or loans as may be at present held by the said religious institutions either on their own behalf or through third parties shall vest in the nation, and any one shall have the right to denounce property so held. Presumptive proof shall be sufficient to declare the denunciation well founded. Places of public worship are the property of the nation, as represented by the Federal Government, which shall determine which of them may continue to be devoted to their present purposes. Episcopal residences, rectories, seminaries, orphan asylums, or collegiate establishments of religious institutions, convents, or any other buildings built or designed for the administration, propaganda, or teaching of the tenets of any religious creed shall forthwith vest, as of full right, directly in the nation, to be used exclusively for the public services of the Federation or of the States, within their respective jurisdictions. All places of public worship which shall later be erected shall be the property of the nation.

But here is the most damning provision of all. It is article 130 and outlines the status of ministers and priests:

ART. 130. Ministers of religious creeds shall be considered as persons exercising a profession and shall be directly subject to the laws enacted on the matter.

The State legislatures shall have the exclusive power of determining the maximum number of ministers of religious creeds, according to the needs of each locality. Only a Mexican by birth may be a minister of any religious creed in Mexico.

No ministers of religious creeds shall either in public or private meetings, or in acts of worship or religious propaganda, criticize the fundamental laws of the country, the authorities in particular, or the Government in general; they shall have no vote nor be eligible to office, nor shall they be entitled to assemble for political purposes.

This same article 130 prohibits free instruction or freedom of the press. It says that all instruction must be secular and that—

no religious corporation or minister of any religious creed shall establish or direct schools of primary instruction.

Studies carried on in institutions devoted to the education and training of preachers of the gospel shall be given no credit in official institutions. Any infraction of this last provision bars the student from ever obtaining the professional honors he seeks.

Here are the restrictions upon the press and the right of peaceable assemblage:

No periodical publication which either by reason of its program, its title, or merely by its general tendencies is of a religious character shall comment upon any political affairs of the nation, nor publish any information regarding the acts of the authorities of the country or of private individuals, in so far as the latter have to do with public affairs.

Every kind of political association whose name shall bear any word or any indication relating to any religious belief is hereby strictly forbidden. No assemblies of any political character shall be held within places of public worship.

And to cap all these outrageous restrictions, which read like something out of the Dark Ages rather than a product of only a few years ago, is this:

No trial by jury shall ever be granted for the infraction of any of the preceding provisions.

There you have the constitution of the country to the south of us, though it might well be the constitution of the soviet. It is little wonder that the Most Rev. Michael J. Curley, Archbishop of Baltimore, in a recent address had this to say concerning conditions in Mexico and our Government's studied silence in the face of such persecution of American citizens and preachers of the word of God:

I can not imagine any conditions worse than those in Mexico for the past 10 years as far as real freedom is concerned. To us of this country religious freedom is a very sacred thing, and forms the very corner stone of our national edifice, finding expression in the constitution of every State and in our National Constitution as well.

From the days of Carranza and Villa the Catholic Church in Mexico has been persecuted with the one purpose of destroying it altogether. Fundamental decencies held in high honor by men of every nation, whatever their religious faith may be, were outraged and violated. The indignities heaped upon Catholic sisters in Mexico by the brutalized soldiers of the men named above, were something that should bring a blush to the face of any decent man. The age-old sanctuaries of the country were desecrated; the bishops and priests were forced to fly, some of them escaping from the country disguised as street scavengers. Whilst all that was going on, there was never a word of protest, as far as I remember, from this country of ours, which, in the days of Huerta, took a very immediate and imperious interest in the affairs of Mexico amounting to a practical dictation of who might or might not be the recognized President of the nation. But not one word was ever said in any official way about the violation of fundamental human rights perpetrated at that time.

Ever since that day, the same nefarious warfare has been carried on against freedom of religion. Churches have been closed; ministers of religion have been chased from the country like criminals; Catholic schools have been banned, and the men and women, who dedicated themselves to the teaching of morality, are being driven from the land. Whilst all this is being done for the purpose, we are told, of reforming Mexico, immorality and vice have free rein even to the point of spreading their destructive effects across our own American border.

Despite all this, our Government has given full recognition to Mexico, and that country occupies an honored place in the person of its representatives in the Capital City of our Nation. In other words, we have taken Mexico to our national arms, as we have the finest nations of the earth. It seems strange to me that in spite of this recognition and international amity, we are still silent about the conduct of the nation close to us, whom we call "friend," and whom we recognize as such. I am not asking for any governmental protection, but I am interested in our own national attitude toward fundamental decencies. Perhaps it may be explained by saying that fundamental decencies are no longer such where their violation is carried out in the persecution of Catholics.

* * * * * * *

Our American Government is silent and that silence is interpreted as consent to the sacrilegious outrages now being perpetrated by the robber government to the south of us. That silence has been our outstanding feature of every administration during a decade of years. Some official of the State Department stated recently that this country can not afford to meddle in religious strife in other countries. There is no question of religious strife. It is a question of our giving full recognition to a government and seeming approval to its course in its diabolical persecution of those who adhere to the age-old faith of Catholicism. We have admitted Mexico and its government into our circle of international friendship. Have we no responsibility then for the conduct of the men who are basking in the sunshine of our official smiles and who at the same time are bent on destroying human rights and trampling on fundamental human decencies held in honor by all men of real character and worth?

Our experience in the past justifies our coming to the conclusion that we have little to expect from this or any other administration when it is a question of the persecution of Catholics. As I write this, 40 Sisters of the Visitation are on their way from Mexico City to Mobile, Ala., led by an American lady, Mother Semple. They have not the wherewith to pay traveling expenses. The Government that fostered the dives on the Mexican side of the border has ordered them into exile. Will that Government tell the people of this country what was

their crime? This instance is but one of a thousand, one link in a chain of cowardly robber acts that stretches back through the years. When some clerk in an official department of our Government service declares, in his rôle of spokesman, that all that is none of our business, then will he kindly tell us how or why we become so excited in our condemnation of Mexican laws on land tenure that are confiscatory, modeled as they are on the legislation of Russia, the real inspirer of the present-day Mexican Government? Has the spirit of materialism so seared our national soul that the finer and nobler things of life no longer make any appeal to us? Have we reached the point in our growing greatness where we are eloquent in our defense of oil-land rights, but tongue-tied and expressionless in standing forth as champions of religious freedom and fundamental decencies?

* * * * * * *

Since the above address was made we have been informed by the press that the order of the Mexican Government sending non-Mexican ministers of religion into exile has been canceled. I have not the slightest confidence in the sincerity of that gesture. The Mexican constitution and laws confiscating all church property to the State are still there. That confiscation is now an accomplished fact. The hampering of religious freedom has been carried on for years as a settled policy by that Government. There is another feature of the whole affair which is worthy of note: It is the studied discrimination evidenced by the Mexican worthies in their treatment of Catholic and Protestant religious agencies. The latter were and are left free to carry on their work of proselyting. In fact, they are welcomed, aided, and abetted in their work by Mexican authorities, whilst all the engines of persecution are trained on the old church.

