2063. By Mr. KNUTSON: Petition of Ronald Hammett, of Staples, Minn., and others, protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

2064. Also, petition of Mrs. C. Jacobson, of Hewitt, Minn., and others, protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

2065. By Mr. MAGRADY: Petition of sundry citizens of Sullivan County, Pa., protesting against the passage of House bill 7179; to the Committee on the District of Columbia.

2066. By Mr. MORROW: Petition of Baptist Woman's Missionary Society, of Chamberino, N. Mex., Mrs. E. M. Mahill, president; Mrs. S. A. Donaldson, secretary, protesting against any modification of the prohibition act; to the Committee on the Judiciary.

2067. By Mr. O'CONNELL of New York: Petition of W. W. Davies, of Louisville, Ky., appealing for consideration of the claims against Germany for the distressed victims of the *Lusitania* disaster; to the Committee on Claims.

2068. By Mr. SWING: Petition of certain residents of Arlington, Calif., protesting against the passage of House bill 7179 and similar bills for the compulsory observance of Sunday in the District of Columbia; to the Committee on the District of Columbia.

2069. By Mr. KEARNS: Petition of the Presbytery of Portsmouth, Ohio, regarding House Joint Resolution 159; to the Committee on the Judiciary.

SENATE

THURSDAY, *May 6, 1926*

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Lord, our God and Father, we rejoice before Thee in the presence of a morning so bright and hopeful. We turn toward the duties of the day with a consciousness that we can fulfill the high part committed unto us as we seek wisdom from Thee. Help us in our deliberations, guide our thoughts, and so glorify Thyself in and through us that when the day closes we shall have the satisfaction of duty well done. We ask in Jesus' name. Amen.

The legislative clerk proceeded to read the Journal of the proceedings of the legislative day of Monday last, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 1786. An act to equalize the pay of retired officers of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service;

S. 2298. An act to amend section 3 of the act approved September 14, 1922 (ch. 307, 42 Stat. L., pt. 1, pp. 840 to 841);

S. 2733. An act for the relief of the State of North Carolina; and

S. 3037. An act to provide retirement for the Nurse Corps of the Army and Navy.

The message also announced that the House had passed the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 1482. An act to authorize the Secretary of War to grant easements in and upon public military reservations and other lands under his control; and

S. 1484. An act to amend section 1, act of March 4, 1909 (sundry civil act), so as to make the Chief of Finance of the Army a member of the Board of Commissioners of the United States Soldiers' Home.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 4547. An act to establish a department of economics, government, and history at the United States Military Academy, at West Point, N. Y., and to amend chapter 174 of the act of Congress of April 19, 1910, entitled "An act making appropriations for the support of the Military Academy for the fiscal year ending June 30, 1911, and for other purposes";

H. R. 5223. An act to authorize disbursing officers of the Army, Navy, and Marine Corps to designate deputies;

H. R. 8592. An act to further amend section 125 of the national defense act of June 3, 1916, as amended;

H. R. 9178. An act to amend section 12 of the act approved June 10, 1922, so as to authorize payment of actual expenses for travel under orders in Alaska;

H. R. 9218. An act to authorize the Secretary of War to exchange deteriorated and unserviceable ammunition and components, and for other purposes;

H. R. 10504. An act to amend the act approved June 4, 1897, by authorizing an increase in the cost of lands to be embraced in the Shiloh National Military Park, Pittsburg Landing, Tenn.;

H. R. 10827. An act to provide more effectively for the national defense by increasing the efficiency of the Air Corps of the Army of the United States, and for other purposes; and

H. R. 11511. An act to amend in certain particulars the national defense act of June 3, 1916, as amended, and for other purposes.

CALL OF THE ROLL

Mr. CURTIS. 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	Fess	La Follette	Schall
Bayard	Fletcher	Lenroot	Sheppard
Bingham	Frazier	McKellar	Shipstead
Blease	George	McLean	Shortridge
Borah	Gerry	McMaster	Simmons
Bratton	Gillett	McNary	Smith
Broussard	Glass	Mayfield	Smoot
Bruce	Goff	Means	Stanfield
Butler	Gooding	Metcalf	Steck
Cameron	Greene	Moses	Stephens
Caraway	Hale	Neely	Swanson
Copeland	Harris	Norbeck	Trammell
Couzens	Harrison	Norris	Tyson
Cummins	Heflin	Nye	Wadsworth
Curtis	Howell	Oddie	Walsh
Dale	Johnson	Overman	Watson
Deneen	Jones, N. Mex.	Phipps	Wheeler
Dill	Jones, Wash.	Ransdell	Williams
Edge	Kendrick	Reed, Mo.	Willis
Ernst	Keyes	Reed, Pa.	
Ferris	King	Sackett	

Mr. CURTIS. I desire to announce the absence of my colleague [Mr. CAPPER] on account of illness in his family. I will let this announcement stand for the day.

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

CLAIMS OF WALTER B. AVERY AND FRED S. GICHNER (S. DOC. NO. 107)

The VICE PRESIDENT laid before the Senate a communication from the Acting Secretary of Commerce, recommending the passage of legislation for the settlement of the claims of Walter B. Avery and Fred S. Gichner for labor, materials, machinery, etc., used in repairs and alterations to the Butler Building, occupied by the Coast and Geodetic Survey in the city of Washington, D. C., which was referred to the Committee on Claims and ordered to be printed.

PETITION—FARM RELIEF

Mr. GOODING. I ask unanimous consent to have printed in the RECORD and referred to the Committee on Agriculture and Forestry a telegram from Grangeville, Idaho, indorsing the so-called Haugen farm bill.

There being no objection, the telegram was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

GRANGEVILLE, IDAHO, *May 4, 1926.*

FRANK R. GOODING,
United States Senate, Washington, D. C.:

Sentiment in this section unanimous for the Haugen farm bill and urgently request your support.

M. B. GEARY,
President Commercial Club.
ALEXANDER FREIDENRICH CO.
BANK OF CAMAS PRAIRIE.
M. L. AYRES, *Farmer.*
FIRST NATIONAL BANK.
FARMERS' UNION WAREHOUSE CO.
EIMERS GRAHAM CO.

REPORTS OF COMMITTEES

Mr. MEANS (for Mr. CAPPER), from the Committee on Claims, to which was referred the bill (S. 2524) for the relief of John H. Rhinelander, reported it without amendment and submitted a report (No. 763).

Mr. MEANS, from the same committee, to which was referred the bill (H. R. 2237) for the relief of Leslie Warnick Brennan, reported it without amendment and submitted a report (No. 764) thereon.

Mr. HARRELD, from the Committee on Indian Affairs, to which was referred the bill (S. 3692) authorizing an appropriation for recopying, rebinding, and otherwise preserving valuable old records of office of Indian agency at Muskogee, Okla.,

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

reported it with amendments and submitted a report (No. 765) thereon.

Mr. ODDIE, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 4132) to amend section 1 of the act of June 7, 1924, entitled "An act for the relief of settlers and town-site occupants of certain lands in the Pyramid Lake Indian Reservation, in Nevada, and for other purposes," reported it without amendment.

AMENDMENT OF INTERSTATE COMMERCE ACT

Mr. MAYFIELD. Mr. President, I ask unanimous consent for the present consideration of the bill (S. 3889) to amend the interstate commerce act, as amended, in respect of tolls over certain interstate bridges. I think the bill can be disposed of in a moment.

Mr. CURTIS. Mr. President, I hope the Senator will not press the request. Let us have the regular order until morning business is concluded. Then we shall have almost two hours for the calendar this morning.