It will be of interest to watch the development of things from now on. Leopards do not easily change their spots. The Mexican representative in Washington has had the boldness to come out with a sweeping denial of the existence of any religious persecution in Mexico. He must imagine that we are a Nation of morons. Old World diplomacy has been defined as the "fine art of lying." In that school the finest diplomat is the one who can write 50 pages on a subject and say nothing. An axiom of such diplomacy is "deny facts, though they be ugly and stubborn." The Mexican representative must be a man of the old school. He denies facts. But facts are facts, despite 10,000 loud denials. Religious persecution is a fact in Mexico.

* * * * * * *

Mr. Chairman, in view of all these facts I believe that it is the duty of our Government to withdraw its recognition of Mexico until such time as the Mexican constitution is amended along the paths of decency, righteousness, and justice. [Applause.]

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

Mr. UPSHAW. Mr. Chairman, I ask unanimous consent to revise and extend in the RECORD the speech I made to-day.

Mr. BLACK of New York. Reserving the right to object, Mr. Chairman, I was just wondering what the extension shall consist of.

Mr. UPSHAW. It will consist of my own remarks, which I did not have time to complete, and possibly one insertion.

Mr. BLACK of New York. Can the gentleman tell us what the insertion is?

Mr. UPSHAW. One insertion will be a brief newspaper story about the riot at Yale growing out of the lawlessness of students incident to the violation of the eighteenth amendment.

Mr. BLACK of New York. Will the gentleman also insert the forms used by the Anti-Saloon League in soliciting funds for its purposes?

Mr. UPSHAW. Certainly.

Mr. BLACK of New York. Mr. Chairman, I withdraw my reservation.

Mr. SHREVE. Mr. Chairman, I yield one minute to the gentleman from Maryland [Mr. HILL].

Mr. HILL of Maryland. Mr. Chairman, this afternoon on the floor of the House there were some very pleasant things said about one of our Members, Colonel TYDINGS, a Representative from Maryland. I think it would be interesting for the House to have filed in connection with the remarks that were made the citation for the distinguished-service cross made by the commanding officer of the One hundred and thirteenth Infantry, which was referred to this afternoon. Colonel TYDINGS received the distinguished-service medal, but here is also a recommendation for the distinguished-service cross, and I ask unanimous consent to extend my remarks by inserting that in the RECORD. [Applause.]

The CHAIRMAN. The gentleman from Maryland asks unanimous consent to extend his remarks in the RECORD as indicated. Is there objection?

There was no objection.

The matter referred to follows:

Lieut. Col. MILLARD E. TYDINGS, formerly divisional machine-gun officer, Twenty-ninth Division, American Expeditionary Forces, for exceptional and meritorious conduct on October 10, 1918. Lieutenant Colonel TYDINGS, then major commanding the One hundred and eleventh Machine Gun Battalion, Twenty-ninth Division, north of Samogeux, France, proceeded with the commanding officer, One hundred and thirteenth Infantry, Twenty-ninth Division, which regiment his battalion was supporting in the attack of that date, toward the front lines with a view of disposing his command for the above purpose.

Shortly before reaching a point about 100 yards behind the front lines, both commands—One hundred and thirteenth Infantry and the One hundred and eleventh Machine Gun Battalion—were heavily gassed. Colonel TYDINGS, at great personal risk and without waiting to put on his gas mask, rode rapidly forward to our front line and into No Man's Land to make a reconnaissance with a view to locating the enemy's line. Although fired on, Colonel TYDINGS dismounted and continued his reconnaissance until successful and assisted in the capture of three prisoners, one machine gun, and one minnenwerfer, all of which were returned to our lines.

Colonel TYDINGS's actions resulted in definite information for the ensuing attack; his great disregard of personal safety increased the morale of both units and was an inspiration for the successful attack which followed.

In the attack on Etrayes Ridge on October 23, 1918, Colonel TYDINGS again displayed exceptional gallantry in reconnaissance and in maintaining liaison between the units of his battalion, although frequently under severe enemy fire. His personal conduct was an inspiration to all officers and men of his command.

Mr. SHREVE. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. TINCHER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 9795) making appropriations for the Departments of State and Justice, and for the Judiciary, and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1927, and for other purposes, had come to no resolution thereon.

PROCEEDS FROM THE SALE OF SURPLUS WAR DEPARTMENT PROPERTY

Mr. MORIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate bill 1129, authorizing the use for permanent construction at military posts of the proceeds from the sale of surplus War Department real property, and authorizing the sale of certain military reservations, and for other purposes, insist on the House amendments and agree to the conference asked by the Senate.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to take from the Speaker's table Senate bill 1129, insist upon the House amendments and agree to the conference asked by the Senate. Is there objection?

Mr. GARRETT of Tennessee. Mr. Speaker, reserving the right to object, has the gentleman conferred with the ranking minority member of the committee?

Mr. MORIN. Yes; I conferred with the gentleman from Mississippi [Mr. QUIN], and I have suggested as the minority conferee the gentleman who was on the subcommittee which considered the bill.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER appointed the following conferees: Messrs. JAMES, HILL of Maryland, and FISHER.

RELIEF OF SOLDIERS DISCHARGED FROM THE ARMY DURING THE WORLD WAR

Mr. MORIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate bill 1343, for the relief of soldiers who were discharged from the Army during the World War because of misrepresentation of age, insist on the House amendments and agree to the conference asked by the Senate.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to take from the Speaker's table Senate bill 1343, insist on the House amendments and agree to the conference asked by the Senate. Is there objection?

There was no objection.

The SPEAKER appointed the following conferees: Messrs. REECE, GLYNN, and HILL of Alabama.

REVENUE ACT

Mr. BEERS. Mr. Speaker, I offer a privileged resolution from the Committee on Printing.

The SPEAKER. The gentleman from Pennsylvania offers a privileged resolution from the Committee on Printing, which the Clerk will report.

The Clerk read as follows:

Resolved, That there be printed 10,000 additional copies of the revenue act of 1926 for the use of the House document room.

Mr. GARRETT of Tennessee. Mr. Speaker, will the gentleman from Pennsylvania please explain the necessity for this?

Mr. BEERS. The first allotment has been used up, 25,000 copies, and there appears to be a need for 10,000 more copies.

Mr. GARRETT of Tennessee. Has the gentleman considered the question of printing the regulations in connection with the act itself?

Mr. BEERS. Well, I think the committee had in mind printing the act as it was printed before. I believe there are only 8,000 copies now in the folding room and there is a great demand for them.

Mr. CHINDBLOM. The gentleman now proposes to print only the revenue bill itself.

Mr. BEERS. Yes.

Mr. CHINDBLOM. There are as yet no new regulations under this bill, of course.

Mr. BEERS. No.

Mr. McLAUGHLIN of Michigan. Would the gentleman prefer they go to the document room rather than the folding room?

Mr. BEERS. Yes; the document room.

Mr. CHINDBLOM. They are to be distributed to the Members pro rata?

Mr. BEERS. Yes; as they have been heretofore.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

ANNIVERSARY SERVICE AT THE CENTRAL PRESBYTERIAN CHURCH, WASHINGTON, D. C., COMMEMORATING WOODROW WILSON'S MEMBERSHIP IN THE CONGREGATION OF THIS CHURCH

Mr. OLIVER. Mr. Speaker, an informal anniversary service was held Sunday morning, February 7, 1926, at the Central Presbyterian Church, Washington, D. C., commemorating the membership of former President Wilson in the congregation of this church. An address on "The place of Woodrow Wilson in the Central Presbyterian Church" was made by Dr. James H. Taylor, pastor of the church. Dr. J. J. Muir, Chaplain of the United States Senate, assisted in the service. In Doctor Taylor's address are quoted two very interesting short speeches made by Mr. Wilson, not heretofore published. Two of President Wilson's favorite hymns were sung: How Firm a Foundation, Ye Saints of the Lord, and Day is Dying in the West. The closing hymn was Lead on, Thou God of Hosts, the words of which were written by Doctor Taylor and the music by Mrs. Emma Hanford Gillis. A telegram was received from Mrs. Woodrow Wilson expressing regret that she could not attend the service owing to the fact that she was out of the city. Quite a number of former President Wilson's personal friends and relatives and those who had been closely associated with him during his administration were present at the service. Mrs. May H. Wilbur presided at the organ, and Mr. Earl Carbauh sang a solo. The address of Doctor Taylor was as follows:

ADDRESS OF DR. JAMES H. TAYLOR

ORGANIZATION OF THE CENTRAL PRESBYTERIAN CHURCH

The Central Presbyterian Church of Washington, D. C., was organized by Rev. A. W. Pitzer in May, 1868. The first church edifice was located at the corner of Third and I Streets NW. On I Street very close to the church a great many prominent people resided. Among those who lived near by were General Grant and later General Sherman, while a block away was the home of Stephen A. Douglas and the home of Justice Bradley, of the Supreme Court of the United States. The congregation worshipped here under the pastorate of Dr. A. W. Pitzer for about 38 years. After a remarkably long and active pastorate Doctor Pitzer resigned in April, 1906, and was made pastor emeritus. He removed to Salem, Va., his boyhood home, where he is now living at the advanced age of almost 92 years. He was succeeded in the pastorate in November, 1906, by Rev. James H. Taylor, who is now the active pastor of this church. It is quite remarkable that since the organization of this church in 1868 the church has had only two pastors, both of whom still retain their official relation to the church.

Early in 1907 it became evident that with the rapidly changing conditions in that portion of the city it would be necessary to change the location of the church, since a great number of the members of the church were moving farther out into the northwest section.

In making preparations and plans for the future, a piece of property was secured at Thirteenth and Monroe Streets NW. in 1909, and upon this site a frame chapel was located. An assistant to the pastor was secured to help in this new work, and he remained with the church for a little over a year. In view of the fact that this piece of property seemed to be too small for the purposes contemplated, the property was disposed of and a new site at the corner of Fifteenth and Irving Streets NW., at the point where Fifteenth and Sixteenth Streets unite at Irving Street, was secured. The frame chapel was moved to this site in the summer of 1912, and the Rev. W. H. Bates assisted the pastor from October, 1912, to February, 1914.

PRESIDENT WILSON WORSHIPS AT THE CHURCH THE FIRST SUNDAY OF HIS ADMINISTRATION

This was the situation and these were the plans that the Central Presbyterian Church had in mind when President Wilson came to Washington as the twenty-eighth President of the United States. Prior to President Wilson's arrival in Washington, it seemed to me that it would be best not to be forward in the matter of urging his attendance at the Central Presbyterian Church. Before President Wilson's nomination I had written to him, while he was Governor of New Jersey, expressing the hope and wish that he would be the next President of the United States, and in that letter I invited him when he came to Washington to attend the Central Presbyterian Church. His reply to me at that time was characteristic. He thanked me for the invitation and said, in effect, that he could not refrain from smiling when he contemplated my suggestion about his being in the White House, inasmuch as his hopes were not high. After Mr. Wilson's inauguration it was, therefore, a matter of genuine gratification to have him worship with us on March 9, 1913, the first Sunday of his administration. We did not know until Sunday morning, March 9, that he was coming to our church, and quite a number of the members of our congregation absented themselves from their own church and went to other churches hoping that they might catch a glimpse of the President. About 10.15 o'clock that morning one of our elders reported that a secret-service man had arrived to inform us that the President and his family were coming to worship at our church and that he would like to have five seats reserved for them. We asked him what time we might expect the President and his family, and he said they would arrive a few minutes before 11. Promptly, then, President Wilson and his family arrived at the Central Presbyterian Church shortly before 11 o'clock, the hour set for the morning service. They came in and took their places very quietly, and the secret-service men located themselves at such places as they had selected.

Many of the worshipers who came in a little late were not aware of the fact that the President and his family were seated near the front. The service followed the usual course, and no allusion whatever was made during the service to the presence of the President. I recall how extremely intent a listener President Wilson was at that first service, a fact which I had occasion to observe for about eight years. Before the conclusion of the service, at the announcement of the last hymn, the request was made that the congregation should remain in their places while the President and his family went out. It was very interesting to see the expression of surprise on the faces of some of those in the rear of the church who had come in late and did not know until that time that the President of the United States had worshiped with us. This will give you an account of the service on that Sunday, March 9, 1913.

A few days later I wrote a letter to the President expressing appreciation of the attendance of himself and his family upon the services of our church on the first Sunday of the new administration, and inviting him and his family to worship with us whenever it was their pleasure to do so. We were very careful not to capitalize his attendance that first Sunday, and we did not infer that he planned to come to our church regularly. On the following Saturday afternoon a special communication sent by hand was received, in which it was said that the President and his family "enjoyed the services last Sunday," and also that they "appreciated the quietness and great courtesy of the members of the congregation." Shortly after this time the President wrote us a letter, in which he said that it would be his pleasure to attend the Central Presbyterian Church regularly and become identified with the congregation. He also asked that sittings should be assigned to him and his family, and that he be notified in regard to the pew rents.

There is a very interesting side light here upon the religious attitude and interest of President Wilson. When we told him that we did not have pew rents in our church, but that the church was supported by regular voluntary gifts on the part of the members of the congregation, he immediately expressed a desire to contribute just as the other members of the congregation contributed. In order that he might know more in detail about the method of giving to the current expenses and benevolences of the church, he invited me to lunch at the White House to talk over this whole matter. Accepting the invitation I went to the White House, and after lunch explained to him in detail the method of contributing to the current expenses and benevolences of the church, and then took advantage of the opportunity to tell him what our plans were with regard to the removal from the old site to the new site; for this plan had been formulated and was already in preparation before President Wilson's election. We felt that it was necessary for him to know in advance what the plans of the church were, so that he would not think that since he had come to the church any plans had been developed suddenly. The reason for our contemplated removal was explained to him. We had secured a piece of property at Fifteenth and Irving Streets NW., were already conducting services there, and it was our plan to dispose of the old building

as soon as possible and start the construction of the new church edifice. He listened with great attention and with evident interest, and expressed approval of the plans that we had in mind, assuring me of his cordial interest and support. This interest and support he proved on many occasions in the succeeding months and years. An incident in connection with our plans will disclose this interest. It was necessary to have a meeting of the congregation to consider some matters in connection with the proposed plans for removal to the new site, and it was found necessary to have this meeting after the service on a Sunday morning. Rather than leave at the close of the service, President Wilson preferred to remain and attend the congregational meeting. He was greatly interested in the proceedings, and voted with the rest of the congregation.