Mr. MAYFIELD. Very well; I withdraw the request.

AMENDMENT OF REVENUE ACT OF 1926

Mr. SMOOT. Mr. President, from the Committee on Finance I report back favorably without amendment the bill (H. R. 10501) to repeal section 806 of the revenue act of 1926. I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Is there objection to the request of the Senator from Utah?

Mr. CURTIS. Mr. President, I do not like to object, but I objected to a similar request submitted by the Senator from Texas [Mr. MAYFIELD], and I think all Senators should be treated alike.

Mr. SMOOT. I am just reporting the bill, I will say to the Senator from Kansas.

Mr. CURTIS. Very well; I withdraw my objection.

Mr. COUZENS. What does the repeal mean?

Mr. SMOOT. The bill provides for the repeal of section 806 of the revenue act. We repealed all stamp taxes in that section. The bill simply repeals that section of the law of 1926 and will not require the Post Office Department to carry such stamps for the future.

Mr. FLETCHER. I understand it is a House bill reported favorably and that there is no objection to it on the part of the committee.

Mr. SMOOT. That is correct.

There being no objection, the bill was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That section 806 of the revenue act of 1926 be, and is hereby, repealed.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

RETURN OF DOMESTIC CATTLE FROM MEXICO

Mr. SMOOT. Mr. President, from the Committee on Finance I report back favorably without amendment the joint resolution (H. J. Res. 148) extending the time during which cattle which have crossed the boundary line into foreign countries may be returned duty free. I ask unanimous consent for the immediate consideration of the joint resolution. It is an emergency measure. I will state the reason why I am asking unanimous consent for its consideration; and if there is any objection, well and good. It is to allow the return, without paying duty, of cattle that were shipped over to Mexico. Mr. Meyer, of the Finance Corporation, urged me only yesterday to report the joint resolution out of the committee and get it passed, because the Government itself has a lot of cattle over in Mexico that ought to be returned to the United States.

The VICE PRESIDENT. Is there objection to the request of the Senator from Utah?

Mr. SIMMONS. Mr. President, what is the parliamentary situation?

The VICE PRESIDENT. Reports of committees are in order. The Senator from Utah has reported a joint resolution from the Committee on Finance, and he asks unanimous consent for its present consideration.

Mr. SIMMONS. I object. I wish to say to the Senator that if that matter has been before the committee I know nothing about it.

Mr. SMOOT. The Senator is mistaken. The committee authorized me a month and a half ago to report it out. The Senator was there. Then we were told that the House had to pass the measure first, and I called the attention of Senators to it, and so did other members of the Finance Committee. Our Government has security on cattle in Mexico and wants them brought back to the United States.

Mr. SIMMONS. I know all about the joint resolution; and while the committee may have taken some action about it when I was not present, I know that when the matter was called to my attention the Senator was about to report it out of the committee, or it may have been just after the committee adjourned, I said to him: "Hold up that bill, because I want to consider it further."

Mr. SMOOT. But this is a House joint resolution.

Mr. SIMMONS. I know it is a House joint resolution, and it is the measure that was referred to our committee that I asked the Senator to hold up. Since I asked him to hold it up and he did hold it up, the committee surely has taken no action about it, because I think I have been present at every committee meeting since.

Mr. SMOOT. The committee took action this morning.

Mr. SIMMONS. I did not know there was any committee meeting this morning.

Mr. SMOOT. Notice of the meeting was certainly given, and was further telephoned to the Senator's office this morning, and the committee waited for 10 minutes to await the Senator's arrival. My secretary telephoned the Senator's office this morning and, as I said, the committee waited 10 minutes for him to come.

Mr. SIMMONS. I state positively that I had no notice of the meeting. The Senator said the other day that he expected to have a meeting.

Mr. MOSES. Regular order!

Mr. SIMMONS. I object to the immediate consideration of the joint resolution, because I shall probably want to offer some amendments to it.

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

CONVERSION OF TERM INSURANCE OF WORLD WAR VETERANS

Mr. REED of Pennsylvania. From the Committee on Finance I report back favorably with amendments the bill (S. 3997) to amend section 301 of the World War veterans' act, 1924. I ask unanimous consent for the immediate consideration of the bill.

Mr. MOSES. Let the bill be read.

Mr. REED of Pennsylvania. Mr. President, with the permission of the Senate, I will explain the bill. In brief, it extends by six months the time for the conversion of the present temporary term policies. It authorizes a new converted five-year level-premium term policy, with premiums calculated at the actual cost to the Government, so as to enable veterans to continue their insurance at the lowest possible rate compatible with a full indemnity to the Government.

It further authorizes those relatives of insane veterans, or of veterans who have disappeared, who have been paying the premiums on the policies, to make the necessary conversion which the veteran, if sane or if he could be found, would himself make.

It further authorizes the payment in annual installments of those amounts of insurance which come to less than $5 per month. That provision is made in order to protect the Veterans' Bureau from the writing of very small checks where there are many beneficiaries, involving in some cases payments as low as 6 cents a month. The bill authorizes such payments to be made in annual installments. The report of the committee is unanimous upon the bill.

Mr. REED of Missouri. Has the Senator from Pennsylvania asked unanimous consent for the present consideration of the bill?

Mr. REED of Pennsylvania. Yes; and I hope it may be granted.

Mr. ASHURST. Mr. President, I am anxious to see this bill passed at once, and I congratulate the Committee on Finance on having made a favorable report on the bill.

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

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill which had been reported from the Committee on Finance with amendments, on page 1, line 7, to strike out the date "July 2, 1926," and to insert "December 31, 1926"; on page 2, line 4, to strike out the words "or lower"; in line 11, after the word "all," to insert the words "yearly renewable"; in the same line, after the word "on," to strike out "July 2, 1926," and insert "December 31, 1926"; and, in line 13, after the word "before," to strike out "July 2, 1926," and insert "December 31, 1926," so as to make the bill read:

Be it enacted, etc., That section 301 of the World War veterans' act, 1924, approved June 7, 1924, as amended March 4, 1925, is hereby amended to read as follows:

"SEC. 301. Except as provided in the second paragraph of this section, not later than December 31, 1926, all term insurance held by persons who were in the military service after April 6, 1917, shall be converted, without medical examination, into such form or forms of insurance as may be prescribed by regulations and as the insured may request. Regulations shall provide for the right to convert into ordinary life, 20-payment life, endowment maturing at age 62, five-year level premium term, and into other usual forms of insurance, and for reconversion of any such policies to a higher premium rate in accordance with regulations to be issued by the director, and shall prescribe the time and method of payment of the premiums thereon, but payments of premiums in advance shall not be required for periods of more than one month each, and may be deducted from the pay or deposit of the insured or be otherwise made at his election.

"All yearly renewable term insurance shall cease on December 31, 1926, except when death or total permanent disability shall have occurred before December 31, 1926: *Provided, however,* That the director may by regulation extend the time for the continuing of yearly renewable term insurance and the conversion thereof in any case where on July 2, 1926, conversion of such yearly renewable term insurance is impracticable or impossible due to the mental condition or disappearance of the insured.

"In case where an insured whose yearly renewable term insurance has matured by reason of total permanent disability is found and declared to be no longer permanently and totally disabled, and where the insured is required under regulations to renew payment of premiums on said term insurance, and where this contingency is extended beyond the period during which said yearly renewable term insurance otherwise must be converted, there shall be given such insured an additional period of two years from the date on which he is required to renew payment of premiums in which to convert said term insurance as hereinbefore provided: *Provided,* That where the time for conversion has been extended under the second paragraph of this section because of the mental condition or disappearance of the insured, there shall be allowed to the insured an additional period of two years from the date on which he recovers from his mental disability or reappears in which to convert.