It was customary to have flowers each Sunday on the pulpit. Soon after the President came to the church word was received from him that it would be his pleasure to supply the flowers each Sunday for the church. It would be interesting to note that these flowers were always delivered on Saturday. On no occasion were they ever sent to the church on Sunday. During the entire administration of President Wilson the flowers were supplied from the White House gardens. Just prior to the election of President Wilson for the second time he presented to the church two very handsome gold vases, which have been used ever since that time for the flowers. These vases now stand on mahogany pedestals on the pulpit platform and bear the inscription, "Presented to the Central Presbyterian Church by President Woodrow Wilson, September 29, 1916."

LAYING THE CORNER STONE OF THE NEW CHURCH BUILDING

In the summer of 1913 the property at Third and I Streets NW. was sold, and preparation for building the new church at Fifteenth and Irving Streets NW. was begun in the month of October of the same year. After the foundation had been laid it was planned to have a cornerstone laying, and it was our desire to invite President Wilson to lay the cornerstone of the new church building. A little insight on the attitude of President Wilson to requests was revealed about this time when I said to him one Sunday morning after the service, "We want to ask a favor of you." Immediately he seemed as it were to withdraw within himself, and it was evident that the question had been put to him in the wrong way, since it might appear as if upon the basis of a short connection with our church we were rushing in to ask some great favor. He said very calmly, "What is it?" and I replied, "We would like very much to have you lay the cornerstone of our new church building." Immediately his face relaxed with a smile, and he said in the most natural way, "Come up and take lunch with me and we will talk it over together." In a few days I received the invitation and accepted gladly. I recall very vividly what a delightful time it was. The President was in fine humor and was very communicative about many things, telling some delightfully humorous stories, and altogether it was a very happy family gathering into which I had been permitted to enter. I was made to feel very comfortable because everyone was so hospitable and gracious.

After lunch we all went into the Green Room and I told the President what the plans were with regard to the laying of the cornerstone. We were very anxious to have him make an address. He agreed to come and officiate at the laying of the cornerstone, but would not promise in advance to speak. The day set for the laying of the cornerstone was the 19th of December, 1913. The President had been confined to his room with an attack of grip, and this was his first public appearance after his brief indisposition. Promptly at 2.30 p. m. on Friday, December 19, 1913, the President arrived for the exercises in connection with the laying of the cornerstone of this church. A small platform had been erected just at the Sunday school entrance door, and all the arrangements had been made in advance. Several ministers had been invited to take part in the service: Rev. A. R. Bird and Rev. Joseph T. Kelly, of this city, and Rev. Harris E. Kirk, of Baltimore. It was intended that the program should be very brief, and that the laying of the cornerstone should constitute the main item. A metal box of copper containing numerous papers and documents connected with the Central Presbyterian Church had already been embedded in the cornerstone. I knew that the stonemasons would be ready with a trowel to hand to the President, so I quietly secured a new trowel, which I had in my pocket, with the point turned upward in order that I could take hold of it quickly and hand it to the President with the handle toward him. When I announced the laying of the cornerstone, President Wilson said: "What do you wish me to do?" I took the trowel from my inside overcoat pocket, handed it to him, and asked him to spread the cement mortar on the stone, while the stonemasons held the cornerstone in suspension. He spread the mortar with the utmost care and precision, taking his time, and putting a little here and a little there until he thought the surface of the stone was covered sufficiently and evenly with the mortar. Then, as he turned, I reached over and took the trowel covered with mortar, and dropped it into my pocket so that I might have this souvenir of this important occasion.

The President turned and said: "I will now say something to the people." He then made a brief address, which for simplicity and beauty has rarely ever been surpassed. The President spoke without any notes whatever, but we had arranged to have this address taken down in shorthand and now have in our possession the original typewritten copy of the address, which was corrected by the President himself. The following is the text of the address:

ADDRESS OF PRESIDENT WILSON AT THE LAYING OF THE CORNER STONE

"I can not let this occasion pass without at least expressing, in the first place, my personal pleasure that it has been my privilege to join this congregation and to share with them the satisfaction of seeing their hopes with regard to owning a new place of worship finally realized.

"Perhaps I may also express what I am sure is in your minds with regard to the significance of this occasion. We are here doing something more than laying the foundation of a place of worship, because while a church is intended as a place of worship, and does serve as the rallying place or central home of a congregation of fellow worshipers, it seems to me to stand for something more than that.

"In the Old Testament Scripture (Psalm 84), which was read to you to-day, there are two beautiful expressions. One speaks of the spirit of man as the place where there is the highway to Zion, along which the spirit itself moves from strength to strength. A place of worship is, in my mind, a place of individual vision and renewal. I do not see how any thoughtful man can be conscious that he sits in the presence of God without becoming aware not only of his relationship to God, as far as he can in this life conceive it, but also of his relationship to his fellow men. How a man can harden his heart in the exclusiveness of selfishness while he sits in a place where God is in any degree revealed to him I can not understand.

"I believe that every place of worship is sanctified by the repeated self-discovery which comes to the human spirit. As congregations sit under the word of God and utter the praise of God, there must come to them visions of beauty not elsewhere disclosed. Even the family is too little a circle. The congregation is a sample of the community. There is revealed to the man there what it is his duty to be and to do.

"Therefore I, in looking forward to the privilege of worshiping in this place, shall look forward with the hope that there may be revealed to me, as to you, fresh comprehension of duty and of privilege."

THE MEETING OF THE PRESBYTERY OF POTOMAC

For a short period after the laying of the corner stone we worshiped in the Sunday-school room of this building, and the President was always in his place as we gathered to worship in the midst of inconveniences that were caused by the fact that the building was in process of construction.

On May 31, 1914, which was the forty-sixth anniversary of the organization of the church, the new church building was dedicated. It was a day of praise and of profound thanksgiving. It was a great joy on that occasion to have the pastor emeritus, Dr. A. W. Pitzer, present and preach the sermon. The church was crowded and the President was in his place as usual. Thus the hopes of the congregation had been realized and our new building had been completed.

In April, 1915, the Presbytery of Potomac, of which presbytery this church is a member, held its spring meeting in the Central Presbyterian Church. We were anxious for the President to come to the meeting of the presbytery. He was a Presbyterian elder, the son of a Presbyterian minister, and perfectly familiar with all the proceedings of the presbytery. We thought it would be delightful to have him to lunch with the presbytery and to make a brief address to the members before he went out to the country club for his daily exercise. We suggested to him this arrangement in order that it would not consume too much of his time. We received a telephone message from the White House saying that the President could not come to lunch but would be very glad to come to the presbytery on Wednesday night, April 20, 1915, and that in order to be present at that time he would cancel other arrangements that he might have the privilege of attending. At this time the World War was in progress and President Wilson had issued in this country his proclamation of neutrality.

The President came to the meeting of presbytery and a great crowd was on hand to hear him. Many, of course, had the idea that he might say something with regard to the war, and hence there were many reporters about who were keen and eager to get anything that he might say with reference to the war situation. The President made no reference whatever to the war but spoke in a very informal way to the members of the presbytery. His address was as follows:

THE ADDRESS OF PRESIDENT WILSON TO THE PRESBYTERY

"Mr. Moderator, my friends, I have not come here to-night to make an address, for I feel that an address by me would merely be an interruption to the business of the presbytery, which is very much more important, I can say with sincere conviction, than anything that I might be able to say to the presbytery. Moreover, I have not come here as representing the office which I now occupy; because just as soon as Doctor Taylor asked me if I could meet with the presbytery, my thought went back to a time long before I had any idea of occupy-

ing public office, when throughout a very happy boyhood I was associated with one of the most inspiring fathers that ever a lad was blessed with, who during practically the whole of my youth was the stated clerk of the southern general assembly and who therefore, among other things, edited the minutes of the assembly; and I did a lot of hard work, let me say, in editing those minutes. I still retain in the back of my head certain grudges against some moderators of some presbyteries. I do not remember whether the moderator of the Potomac Presbytery was among them or not. Certainly not the present moderator.

"I remember that the stated clerks of those presbyteries gave me a great deal of trouble. Some of them, particularly of the country presbyteries, would not consult the almanac. They would say that the presbytery would convene on the second Monday after full moon, at early candlelight. My father exacted of me that I should find which Monday that was and calculate the probable hour of early candlelight. It was before the days when I had studied the mathematical aspect of astronomy, and I was not very familiar with the hours which the sun kept. It was therefore necessary for me constantly to resort to very puzzling almanacs and make calculations of the correctness of which I was by no means certain.

"Then these same stated clerks gave me a good deal of practice in addition. I had to add up the columns of their reports to see whether they had added them correctly or not. I have sometimes suspected that I might have substituted errors other than their own. At any rate I remember many hours of somewhat tedious labor which I devoted to the minutes of the Southern Presbyterian Church, to the statistical and not to the more entertaining parts; because at that time I had not the imagination to give significance to large bodies of statistics.

"All of this, however, is merely a passing allusion to what was a very delightful experience with me. My father, because of his office, had an extraordinarily wide acquaintance with the active membership of the Southern Presbyterian Church, its ministers and elders, of course, in particular. Their names were familiar in our household; and anecdotes about them made their personality very real to us; the visits of a great many of them gladdened us from time to time.

"My father was a very lively companion and seemed to provoke and draw out liveliness in other people. He had the very risky habit of always saying exactly what he thought, a habit which I in part inherited and of which I have had diligently to cure myself. But he was the best instructor, the most inspiring companion, I venture to say, that a youngster ever had, and in facing a southern presbytery I can not think of myself as President of the United States; I can only think of myself as the son of Joseph R. Wilson, and I only wish that I could claim some of the vital connection with the church which he could claim—because those of us who stand outside of the active ministrations of the church, so to say, get an illegitimate usury from it. We do not seem to add a great deal to its capital, but we do live on its investments; we do live on its great investments of the Spirit, and on the kind of energy which keeps the world alive, which makes us different from the beasts of the field.

"When I think of the great bodies of opinion which sustain the affairs of the world it seems to me that the heart and nucleus of them is the principle of Christianity, and that therefore the conservation of that great fountain of all that is just and righteous is one of the most important things conceivable, infinitely more important than the things which those of us do who attempt to take some part in administering the external affairs of the world. When I hear men like Doctor Stuart pleading for the means to introduce this great influence into a part of the world now for the first time feeling its connection with the rest of mankind, now first awakening to the possibilities of the power that lies latent in it, I wonder if it is possible that the imaginations of Christian people will fail to take fire.

"Why, this is the most amazing and inspiring vision that could be offered to you, this vision of that great sleeping nation suddenly cried awake by the voice of the Christ. Could there be anything more tremendous than that? Could there by any greater contribution to the future momentum of the moral forces of the world than could be made by quickening this force which is being set afoot in China? China is at present inchoate; as a nation it is a congeries of parts, in each of which there is energy but as yet unbound in any essential and active unity. Just as soon as its unity comes, its power will come in the world. Should we not see that the parts are fructified by the teachings of Christ?

"But that is quite apart from what I had come to say. I had not come to speak on foreign missions; I am not competent to speak on foreign missions. I am merely competent to utter my deep allegiance to the things which are represented by bodies of people like this, and to express my thanks to God that as a youth and as a man I have been permitted to have some part in them."

JUBILEE OF THE CENTRAL PRESBYTERIAN CHURCH

In May, 1918, the Central Presbyterian Church celebrated its fiftieth anniversary. Owing to the fact that our country had entered the war, and there were so many duties and calls upon the interest of every one, it was decided to make this jubilee a very simple one. The jubilee began with the service on Sunday morning, May 26, 1918, at which time Rev. W. W. Moore, of Union Theological Seminary, Richmond, Va., preached the sermon on the subject, "The value of the church to the community," and the pastor read a historical sketch of the church. At the evening service, Rev. A. R. Bird, the pastor of the Church of the Pilgrims, came with the members of his congregation, and Doctor Moore again preached for us on the theme, "An ambassador in bonds."

On Friday evening, May 31, which was the actual date of the fiftieth anniversary, we had a gathering in the Sunday-school room of the church. President Wilson had been invited and had agreed to come, but said in advance that owing to the many demands now upon him in connection with the war, he would not promise to make an address. In this service Rev. Andrew R. Bird; Rev. S. H. Greene, of Calvary Baptist Church; Rev. Wallace Radcliffe, of the New York Avenue Presbyterian Church; Rev. J. J. Muir, of the Temple Baptist Church; and Rev. Joseph T. Kelly, of the Fourth Presbyterian Church, took part. Each of these brethren brought greetings from their respective congregations. We were very anxious for the President to make some remarks, and so I tore off a piece of paper from a program and wrote a little note asking him to please say a word impromptu. He sat with his head bowed, apparently deep in thought, and then without turning his head in my direction simply nodded assent. The reason I wrote the note, rather than lean over and ask him, was that in the event he should decline nobody would know that he had refused me. The President spoke impromptu. In somewhat brief remarks, not over three minutes in length, the President stated the high aims of the war. In a very remarkable and impressive way he summed up the whole situation and showed to us the place that our country should occupy in the Great War and the spirit and purpose that should animate our course. It was such a masterly statement, comprised in a very few sentences, that one of the former speakers remarked, "The President has expressed more in three minutes than all the rest of us together have said the whole evening." After the President had spoken the members of the congregation who were present came forward and an informal reception was held, the President shaking hands with all who were there. He remained for some time after the exercises were concluded and conversed with a number of groups which gathered about him. The entire affair was like a large family gathering, and the President seemed to enjoy immensely this change from his official duties and the informality of it.

For this reception in connection with our jubilee, President Wilson had sent up from the White House a great profusion of flowers. There were numbers of boxes of flowers, each particular variety being in a separate box. The American Beauty roses were especially beautiful, the stems of which were over 4 feet in length. We had never had such a beautiful lot of flowers as were sent to us from the White House on the occasion of this jubilee.

INCIDENTS IN THE CHURCH LIFE OF PRESIDENT WILSON

There are many interesting incidents that are connected with the membership of President Wilson in our congregation. He occupied in this church the third pew from the front on the left center, sitting, as a rule, at the end of the pew. On many occasions during the war period when our church was crowded far beyond its comfortable capacity the President insisted on sharing his pew with the soldiers, sailors, and marines, and hardly a Sunday passed that some of these boys were not seated next to the Commander in Chief of the Army and Navy. Many of them did not know until after the service that they were seated next to the President of the United States. President Wilson was thoroughly Presbyterian in spirit, not only by virtue of his birth and education, but also by conviction. He loved the traditions of our church and was thoroughly familiar with its history. He liked simplicity of worship, believing that it was possible for all men to approach God and worship in a very simple way. His father, the Rev. Joseph R. Wilson, was a Presbyterian minister of the Southern Presbyterian Church, who had occupied prominent pastorates and who for over 30 years had been stated clerk of the General Assembly of the Presbyterian Church in the United States. In this way President Wilson had become familiar with the polity and faith of the church. President Wilson was an elder in the Presbyterian Church and recognized the honor and importance of this office. He was a devout worshiper, always taking part in the singing of the hymns and giving the closest attention to the reading of the Scriptures and the preaching of the sermon.