"The insurance, except as provided herein, shall be payable in 240 equal monthly installments: *Provided,* That when the amount of an individual monthly payment is less than $5, such amount may, in the discretion of the director, be allowed to accumulate without interest and be disbursed annually. Provisions for maturity at certain ages, for continuous installments during the life of the insured or beneficiaries, or both, for cash, loan, paid up and extended values, dividends from gains and savings, and such other provisions for the protection and advantage of and for alternative benefits to the insured and the beneficiaries as may be found to be reasonable and practicable, may be provided for in the contract of insurance or from time to time by regulations. All calculations shall be based upon the American Experience Table of Mortality and interest at 3½ per cent per annum, except that no deduction shall be made for continuous installments during the life of the insured in case his total and permanent disability continues more than 240 months. Subject to regulations, the insured shall at all times have the right to change the beneficiary or beneficiaries without the consent of such beneficiary or beneficiaries, but only within the classes herein provided.

"If no beneficiary within the permitted class be designated by the insured as beneficiary for converted insurance granted under the provisions of Article IV of the war risk insurance act, or Title III of this act, either in his lifetime or by his last will and testament, or if the designated beneficiary does not survive the insured, then there shall be paid to the estate of the insured the present value of the remaining unpaid monthly installments; or if the designated beneficiary survives the insured and dies before receiving all of the installments of converted insurance payable and applicable, then there shall be paid to the estate of such beneficiary the present value of the remaining unpaid monthly installments: *Provided,* That no payments shall be made to any estate which under the laws of the residence of the insured or the beneficiary, as the case may be, would escheat, but same shall escheat to the United States and be credited to the United States Government life insurance fund.

"The bureau may make provision in the contract for converted insurance for optional settlements, to be selected by the insured, whereby such insurance may be made payable either in one sum or in installments for 36 months or more. The bureau may also include in said contract a provision authorizing the beneficiary to elect to receive payment of the insurance in installments for 36 months or more, but only if the insured has not exercised the right of election as hereinbefore provided; and even though the insured may have exercised his right of election, the said contract may authorize the beneficiary to elect to receive such insurance in installments spread over a greater period of time than that selected by the insured. This section shall be deemed to be in effect as of June 7, 1924."

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

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

VERDE RIVER IRRIGATION AND POWER DISTRICT (REPT. 760, PT. 2)

Mr. ASHURST. Mr. President, I submit the views of the minority of the Committee on Irrigation and Reclamation in opposition to Senate bill 3342. I ask that the views of the minority may be printed in the RECORD and printed in the usual form in which reports of committees are printed.

The VICE PRESIDENT. Without objection, it is so ordered.

The minority report is as follows:

[Senate, Report No. 760, part 2, Sixty-ninth Congress, first session]

VERDE RIVER IRRIGATION AND POWER DISTRICT

May 6, 1926.—Ordered to be printed

Mr. ASHURST, as a member of the Committee on Irrigation and Reclamation, submitted the following minority views to accompany S. 3342:

For the past six years I have rendered all possible assistance to the settlers under the Paradise Verde irrigation district (now the Verde River irrigation and power district) in the hope that a plan could be adopted to finance the project so that the lands thereunder might be irrigated. Unfortunately, it has been impossible to accomplish that beneficent result, and I am now forced to the conclusion that other methods must be pursued, which include close cooperation with the Salt River Valley Water Users' Association and with the Department of the Interior. To enact the bill S. 3342 would indefinitely prolong the delay in developing these lands.

In confirmation of this view attention is directed to the hereunto attached adverse report by the Secretary of the Interior and to his decision of February 13, 1926. The answer filed in the suit now pending before the Supreme Court of the District of Columbia is also made a part of this report.

THE SECRETARY OF THE INTERIOR,
Washington, March 12, 1926.

Hon. CHARLES L. MCNARY,
Chairman Committee on Irrigation and Reclamation,
United States Senate.

MY DEAR SENATOR MCNARY: In response to your request of March 3, 1926, for report on Senate bill 3342 introduced March 1, 1926, by Senator CAMERON, I have the honor to state:

The records of the department show that on May 21 and 25, 1920, the then Secretary of the Interior entered into contracts with the Paradise-Verde irrigation district, now the Verde River irrigation and power district, whereby it was granted the "right and privilege" under Government supervision to erect along the Verde River and other minor streams on lands withdrawn under the reclamation act of June 17, 1902 (32 Stat. 388), and amendments thereto, storage dams and other irrigation works looking to the use of the flood waters of these streams for the irrigation of approximately 100,000 acres of land within the Paradise and Deer Valleys, which lands are adjacent to the lands of the Government Salt River project.

The lands affected by the contracts were not restored from the reclamation withdrawal as it was never intended because of the vital Government rights affected, especially with respect to Indian lands and also the Salt River project in which the Government was and still is interested to the extent of approximately $7,000,000 for unpaid construction charges, to entirely relinquish its control or supervision of these valuable reservoir and power sites.

In the contracts mentioned it was provided that the necessary funds for the construction of works should be provided within three years and that the construction should be started within that time and completed within six years.

It was also provided that the district should make application under the appropriate laws for rights of way over unreserved lands.

Subsequent to the signing of these contracts the district filed certain rights of way applications under the act of March 3, 1891 (26 Stat. 1095), and May 11, 1898 (30 Stat. 404), on which were outlined the entire proposed irrigation system as affecting both the withdrawn and unwithdrawn lands.

These applications which are described in the first section of the proposed act were accompanied by a map showing the entire project which was approved by the department December 1, 1920. This approval was recited to be pursuant to the acts of 1891 and 1898 and also pursuant to the contracts of May 21 and 25, 1920.

Later the district filed under the acts of 1891 and 1898, supra, amended applications, Phoenix 054822, Phoenix 054936, and Phoenix 054937 described in section 2 of the proposed bill. May 19, 1923, the department suspended action on these applications until January 25, 1924, to which date the district's time within which to finance the project had been extended.

The district having failed to finance this project, these applications were rejected February 25, 1926.

In order to assist the district in its efforts to finance the project, it was on June 7, 1921, granted the right under the act of August 11,

1916 (39 Stat. 506), to tax the unentered public lands and the entered public lands on which no final certificates had been issued within its boundaries. The right or privilege granted under this act was also made subject to the terms of the contracts of May 21 and 25, 1920.

The last formal extension of time granted the district within which to finance its project expired December 4, 1925. Accordingly, as no satisfactory showing in this connection had been made, and in conformity with the provisions of section 12 of the contract that upon the district's failure to finance, "the Secretary of the Interior may declare this contract abrogated in whole or in part," on January 16, 1926, all rights granted the district under and pursuant to the contracts mentioned were canceled and revoked.

The district on January 25, 1926, filed motion for reconsideration of this decision, which motion was denied February 13, 1926.

February 15, 1926, the district instituted in the Supreme Court of the District of Columbia a suit asking that the Secretary of the Interior be enjoined from carrying into effect the decision of January 16, 1926.

This case is still pending.

It will be observed that the contracts of May 21 and 25, 1920, with the district which were entered into pursuant to the terms of the act of February 21, 1911 (36 Stat. 925), amending the reclamation act gave the district six years within which to construct its project, whereas the acts of 1891 and 1898, supra, grant only five years for construction purposes. Furthermore, even after the elapse of almost six years, the district remains unfinanced. It is claimed that the district has raised by the taxation of the settlers in the neighborhood of $400,000, but the expenditure of this money shows no tangible results, the greater part having been paid out in the form of salaries to the district's officers and its employees.