On many occasions he not only shared his hymn book with those who were next to him but would step out of his pew to give a hymn book to some one who did not have one. He was always regular in his attendance upon the services of the church, as had been his custom. He was very punctual, always arriving before the time set for the services, and was never late. His punctuality was a striking example to the entire congregation. He came to church not simply to observe a custom, but to worship and to find comfort and strength for his spiritual life.

President Wilson was a very close listener. He had the art of concentrated attention which would have been very disconcerting to a minister until it was realized that he, like others, had come to worship, and that the speaker was being listened to by a friend.

On many occasions when the policies of President Wilson were being vigorously attacked he would come to the services on Sunday with that same impenetrable calm and sit in his place in the house of God, apparently oblivious to all the storm and tempest on the outside and with apparently just one great absorbing thought, and that was that he had come to the house of God to worship. So many times did he exhibit this remarkable self-control that I said to him one Sunday morning after the services, "I want to thank you for a great lesson that you have helped me to learn in some measure. You have helped me greatly to learn something of the art of self-control." The calmness and poise of his demeanor during those stormy days when the Versailles treaty was being so bitterly assailed will not be forgotten. We continually recall his deep interest in the services and his words of appreciation, saying often as he went out, "I have enjoyed the services to-day very much."

During all these years President Wilson showed his unwavering faith and his abiding interest in the church and in religion. How eloquently did he express this faith in a letter to me in June, 1923, when he said: "I sometimes get discouraged at the exceedingly slow progress of my recovery, but I am ashamed of myself when I do, because God has been so manifestly merciful to me. I ought to feel much profound gratitude. I believe that it will all turn out well, and that, whether well or ill, it will turn out right." He once said to me, in speaking of the spiritual character of religion, "If you take away the spirituality of Christianity, you have taken out its heart."

So these closing years of his life brought into clear relief the splendid resignation and undaunted faith of this loyal and faithful servant of God. He typifies for us in this day the "Happy Warrior," of whom Wordsworth says:

"Who is the happy warrior? Who is he
That every man in arms should wish to be?
It is the generous spirit, who, when brought
Among the tasks of real life, hath wrought
Upon the plan that pleased his boyish thought;
Whose high endeavors are an inward light
That makes the path before him always bright:
Who, with a natural instinct to discern
What knowledge can perform, is diligent to learn;
Abides by this resolve, and stops not there,
But makes his moral being his prime care;
Who doomed to go in company with pain,
And fear, and bloodshed, miserable train!
Turns his necessity to glorious gain.
* * * * *
'Tis, finally, the man who, lifted high,
Conspicuous object in a nation's eye,
* * * * *
Plays, in the many games of life, that one
Where what he most doth value must be won:
Whom neither shape of danger can dismay,
Nor thought of tender happiness betray;
Who, not content that former worth stand fast,
Looks forward, persevering to the last,
From well to better, daily self-surpast:
Who, whether praise of him must walk the earth
Forever, and to noble deeds give birth,
Or he must fall, to sleep without his fame,
And leave a dead unprofitable name—
Finds comfort in himself and in his cause;
And, while the mortal mist is gathering, draws
His breath in confidence of heaven's applause:
This is the happy warrior; this is he
That every man in arms should wish to be."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. ABERNETHY, indefinitely, on account of illness.

ENROLLED BILLS SIGNED

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that the committee had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 6733. An act granting the consent of Congress to the construction of a bridge across the Rio Grande; and

H. R. 9109. An act to extend the time for the construction of a bridge across the White River.

SENATE BILLS REFERRED

Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 2849. An act to provide for an additional Federal district for North Carolina; to the Committee on the Judiciary.

S. 2307. An act authorizing the Secretary of the Interior to exchange certain lands in order to acquire land for a municipal aviation field at Yuma, Ariz.; to the Committee on the Public Lands.

ADJOURNMENT

Mr. SHREVE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 20 minutes p. m.) the House adjourned until to-morrow, Friday, March 5, 1926, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for March 5, 1926, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON AGRICULTURE

(10 a. m.)

Bills for relief of agriculture.

COMMITTEE ON APPROPRIATIONS

(10 a. m.)

District of Columbia appropriation bill.

COMMITTEE ON THE DISTRICT OF COLUMBIA

(10.30 a. m.)

To secure Sunday as a day of rest in the District of Columbia (H. R. 7179).

COMMITTEE ON FOREIGN AFFAIRS

(10.15 a. m.)

A bill authorizing the erection of a monument in France to commemorate the valiant service of colored American Infantry regiments attached to the French Army (H. R. 9643, 9694).

COMMITTEE ON MILITARY AFFAIRS

(10.30 a. m.)

To provide retirement for the Nurse Corps of the Army and Navy (H. R. 8953).

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

To provide for the equalization of promotion of officers of the staff corps of the Navy with officers of the line (H. R. 7181).

COMMITTEE ON LABOR

(10.30 a. m.)

To divest goods, wares, and merchandise manufactured, produced, or mined by convicts or prisoners of their interstate character in certain cases (H. R. 8653).

COMMITTEE ON WAYS AND MEANS

(10.30 a. m.)

To establish in the Treasury Department a bureau of customs and a bureau of prohibition (H. R. 8998).

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. LEAVITT: Committee on Irrigation and Reclamation. H. R. 7819. A bill to cancel water-right charges and release liens on the Buford-Trenton and Williston irrigation projects, North Dakota, and for other purposes; without amendment (Rept. No. 452). Referred to the Committee of the Whole House on the state of the Union.

Mr. HILL of Washington: Committee on the Public Lands. S. 1250. An act to amend an act entitled "An act donating public lands to the several States and Territories which may provide colleges for the benefit of agriculture and the mechanic arts," approved July 2, 1862, as amended by the act approved March 3, 1883; without amendment (Rept. No. 453). Referred to the Committee of the Whole House on the state of the Union.

Mr. WINTER: Committee on the Public Lands. S. 1169. An act authorizing the Secretary of the Interior to convey certain lands in Powell town site, Shoshone reclamation project, Wyoming, to Park County, Wyo.; without amendment (Rept. No. 454). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. HASTINGS: Committee on Indian Affairs. H. R. 9161. A bill authorizing the Secretary of the Interior to pay legal expenses incurred by the Sac and Fox Tribe of Indians of Oklahoma; without amendment (Rept. No. 455). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

An act (S. 1661) conferring jurisdiction upon the Court of Claims to hear and determine the claim of Mrs. Patrick H. Bodkin; Committee on the Public Lands discharged, and referred to the Committee on Claims.

An act (S. 850) for the relief of Robert A. Pickett; Committee on the Public Lands discharged, and referred to the Committee on Indian Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ROY G. FITZGERALD: A bill (H. R. 10000) to consolidate, codify, and reenact the general and permanent laws of the United States in force December 7, 1925; to the Committee on Revision of the Laws.