Settlers under the proposed project have complained of the taxes being assessed against their lands, especially as no beneficial results appear to be forthcoming, and it was largely in the interest of the settlers that the action of January 16, 1926, abrogating the contracts was taken.

Considering these facts, and especially the legal action now pending in court, and doubting the ability of the district, as thus far proved, to finance a $23,000,000 undertaking, I have to recommend that Senate bill 3342 be not enacted into law.

Very truly yours,

HUBERT WORK.

DEPARTMENT OF THE INTERIOR,
Washington, February 18, 1926.

Verde River irrigation and power district. "F" Phoenix 050246. Denied

PETITION FOR RECONSIDERATION

May 21, 1920, the then Secretary of the Interior entered into a contract with the Paradise-Verde irrigation district (now the Verde River irrigation and power district) wherein there was granted the right to construct and maintain storage reservoirs on the Verde River upon lands withdrawn under the provisions of the reclamation act, and the district agreed to construct reservoirs, a diversion dam, canals, and lateral for the irrigation of certain lands in Arizona.

The agreement provided that the district should, within three years, show to the satisfaction of the Secretary of the Interior that it had made arrangements for the necessary funds, and that the funds should be available for the construction of the project, should have begun construction, and should prosecute the same diligently, so that the storage dams should be completed within six years from the date of the contract.

The agreement further provided that upon failure of the district to comply with these provisions within the time specified, or within such extensions as might be granted, "the Secretary of the Interior may declare this contract abrogated in whole or in part."

This contract was supplemented May 25, 1920, so as to grant the district the right to use certain withdrawn lands for canals for irrigation and power development.

Under and pursuant to the terms of the contract cited, the district made application for the approval of certain rights of way and easements under the act of March 3, 1891 (25 Stat. 1095), and the act of May 11, 1898 (30 Stat. 404). These applications were approved by the department December 1, 1920, subject to the contracts of May 21 and May 25, 1920, and to stipulations therein set forth.

February 5, 1921, the district made application for approval under the act of August 11, 1916 (39 Stat. 506), which application was approved June 7, 1921, expressly subject, however, to the terms of said contract of May 21, 1920.

February 3, 1923, the then Secretary of the Interior, on application of the district, and after a hearing, extended the time of the district within which to make showing as provided by the prior contracts for nine months from May 25, 1923.

May 19, 1923, the department denied the district's application for approval of an amended application under the act of August 11, 1916, supra, and at the same time suspended action on the district's application for amended canal rights of way, and for the Camp Verde and Bartlett reservoirs, pending submission within the time set, of evidence of the successful financing of the project. A further extension was applied for by the district, and after hearing and full consideration the department held, January 20, 1925:

"A further extension does not appear to be warranted and would not be in the interests of the parties concerned, including the settlers and landowners in the district. The petition is accordingly denied."

Subsequently, on petition by the district, and to afford an opportunity to parties in interest to effect a compromise of the differences, further extensions for limited periods were granted, the matter coming up for final determination January 16, 1926, on which date the department, after reciting the facts, held:

"Over $300,000 has been raised by the district through assessments on the landowners for this purpose. No moneys have been expended for construction work. After more than five years, the district has been unable to finance or begin construction or to file satisfactory evidence that it can finance or construct. Accordingly, in view of the foregoing, further delays or extensions are not warranted, and the action of January 20, 1925, is hereby adhered to and made effective as of this date."

On January 25, 1926, there was filed in the department a petition for reconsideration of said matter and request that representatives of the district be heard orally. Thereupon the Commissioner of the General Land Office was directed to hear the matter, and oral argument was presented at a hearing held in the office of the Commissioner of the General Land Office January 28, 1926.

The record has been forwarded to the department, and, as stated in the commissioner's report, it appears from the record of proceedings and the transcript of the oral hearing that no evidence has been presented which would warrant the department in changing or modifying the action heretofore taken.

As stated in previous decisions, the original contract and all grants of rights of way and approvals of the district were on the express conditions agreed to by the district, that the district would, within three years from date of the orginal contract, or within such extensions as might be granted, show to the satisfaction of the Secretary of the Interior that it had made arrangements for the necessary funds to construct the project and had actually begun construction thereof, and that it would prosecute the same with diligence, so that the storage dams should be completed within six years from the date of the original contract, or within such extensions as might be granted.

The district has failed within the time specified and within the various extensions mentioned to arrange for the financing of construction, has done no construction work, and up to the present time has failed to submit any evidence which satisfies the department that it is or will be able to construct the project.

Accordingly, and in view of the foregoing, the petition for reconsideration is denied.

Under and pursuant to the express terms and conditions of the contracts entered into between the department and the district, and under the conditions expressly set forth in connection with the rights of way and the approval of the district organization, all conditional rights of way granted or made to the district for reservoirs, dams, canals, laterals, and other structures are hereby canceled and set aside. The approval of the district for taxation purposes under the act of August 11, 1916, likewise conditioned on compliance with the terms of the contract of May 21, 1920, which conditions have not been met, is also hereby canceled and revoked.

The Commissioner of the General Land Office is hereby directed to issue notices to all parties in interest hereof and to cause the proper notations to be made upon the records of his office and of the local land office, and take any further steps which may be necessary to formally carry this decision into effect.

HUBERT WORK, *Secretary.*

In the Supreme Court of the District of Columbia, holding an equity court

Verde River Irrigation and Power District, plaintiff, *v.* Hubert Work, Secretary of the Interior, and William Spry, Commissioner of the General Land Office, defendants. In equity No. 45255

ANSWER

Come now the defendants in the above-entitled cause and in response to the rule to show cause therein issued and for answer to the bill of complaint say:

1–3. They admit the averments of paragraphs 1 to 3, inclusive.

4. Answering the averments of paragraph 4, they admit that withdrawals were made under the first and second forms, as provided by the reclamation act of June 17, 1902 (32 Stat. 388), of reservoir sites on the Verde Reservoir and of practically all the land now embraced in plaintiff's irrigation district, and, if the averment that the Government, acting through the Reclamation Service and the Secretary of the Interior, had determined, prior to 1916, not to construct the Salt River project on the Verde River or within the area now embraced in plaintiff's project and district, is intended to allege that the United

States had eliminated from its plan of irrigation under the Salt River project the lands included in plaintiff's district through the expenditure of moneys out of the reclamation fund provided by the act of June 17, 1902, they admit such averments and state the further fact to be that the reclamation withdrawal of the land proposed to be irrigated by the plaintiff was revoked prior to 1916, but that reservoir sites on the Verde River and a strip of land 1 mile wide on each side of said river throughout the territory involved in this suit were still retained by the United States under first forms of reclamation withdrawal, and they further aver that it was not then the intention of the Government, acting through the Reclamation Service and the Secretary of the Interior, or otherwise, to relinquish the control of these reservoir sites and reserved areas along said river for the reason that their control was essential to the protection of the constructed Salt River project and to further irrigation in the vicinity should it be ascertained that additional waters were available.

They admit that, in 1916, a portion of the waters of the Verde River had been appropriated and was being used by the Salt River Valley Water Users' Association, which association, they aver, has succeeded to the management and control of the Salt River project, under a contract with the United States dated September 6, 1917, and further state that said association was and is obligated by law and said contract to repay to the United States over $10,000,000, being the cost of the Salt River project, of which amount over $7,000,000 remains to be paid. They admit that this association had not appropriated the flood waters of the Verde River, but deny that a large volume of the ordinary flow of the Verde River was unappropriated or unused and state that the amount of unused waters was unascertained and the subject of much dispute and is still the subject of controversy between the plaintiff and the Salt River Valley Water Users' Association, which matter is of vital interest to the United States and its reclamation program by reason of the large debt due the United States on account of the Salt River project, as aforesaid, repayment of which is dependent upon the success of said project.

5–6. They admit the averments of paragraphs 5 and 6.

7. They admit the averment of paragraph 7 and further state, on information and belief, that Cave Creek, Skunk Creek, and New River are dry water courses, which only carry flood waters and offer no source of irrigation except as incidental to development from the Verde River.

8. They admit that the Salt River Valley Water Users' Association opposed plaintiff's application for a right of way for the Horseshoe Reservoir on the Verde River and that the Salt River Valley Water Users' Association filed a similar application for such reservoir in 1918, which application remains suspended in the files of the Land Department. They admit that the then Secretary of the Interior, in 1920, heard the arguments of the Paradise Water Users' Association, predecessor of this plaintiff and of the Salt River Valley Water Users' Association, and ruled that the former association should be given an opportunity to construct its project (which then contemplated the irrigation of some 80,000 acres of land), unless an agreement should be reached that would permit of unified ownership and control, but deny that said Secretary ruled that the then pending application for a reservoir site for the Horseshoe Reservoir would be unconditionally granted pursuant to the act of March 3, 1891 (26 Stat. 1095), and section 2 of the act of May 11, 1898 (30 Stat. 404), as an alternative; and further deny that it was ever intended to vest in the district the unqualified control under said acts of 1891 and 1898, or otherwise, of this or any reservoir site or other area then withdrawn for reclamation purposes along the Verde River. They aver that, on the contrary, it was, and has ever been, the intention, and was in fact the practice of the then Secretary of the Interior, his successor in office, and the defendant Secretary of the Interior to avail the Government of the aid of this plaintiff and its predecessor in the furtherance of reclamation through the use of the unappropriated waters of the Verde River and its tributaries, pursuant to cooperative agreements authorized by section 2 of the act of February 21, 1911 (36 Stat. 925).

They admit that a contract was executed as averred by the plaintiff, which contract they say was made and executed pursuant to said act of February 21, 1911, and which said contract, they aver, was binding upon the said plaintiff in each and every portion and particular and as to each and every provision unto said plaintiff and its predecessor relating, notwithstanding the failure of the Salt River Valley Water Users' Association to join therein as by plaintiff averred.

9. They admit the averments of paragraph 9.

10. Answering the averments of paragraph 10 they state that they are advised and believe that the matters therein stated are conclusions of law which they are not required to admit or to deny.

11. They admit the averments of paragraph 11, and state the further facts to be that the advice given by the officials of the General Land Office did not, and could not, supersede the contract made by the Secretary of the Interior, and merely constituted a procedure whereby the project could be put of record in the Land Department and approved by the Secretary of the Interior as to the location of the proposed works to be constructed, as contemplated by paragraph 8 of the contract of May 21, 1920. And they further state that certain of the lands covered by the application filed by plaintiff, including the reservoir sites and rights of ways along the river, were withdrawn for forestry purposes and under the supervision and control of the Secretary of Agriculture, and state that the only consent given by the said Secretary of Agriculture to the use of such lands by plaintiff's predecessor and by plaintiff was conditioned upon the agreement of May 21, 1920, and in reliance thereon, and was not an approval of the acquisition of rights and title under the act of March 3, 1891, as contemplated and required by section 18 of said act.

12. They admit the averments of paragraph 12 and state the further fact to be that the approval theretofore referred to was given solely pursuant to the contract of May 21, 1920, and its supplement of May 25, 1920, as to lands withdrawn for reclamation purposes, and under the acts of March 3, 1891, and of May 11, 1898, as to unreserved lands, and as to such unreserved lands subject also to the provisions of the contract of May 21, 1920, and its supplement of May 25, 1920.

13. Answering the averments of paragraph 13 they state that they are advised and believe that the matters therein set forth are conclusions of law which they are not required to affirm or to deny.

14. Answering the averments of paragraph 14 they admit all the matters of fact averred therein, to wit, that plaintiff filed, and the Secretary of the Interior approved, on June 7, 1921, an application for the right to tax public lands within the plaintiff's project, pursuant to the act of August 11, 1916 (39 Stat. 506), and they further state the fact to be that this approval was made subject to the limitations and rights granted and reserved by the United States in the contract of May 21, 1920, and that said approval was in words and figures as follows:

"Approved under the act of August 11, 1916 (39 Stat. 506), as to all public lands, subject to entry and entered lands for which no final certificates have been issued, subject, however, to the terms of the contract of May 21, 1920, between the Secretary of the Interior and the Paradise-Verde irrigation district."

They are informed and believe that the averments of the plaintiff as to the legal effect of this approval and the rights accruing thereunder to it are conclusions of law which they are not required to affirm or to deny.

15. Answering the averments of paragraph 15 they admit that a reservoir was constructed as by plaintiff alleged, but state that they have no knowledge of the expenditures made by the plaintiff in respect thereto or the rights acquired in connection therewith save the averments of plaintiff in this respect, and can neither affirm nor deny said averment and require strict proof thereof.

16. Answering the averments of paragraph 16 they admit that applications 054822, 054936, and 054937 were filed, as alleged. As to the work performed by said plaintiff therein averred, and the reasons assigned for the filing of said applications, they have no knowledge save plaintiff's statements thereof and can neither admit nor deny them, and therefore require strict proof thereof.

They deny the averments that said applications have remained unacted upon by the Land Department, and state that the said applications were, by decision dated May 19, 1923, suspended pending proof of compliance with the contract of May 21, 1920, by the plaintiff on penalty of rejection for default in that respect, and further state that by decision of February 25, 1926, these applications were finally rejected because of failure in that respect, and further because of the requirements of the United States that the areas withdrawn for reclamation purposes and covered thereby were required to be held by the United States in connection with the Salt River project, in which the United States has a present financial interest which must be conserved.

17. Answering the averment of paragraph 17 they admit that the plaintiff's bond issue of $23,000,000 has been approved as by plaintiff averred. They deny that the plaintiff has any title to the rights of ways over any public lands covered by its project, and in consequence deny that the contract of May 21, 1920, cast any cloud thereon, and aver that the contract of May 21, 1920, represents the sole and exclusive source and authority for the occupancy or use by the plaintiff of any rights of ways or reservoir sites upon the public lands of the United States within the plaintiff's irrigation district or its project, and that said contract, until the filing of this suit, has been recognized and regarded, both by plaintiff and its predecessor and these defendants, and their predecessors in office, as the sole and exclusive source of such rights and privileges in the said plaintiff and its predecessor.

18. Answering the averments of paragraph 18 they admit that on January 16, 1926, defendant Secretary of the Interior declared revoked and canceled all rights accruing to said plaintiff under the said contract of May 21, 1920, in accordance with the right so to do reserved to said defendant Secretary in section 12 of said contract, which action was taken after repeated extensions of time to said plaintiff for compliance with the terms of said contract or within which to furnish evidence of ability to comply therewith and was exclusively in the interest of the United States, and at the request of a substantial number of the members of the plaintiff district, to the end that other and

adequate arrangements may be made for the proper utilization of the reservoir sites which are still withdrawn for reclamation purposes pursuant to the act of June 17, 1902, and laws amendatory thereof.

19–20. They admit the averments of paragraphs 19 and 20 and further state the facts to be that nothing was shown by plaintiff which would permit the defendant Secretary of the Interior, in the exercise of the powers, duties, and discretion vested in him by law, to modify his previous decision or to conclude that the facts warranted him in taking the action by plaintiff then sought.