By Mr. BACHARACH: A bill (H. R. 10001) authorizing the construction of a bridge across the Delaware River at or near Burlington, N. J.; to the Committee on Interstate and Foreign Commerce.

By Mr. MAGRADY: A bill (H. R. 10002) granting the consent of Congress to H. J. Stannert, Harry Weis, and George W. Rockwell to construct, maintain, and operate a bridge across the Susquehanna River from a point in the city of Sunbury, Northumberland County, to a point in the township of Monroe, in Snyder County, in the State of Pennsylvania; to the Committee on Interstate and Foreign Commerce.

By Mr. BUTLER: A bill (H. R. 10003) to authorize certain alterations to the six coal-burning battleships for the purpose of providing better launching and handling arrangements for airplanes; to the Committee on Naval Affairs.

By Mr. HASTINGS: A bill (H. R. 10004) authorizing the payment to the State of Oklahoma of the sum of $10,187.50 in settlement for rent of United States Veterans' Hospital No. 90 at Muskogee, Okla.; to the Committee on World War Veterans' Legislation.

By Mr. LARSEN: A bill (H. R. 10005) to amend section 77 of the Judicial Code to create a middle district in the State of Georgia, and for other purposes; to the Committee on the Judiciary.

By Mr. PEAVEY: A bill (H. R. 10006) for the relief of agriculture and providing for the preparation and distribution of explosives to settlers for clearing and reclaiming cut-over forestland areas; to the Committee on Agriculture.

By Mr. RAGON: A bill (H. R. 10007) to convey to the Big Rock Stone Co. a portion of the hospital reservation of United States Veterans' Hospital No. 78 (Fort Logan H. Roots), in the State of Arkansas; to the Committee on World War Veterans' Legislation.

By Mr. CELLER: A bill (H. R. 10008) for the appointment of an additional judge in the United States District Court, Eastern District of New York; to the Committee on the Judiciary.

By Mr. FREE: A bill (H. R. 10009) to amend section 4530 of the Revised Statutes of the United States; to the Committee on the Merchant Marine and Fisheries.

By Mr. THOMAS: A bill (H. R. 10010) repealing the law creating the Tariff Commission; to the Committee on Ways and Means.

By Mr. FREAR: Joint resolution (H. J. Res. 189) authorizing the appointment of a committee to investigate the Indian Bureau and report thereon; to the Committee on Rules.

By Mr. WOODRUM: Resolution (H. Res. 158) asking for information from the Secretary of State; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BAILEY: A bill (H. R. 10011) granting an increase of pension to Seph J. Jones; to the Committee on Invalid Pensions.

By Mr. BLACK of Texas: A bill (H. R. 10012) correcting the military record of Frank H. Oliver; to the Committee on Military Affairs.

By Mr. CANFIELD: A bill (H. R. 10013) granting an increase of pension to Mary McKee Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10014) granting a pension to Hannah Clark; to the Committee on Invalid Pensions.

By Mr. HOGG: A bill (H. R. 10015) granting a pension to Mary Burdick; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Illinois: A bill (H. R. 10016) granting an increase of pension to Anna L. Shannon; to the Committee on Invalid Pensions.

By Mrs. KAHN: A bill (H. R. 10017) granting an increase of pension to Joseph Lightstone; to the Committee on Pensions.

Also, a bill (H. R. 10018) granting an increase of pension to Estelle H. Reynolds; to the Committee on Pensions.

By Mr. KNUTSON: A bill (H. R. 10019) for the relief of the Cold Spring Brewing Co., of Cold Spring, Minn.; to the Committee on Claims.

By Mr. McKEOWN: A bill (H. R. 10020) for the relief of William Knabe; to the Committee on Claims.

By Mr. MANLOVE: A bill (H. R. 10021) granting an increase of pension to Hettie Quigley; to the Committee on Invalid Pensions.

By Mr. NEWTON of Missouri: A bill (H. R. 10022) for the relief of Albert von Hoffman; to the Committee on Claims.

By Mr. O'CONNELL of Rhode Island: A bill (H. R. 10023) granting a pension to Mary Stuart; to the Committee on Pensions.

By Mr. PARKER: A bill (H. R. 10024) granting an increase of pension to Ladora V. Laphan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10025) granting an increase of pension to Ann Neilan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10026) granting an increase of pension to Anna E. Schermerhorn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10027) granting an increase of pension to Anna E. Pateman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10028) granting an increase of pension to Electa J. Baker; to the Committee on Invalid Pensions.

By Mr. PATTERSON: A bill (H. R. 10029) granting an increase of pension to Ann E. Kite; to the Committee on Invalid Pensions.

By Mr. ROBSION of Kentucky: A bill (H. R. 10030) granting a pension to Floyd Colwell; to the Committee on Pensions.

By Mr. ROWBOTTOM: A bill (H. R. 10031) granting an increase of pension to Maria Hile; to the Committee on Invalid Pensions.

By Mr. SEGER: A bill (H. R. 10032) granting an increase of pension to Elizabeth Clark; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10033) granting an increase of pension to Hannah A. Garner; to the Committee on Invalid Pensions.

By Mr. SMITHWICK: A bill (H. R. 10034) for the relief of Earle E. Gordon; to the Committee on Claims.

By Mr. SNELL: A bill (H. R. 10035) for the relief of Albert H. Hosley; to the Committee on Claims.

By Mr. STEPHENS: A bill (H. R. 10036) granting an increase of pension to Isabella Ross; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10037) granting a pension to William H. Sticksell; to the Committee on Pensions.

By Mr. SWOOPE: A bill (H. R. 10038) granting an increase of pension to Mary A. Burge; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 10039) granting a pension to Thomas H. Frost; to the Committee on Pensions.

By Mr. THATCHER: A bill (H. R. 10040) granting a pension to Rachel Rice; to the Committee on Invalid Pensions.

By Mr. THURSTON: A bill (H. R. 10041) granting an increase of pension to Mary Romesburg; to the Committee on Invalid Pensions.

By Mr. TILSON: A bill (H. R. 10042) granting an increase of pension to Anna M. Dory; to the Committee on Invalid Pensions.

By Mr. TINCHER: A bill (H. R. 10043) granting an increase of pension to Sarah E. Campbell; to the Committee on Invalid Pensions.

By Mr. TYDINGS: A bill (H. R. 10044) for the relief of Emma Gregory, widow of Charles E. Gregory, who was the heir of Ann Gregory, deceased; to the Committee on Claims.

By Mr. VOIGT: A bill (H. R. 10045) granting a pension to Jennie Burt; to the Committee on Invalid Pensions.

By Mr. WILLIAMS of Texas: A bill (H. R. 10046) for the relief of A. C. Tomson; to the Committee on Claims.

By Mr. WOODRUFF: A bill (H. R. 10047) granting an increase of pension to Martha E. Cullimore; to the Committee on Invalid Pensions.

By Mr. WURZBACH: A bill (H. R. 10048) to authorize the appointment of Philip Coldwell as a major of Infantry, Regular Army; to the Committee on Military Affairs.

By Mr. YATES: A bill (H. R. 10049) granting a pension to Sallie B. Glenn; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

950. Resolution of the Chamber of Commerce of Pittsburgh, indorsing the suggestion that the hundredth anniversary of the birth of Stephen Collins Foster be signalized by the issuance of a special postage stamp or coin; to the Committee on the Post Office and Post Roads.