21. Answering so much of paragraph 21 as avers matters not conclusions of law, they admit that unless restrained by this honorable court they will note upon the records of the Land Department cancellation of the contract of May 21, 1920, and all plaintiff's rights thereunder. They deny that plaintiff acquired any vested rights or titles by virtue of said contract or the alleged approvals of rights of ways under the acts of March 3, 1891, and May 11, 1898, or under the act of August 11, 1916, and state that the contract of May 21, 1920, and the supplement thereto of May 25, 1920, with such extensions thereof as were heretofore granted to this plaintiff, represent the sole and exclusive rights by said plaintiff acquired with respect to the use of lands belonging to the United States in connection with its irrigation project, and further state that all alleged rights claimed by plaintiff to have been acquired under other sources were not in fact grants made pursuant to those laws, but mere forms adopted to serve the ends contracted for in the agreement of May 21, 1920, pursuant to the act of February 21, 1911, and in no case did the approvals of any maps constitute an exercise of the power of investigation or judgment and discretion required by these respective laws to be exercised by the defendants in the granting of rights or privileges under the acts of March 3, 1891, May 11, 1898, and August 11, 1916, and further state that unless the approvals claimed by plaintiff to have been given pursuant to these said acts are mere forms of procedure incidental to the contract of May 21, 1920, said approvals were void and plaintiff acquired no rights of any kind by virtue thereof.

And further answering the bill of complaint, these defendants state that plaintiff is not entitled to any relief in equity because of its laches in failing to sooner attempt to assert claim to titles pursuant to the acts of 1891 and 1898, and is estopped to now make such a claim after purporting to rely upon the contract of May 21, 1920, as the sole source of its rights for more than five years, to the detriment of the United States and these defendants who have continuously and in good faith sought to aid plaintiff in a venture in furtherance of the utilization of its withdrawn reservoir and power sites for the purposes for which they were withdrawn and under conditions of supervision to which they were by law entitled and which they were and are bound to maintain and exercise for the protection of the interests of the United States, as the said delay in asserting the invalidity of the contract has deprived the United States, acting through these defendants, of an opportunity by appropriate proceedings to terminate all claims of plaintiff to vested rights in said withdrawn lands, in order that appropriate use thereof might have been made in pursuance of the reclamation act and its amendments. They further aver that plaintiff has elected his forum and must abide by its decisions. And for further answer they aver that the damage by plaintiff averred is anticipated and speculative and should not move this honorable court to interfere, since, if plaintiff be correct in its claims, the acts of these defendants complained of by the plaintiff were of no effect in law or in fact, and should not and will not deter anyone from buying bonds on the security of plaintiff's project.

Wherefore, having made full and complete answer to the bill of complaint, these defendants pray that the rule to show cause be discharged, the bill of complaint dismissed with their reasonable costs, and that they be permitted to go hence without day.

HUBERT WORK,
Secretary of the Interior.
WILLIAM SPRY,
Commissioner of the General Land Office.

By their attorneys:

———— ————,
———— ————,
Attorneys for Defendants.

DISTRICT OF COLUMBIA, *ss:*

I, Donald V. Hunter, being duly sworn, say that I have read and am acquainted with the contents of the foregoing answer, by me subscribed, and that I am informed that the matters of fact set forth therein are true and that I believe them to be true.

———— ————,
Attorney for Defendants.

Subscribed and sworn to this — day of February, 1926, before me.

———— ————,
Notary Public in and for the District of Columbia.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mr. GREENE, from the Committee on Enrolled Bills, reported that on to-day that committee presented to the President of the United States the following bills and joint resolution:

S. 1989. An act to authorize the Secretary of the Interior to purchase certain land in Nevada to be added to the present site of the Reno Indian colony and authorizing the appropriation of funds therefor;

S. 2658. An act to authorize the Secretary of War to fix all allowances for enlisted men of the Philippine Scouts, to validate certain payments for travel pay, commutation of quarters, heat, light, etc., and for other purposes;

S. 2706. An act to provide for the reservation of certain land in California for the Indians of the Mesa Grande Reservation, known also as Santa Ysabel Reservation No. 1;

S. 2853. An act to authorize the transfer to the jurisdiction of the Commissioners of the District of Columbia of a certain portion of the Anacostia Park for use as a tree nursery;

S. 3595. An act to authorize the exchange of certain patented lands in the Grand Canyon National Park for certain Government lands in said park;

S. 3953. An act to provide for the condemnation of lands of the Pueblo Indians in New Mexico for public purposes and making the laws of the State of New Mexico applicable in such proceedings; and

S. J. Res. 60. Joint resolution authorizing expenditures from the Fort Peck 4 per cent fund for visits of tribal delegates to Washington.

GAGNON & CO. (INC.)

On motion of Mr. MEANS, the Committee on Claims was discharged from the further consideration of the bill (H. R. 8486) for the relief of Gagnon & Co. (Inc.), and it was referred to the Committee on Indian Affairs.

BILLS INTRODUCED

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

By Mr. WADSWORTH:

A bill (S. 4179) granting a pension to John T. Kiernan; to the Committee on Pensions.

By Mr. REED of Pennsylvania:

A bill (S. 4180) for the relief of Charles W. Reed; and

A bill (S. 4181) for the relief of Edward L. Duggan; to the Committee on Claims.

By Mr. SACKETT:

A bill (S. 4182) to provide a code of law governing legal reserve life insurance business in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. METCALF:

A bill (S. 4183) granting a pension to Elizabeth Blount (with accompanying papers); to the Committee on Pensions.

By Mr. ERNST:

A bill (S. 4184) granting an increase of pension to Anna Eliza Dawson (with accompanying papers); and

A bill (S. 4185) granting an increase of pension to Malissie Tallent (with accompanying papers); to the Committee on Pensions.

By Mr. McKELLAR:

A bill (S. 4186) for the relief of M. Zingarell and wife, Mary Alice Zingarell; to the Committee on Claims.

By Mr. COPELAND:

A bill (S. 4187) to amend section 26 of the interstate commerce act, as amended; to the Committee on Interstate Commerce.

By Mr. NORBECK:

A bill (S. 4188) granting an increase of pension to Electa Putnam (with accompanying papers); to the Committee on Pensions.

By Mr. McKELLAR:

A bill (S. 4189) to amend Title II of an act approved February 28, 1925, regulating postal rates, and for other purposes; to the Committee on Post Offices and Post Roads.

HEARINGS ON MODIFICATION OF NATIONAL PROHIBITION LAW

Mr. MEANS submitted the following concurrent resolution (S. Con. Res. 17), which was referred to the Committee on Printing:

Resolved by the Senate (the House of Representatives concurring), That, in accordance with paragraph 3 of section 2 of the printing act approved March 1, 1907, the Committee on the Judiciary of the Senate be, and is hereby, empowered to procure the printing of 10,000 additional copies of the hearings held before its subcommittee during the Sixty-ninth Congress, first session, on bills and resolutions relating to a modification of the national prohibition law, and of this number the committee shall cause to be delivered to the folding rooms of Congress 9,175 copies, of which 2,500 copies shall be for the use of the Senate and 6,675 copies shall be for the use of the House of Representatives.

UNIFORMITY OF LAW

Mr. CUMMINS. Mr. President, I ask unanimous consent to have printed in the RECORD a pamphlet prepared by a distinguished member of the American Bar Association, entitled "An American Common Law in the Making—The Habit of Thinking Uniformity."

The VICE PRESIDENT. Without objection, it is so ordered.

The pamphlet is as follows:

AN AMERICAN COMMON LAW IN THE MAKING—THE HABIT OF THINKING UNIFORMITY

By Thomas W. Shelton, Norfolk, Va.

In the year 1911 the Republican Club of the city of New York devoted one of its well-known symposiums to the consideration of uniformity of law. While it might have been provoked by the demands of commercial convenience, it was manifestly promotive of an American common law so to speak, as fixed and respected as that of the English. The distinction will be one of origin, for the English was not statutory. But since the American statutes are not legislative in creation, but merely in enactment, it is a distinction without a difference. When viewed in this higher aspect the laudable endeavor to attain uniformity in law takes on a dignity we venture to believe is not always discernible. Amasa M. Eaton, of Rhode Island, and Walter George Smith, of Philadelphia, past presidents of the Conference of Commissioners on Uniform State Laws, out of the broadness of their splendid wisdom, experience, and deep knowledge furnished chapters of suggestions that could hardly be surpassed. Even that learned and practical audience were able to add to their store. Besides its highly creditable origin and aid to commerce there was emphasized also the far-reaching benefits to government that lay in uniformity and the value to popular confidence in law in doing away with conflict.

THEY WERE THINKING CONSTRUCTIVELY

The able minds of these philosophical thinkers ran in the groove of construction. They dwelt upon the manner of the making of uniform statutes and the mechanics of the law in order to establish their announced thesis that uniformity was not only feasible but practical and could be made sufficiently attractive to assure adoption. With dramatic force they traced the origin and history of the splendid organization with which both had labored and over which both had presided with great ability. It is such addresses as these, by such consecrated men as these, as well as their works, that have carried reason to the minds and conviction to the hearts of the American people. They have made the Conference of Commissioners on Uniform State Laws an accredited organization second to none in jural matters. One by one their model statutes have defined the most important regulations controlling the conduct of men in their daily endeavors and intercourse. Business men have contracted the habit of looking to them for guidance and of carrying to them their complaints of conflict impeding interstate exchange and barter. One by one the State legislatures have adopted them, until to-day there is not one that has not in some instance shown its appreciation of the highly scientific and practical results of the patriotic and uncompensated research and labor of the commissioners.

WE WILL CONSIDER PROTECTION

It being quite apparent that nothing profitable could be added to what had been said upon the origin and creative aspect of uniformity, wisdom enjoined silence upon the other invited speaker. But the deeper the conviction of the need of uniformity and the support of the organization designed to achieve it, and that is achieving it, and the high respectability of its sponsors, the more urgent appeared the necessity for forestalling agencies of destruction. Herein was the cue for any remarks that might be made. And so it became pardonable to venture upon a discussion of the theme of protection—of firmly establishing the letter and spirit of model statutes as they fell from the pens of the conference. It was argued that protection of its work in all of its originality and spirit was as important as its creation.

THE TWO CHIEF DESTROYERS

Two elements offered themselves for analysis as the chief destroyers of interstate uniformity in law. The one was legislative and the other judicial. Obviously it is essential that the several State legislatures should enact in exact words the model form of statutes prepared by the commissioners. It is as manifest that the judges should reach the same interpretation of their meaning and spirit.

THE FIRST IS CERTAIN LEGISLATORS

To one unfamiliar with the experiences and limitations influencing the reasoning of the average legislator, his pride of creation, his difficulty in sinking pride of opinion, and his distrust of anything originating beyond his own horizon, the first task would appear very easy. And yet an observer ventures to suggest that every single commissioner, upon whom has fallen the responsibility of bringing about the adoption of uniform statutes in his State, will testify to the strong current of legislative hostility encountered. There were few receptive minds, still fewer open ones, and many wholly unresponsive. Their mental attitude was more psychic than the result of reason.

THE SECOND IS CERTAIN JUDGES

However, the bill having been enacted and the uniform act incorporated into the body of the law of the State, one unmindful of the well-nigh indelible influence of local customary law and the individuality of the average judge would conclude that uniformity as to that statute was assured. But the seasoned practitioner will shatter that faith with the knowledge that in court it is as difficult to break from old customs as old habits.

To many judges and lawyers a departure is a symptom of ignorance, if not of weakness, and the failure to cite ancient authority is little short of sacrilege. It is as difficult to change the personal convictions of such a judge as it would be to remake him, because of his respect for precedent and the conviction that he is preserving an old rule that had regulated his particular community during his experience. There never occurs to these otherwise courteous and urbane gentlemen the duty of being considerate of other communities. It is the laudable neighborhood conduct of giving and taking that underlies a great governmenal principle and a commercial necessity. Moreover, since a statute controls the law there are no precedents except the interpretation of that particular statute.

THE REMEDY

These being the potent enemies of national uniformity, an appeal was made to that respectable audience at the Republican Club for a remedy. Shall it be based upon unselfish courtesy; upon a defense against Federal encroachment upon States' rights; upon commercial convenience; or upon simple love of gain? It will be our purpose to show that these are all potent elements in the development of uniform statutes resulting in an American common law. Must some legislators and judges have to undergo a rebirth that uniformity may become possible? Is there no present power to convince a conscientious legislator and judge that since no State can live unto itself the promotion of the general welfare is his high duty? The States of a successful American union are jointed together as closely as the Siamese Twins.

THEY MUST THINK JOHN MARSHALL'S AMERICA

To raise the eyes of these well-meaning men beyond their own environs appealed strongly as the answer. Their vision must be extended from the confines of the State to the broad field of the Nation. They must do what his constituents failed to do; they must soar upon the living spirit of John Marshall and realize Marshall's America. One concludes that a refreshing of the true conception of the science of the dual American governments, and an awakened consciousness of the necessities of a fast-growing interstate commerce, seem to be the only influences equal to the emergency. This does not mean that one must be broadened, for the need of it is not present; nor does it imply a renascence, for of that one would despair. It merely connotes a keener conception of general principles and a governmental status well known and understood by these able jurists.

The first would make its scholarly appeal; the second would affect the deep-seated love of States' rights and as well the human love of gain and thrift. In the development of these points we shall be interested.

THE PART OF COMMERCE

We may safely lay down a trite premise. Commerce has long since beaten a highway over State boundaries from ocean to ocean and from the Lakes to the Gulf. It will brook no unnecessary impediments. Commerce is the life of the Nation. Without it there would be no treasury and without a treasury there would be no government. No legislature has even been able to finally ignore its reasonable demands and nations have waged wars in its interest.

THE PART OF STATES' RIGHTS

With equal assurance a historic fact may be recognized. Diverse State laws are an unnecessary handicap that is driving commerce to the National Congress for relief. One by one purely local regulations are being absorbed by a responsive Federal Government. Even the reserved police laws are losing vigor, if not place. This change, like all evolutions, has been going on so gradually and deliberately, and it all seems so necessary to the ordinary practices of daily life, that they pass without measurable notice except by students of the science of government. And they are more enamoured of principle than of practice. Their mild voices are like one calling in the wilderness. So it may be that the preservation of the reserved rights of the States, because it is susceptible of noisy political controversy, can be made to call louder than the love of custom and have more force than habit.

THE PART OF LOVE OF GAIN

Love of gain presents a more vocal remedy because it so evidences itself as to be heard by the man in the street. When a great commercial enterprise passes by one State and establishes itself in another not so geographically attractive, it comes home to the suffragan that there may be something unattractive, if not wrong, with his revered local laws and customs. In such cases it is the selfish interest of local commerce that brings about the evolution through legislative mandate.