951. By Mr. ACKERMAN: Petition of sundry citizens of the State of New Jersey, opposing the passage of House bill 5000 and Senate bill 291, which provides for a department of education; to the Committee on Education.

952. By Mr. ARNOLD: Petition from various citizens of Lawrence County, Ill., protesting against the passage of House bills 7179 and 7822, providing for compulsory Sunday observance in the District of Columbia; to the Committee on the District of Columbia.

953. By Mr. CARTER of California: Petition of California Academy of Sciences, opposing any legislation adverse to the efficient maintenance and management of the national forests and national parks; to the Committee on the Public Lands.

954. Also, petition of Los Angeles district executive board of the California Federation of Women's Clubs, indorsing Senate bill 774; to the Committee on the Public Lands.

955. By Mr. CHINDBLOM: Petition of Mrs. C. M. Rohr and 110 other citizens of Chicago, Ill., opposing legislation for compulsory Sunday observance law; to the Committee on the District of Columbia.

956. By Mr. CRAMTON: Petition signed by Robert Lane and other residents of Port Huron, Mich., protesting against compulsory Sunday observance bill; to the Committee on the District of Columbia.

957. Also, petition signed by C. L. Wonch and other residents of Port Huron, Mich., protesting against the compulsory Sunday observance bills; to the Committee on the District of Columbia.

958. Also, petition of C. D. Amadon and other residents of Port Huron, Mich., protesting against the compulsory Sunday observance bills; to the Committee on the District of Columbia.

959. By Mr. DRANE: Petition of citizens of Tampa, Arcadia, and Sarasota, Fla., opposing the passage of the so-called compulsory Sunday observance law; to the Committee on the District of Columbia.

960. By Mr. GARNER of Texas: Petition from citizens of McAllen, Tex., against compulsory Sunday observance legislation; to the Committee on the District of Columbia.

961. Also, petition from citizens of Medina County, Tex., against compulsory Sunday observance legislation; to the Committee on the District of Columbia.

962. Also, petition of sundry citizens of the State of Texas, opposing the passage of any compulsory Sunday observance laws; to the Committee on the District of Columbia.

963. By Mr. HARRISON: Petition of sundry citizens of the State of Virginia, opposing the passage of the compulsory Sunday observance law; to the Committee on the District of Columbia.

964. By Mr. HERSEY: Petition of Ephraim Eisenberg and 34 other citizens of Westfield, Me., protesting against the passage of House bills 7179 and 7822; to the Committee on the District of Columbia.

965. Also, petition of C. S. Barrows and 11 other residents of Westfield, Me., protesting against the passage of House bills 7179 and 7822, compulsory Sunday observance law; to the Committee on the District of Columbia.

966. Also, petition of Leon P. Belyea, of Easton, Me., and five other citizens, protesting against the passage of House bills 7179 and 7822, compulsory Sunday observance; to the Committee on the District of Columbia.

967. By Mr. HOOPER: Petition of Elder P. C. Hanson and 19 other residents of Hillsdale County, Mich., protesting against the passage of compulsory Sunday legislation; to the Committee on the District of Columbia.

968. By Mr. KIEFNER: Petition of residents of Sabula, Mo., protesting against the passage of compulsory Sunday observance bills (H. R. 7179 and H. R. 7822) or any other national religious legislation which may be pending; to the Committee on the District of Columbia.

969. By Mr. KVALE: Petition of 150 signers, opposed to the Curtis-Reed bill; to the Committee on Education.

970. By Mr. McDUFFIE: Petitions of citizens of Mobile, Crichton, and Whistler, opposing proposed Sunday observance bill; to the Committee on the District of Columbia.

971. By Mr. MAGEE of New York: Petition of citizens of Syracuse, N. Y., in opposition to House bills 7179 and 7822; to the Committee on the District of Columbia.

972. By Mr. MANLOVE: Petition of 73 residents of Milo, Mo., pledging loyal support of the eighteenth amendment and the Volstead Act; to the Committee on the Judiciary.

973. By Mr. MOONEY: Petition of certain members of the city council of Cleveland, protesting beer and wine resolution adopted by that body on February 15, 1926; to the Committee on the Judiciary.

974. By Mr. O'CONNELL of New York: Petition of citizens of Brooklyn, N. Y., opposing the passage of House bills 7179 and 7822, Sunday observance legislation; to the Committee on the District of Columbia.

975. Also, petition of William W. Allen, United States Veterans' Bureau Hospital, No. 98, Castle Point, N. Y., favoring the Knutson bill (H. R. 8132) to increase Spanish War pensions; to the Committee on Pensions.

976. Also, petition of the Brooklyn Chamber of Commerce, opposing the Wadsworth-Perlman bill (S. 2245 and H. R. 5) amending the immigration act; to the Committee on Immigration and Naturalization.

977. Also, petition of the Intermediate Rate Association of Spokane, Wash., favoring the passage of the Gooding-Hoch bill; to the Committee on Interstate and Foreign Commerce.

978. Also, petition of residents of Providence, R. I., protesting against House bills 7179 and 7822, compulsory Sunday observance; to the Committee on the District of Columbia.

979. By Mr. PERKINS: Petition of sundry citizens of the State of New Jersey, opposing the passage of the Sunday observance law; to the Committee on the District of Columbia.

980. Also, petition of sundry citizens of the State of New Jersey, opposing the passage of House bill 5000 and Senate bill 291, which provide for a department of education; to the Committee on Education.

981. By Mr. ROBINSON of Iowa: Petition of various citizens of Hampton, Iowa, against compulsory Sunday observance; to the Committee on the District of Columbia.

982. By Mr. SINCLAIR: Petition of 61 residents of Dickinson, N. Dak., protesting against legislation compelling compulsory Sunday observance; to the Committee on the District of Columbia.

983. By Mr. THOMPSON: Petition of F. J. Ulrich, president, on the part of the Affiliated Societies of the Catholic Union of Ohio, protesting against the Reed bill; to the Committee on Education.

SENATE

FRIDAY, *March 5, 1926*

(Legislative day of Wednesday, March 3, 1926)

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House insisted on its amendments to the bill (S. 1129) authorizing the use for permanent construction at military posts of the proceeds from the sale of surplus War Department real property, and authorizing the sale of certain military reservations, and for other purposes, disagreed to by the Senate; agreed to the conference requested by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. JAMES, Mr. HILL of Maryland, and Mr. FISHER were appointed managers on the part of the House at the conference.

The message also announced that the House insisted on its amendment to the bill (S. 1343) for the relief of soldiers who were discharged from the Army during the World War because of misrepresentation of age, disagreed to by the Senate; agreed to the conference requested by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. REECE, Mr. GLYNN, and Mr. HILL of Alabama were appointed managers on the part of the House at the conference.

THE AGRICULTURAL SITUATION

Mr. McKINLEY. Mr. President, to-day America is facing a serious situation because its greatest industry is not in proper adjustment with the other economic groups. During the past few months I have made some careful study of the agricultural situation for the country as a whole and particularly of my own State. I have been more than alarmed at what I have found.

The Congress is being earnestly besought to provide a remedy which will bring products of the labor of the farmer into a fair relationship with products of the labor of other groups. I feel that we can not turn our attention to a more