And it may be after all that permanency in a matter of this character is promoted by political issues, because of the attendant publicity, however much judicial laws are preferred to legislative.

NONE OF THESE THINGS INFLUENCE THE JUDGE

But none of these circumstances influence the judgment of the court, all of which is meet and proper. In his cloistered chamber he patiently awaits the grist from the legislative hopper to tell the legislature what its statutes mean. His ears are closed to the clamor upon the hustings as they are to the "trade talk" that leads to a written contract. This is as it should be.

THINKING UNIFORMITY WILL INFLUENCE THE JUDGE

And such being a condition, attention to theories is not helpful. The suggestion is justified that the judge must be educated to think uniformity. Unless one thinks in a language he can not speak it at its best, if at all. Having so concluded, with the approval of the judges, if not of laymen, it is in order to put an inquiry. Who is best prepared and credentialed to perform this dignified task? The only answer that makes an appeal to the experienced is that it is another judge or other judges.

THEREFORE THE ANNUAL CONFERENCE OF JUDGES

And so the proposal made by one of a different political persuasion was ventured and accepted at that symposium that there ought of necessity to be a yearly national conference of appellate judges. And the thought having been boldly given expression with a sympathetic response, the first seed had fallen into good ground. It was sedulously tended until it fructified into the historic conference at Montreal in 1912, now known as the influential judicial section of the American Bar Association.

ONLY ONE THING IN THE WAY

It may be helpful to dwell on this subject a moment. Of interest among the judges there is plenty. But one thing stands in the way of the splendid usefulness for which the conference was designed. That is a lack of travel-expense funds on the part of some of the very judges whose presence is mostly needed. A small appropriation by each State would solve this difficulty. Virginia promptly responded. It is believed that every legislature would follow the example if in each State the matter were persistently brought to the attention of legislatures by some one or two patriotic believers in uniform laws. It is a small premium to pay for insurance against conflicting decisions and the threat of the deprivation of State rights.

IT IS A PROGRESSIVE CONGRESS OF JUDGES

It was intended that policies should come up in these interstate conferences just as they do in the conference room of a particular State court. But though no specific uniform statute and no particular decision were ever discussed at these meetings, it is respectfully suggested that the desired result would be achieved. The influence of personal acquaintance and the prospect of future pleasant fellowship would make the chief justice of California a little more than the conventional "learned brother" to the chief justice of Maine. Before welding to the body of the Maine law a diverse opinion he would most likely seek reasons from his California "friend" wherein there would be no less a conference although held through the post. So the judges are educating themselves to think uniformity. And it is well, for no one else is in position to do it. Between them it is comity; between them and others it would be conceit.

AN ARCHAIC DIVERSE PROCEDURE MUST GO

While the judges are thinking uniformity in interpretation let there be removed the last obstacle, which is a diverse practice and procedure. There is no more excuse for differing judicial procedure than for differing languages in the several States. More harm is done by the former than would be by the latter. One would hardly try to speak an unknown language, but the business man is forced to use an unknown practice and procedure if he make but a few commercial steps from his front door. It is not a matter of choice, but one of necessity. While a State would indignantly deny having erected a Chinese wall around its source of justice, it would hardly dispute the erection of a chevaux de frise substantially serving the same purpose. This impediment also the judges are aiding the American Bar Association's committee on uniform judicial procedure to brush aside. The diversion is pardonable to suggest that the improvement of the substantive and adjective law should be separately considered as things apart.

SOME HURTFUL ADMINISTRATIVE HISTORY

Anticipating a well-known professional mental attitude to demand evidence, before concluding we turn to one of the leading States of the Union and one having judges and lawyers noted for their erudition and ability. Pennsylvania adopted the uniform negotiable instrument statutes on May 16, 1901. The late Amasa M. Eaton made a careful analysis of the fifty-odd decisions passing upon these statutes up to April, 1914. The result of his labor is interestingly evidenced in an article published in Sixty-second University of Pennsylvania Law, Revised, 407, to which attention is invited, since length forbids reproduction. He complains that when the uniform act is followed no citation of it is made. On the contrary, citation to prior authority oftener appears. While the result is the same where no change was made in the old law, the spirit of uniformity suffered by being ignored. In many instances the court depended upon equity in justification of its judgment, wholly ignoring an appropriate clause in the act. The law having been put into a concise code for the express purpose of bringing about uniformity, the source of authority is the code and the prior cases under it. Therefore it is respectfully suggested, it becomes a judicial duty to cite it. Such is essential to a proper recognition of the act and the complete displacement of the prior law by the new in the minds of the bench and bar. It is a condition precedent to thinking uniformity.

MORE UNSYMPATHETIC HISTORY

In Twenty-third Yale Law Journal, 293, appears another long list of cases evidencing the attitude of the courts toward another feature of the same law. It is the effect of an antecedent debt as constituting value. Mr. Eaton complained that "common-law lawyers (on the bench and before it) are steeped in the common-law principles of consideration and assumpsit, but are not steeped in knowledge of the principles of the law merchant, and who fail, therefore, to perceive that the object of section 51 is to force upon them very different conceptions on this subject of the law merchant."

The article supplies interesting history. For instance, he cites Vachals *v.* Waukesha, etc., Co. (195 Fed. 807 (1912)), to show that the Legislature of Wisconsin (1899) in adopting the uniform negotiable instrument law did not amend nor repeal the statute of 1898 (sec. 1753) limiting the issue of corporate bonds. Wherefore the issuance of such bonds for antecedent debts could not be done, though the letter and spirit of the negotiable statute obviously intended it. It is manifest, therefore, that serious alterations of the uniform law may be brought about without omission or change of text or diverse decisions, but by prior unrepealed statutes.

REPEAL OF PRIOR CONFLICTING STATUTES NECESSARY

"All statutes in conflict herewith are hereby repealed" would not prove to be a bad addendum to all uniform acts. As in Wisconsin, a fixed public policy may at times be cut down, but in a broad way, and in the long run it is probable that justice may best be served. That is, however, one of the most obstinate enemies of uniform statutes, as we have tried to show. The effort is to rid modernity of the drag of provincialism, even at the sacrifice of a few pet ideas.

ENEMIES OF UNIFORMITY LISTED

So, if the enemies of uniformity were marshaled, they would probably rank in the following order: (1) The judge who thinks that his individual experience is a better guide to government than the concerted wisdom of a selected, consecrated, and painstaking conference of lawyers and teachers with every possible light before them; or that there is no room for improvement. (2) The legislature that insists upon changing the phraseology or arrangement adopted by the commissioners. (3) The judge who decides the law of the case without reference to the uniform statute incorporated in the code, or to cases from the States interpreting it, or who never cites it if he wills to follow it. (4) The legislature that fails negligently or intentionally to give it a clear road by abolishing all conflicting statutes.

AN THEN AN AMERICAN COMMON LAW

The struggle for the great common law of England is kept too fresh in mind by contemporaneous writers to justify discouragement in the making of an American common law. There is no more interesting chapter in legal history than the uncompleted part played by Coke and the substantial establishment of principles wrought by the Scotch determination of Mansfield, when he converted custom into laws and confined the jury to the facts. Subsequently neither the technical Eldon nor an interfering chancery could check the inevitable development of the common law. So while obstacles arising out of human tendencies may prevent the prompt achievement that merit and necessity give its creators the right to expect, and while indifference may hold back the day of universality, one may venture to believe that the principle of an American common law is a living thing, needing only the nourishment of public encouragement for its complete development. Such will follow a popular recognition of its wholesome inspiration and beneficent purposes.

THOMAS W. SHELTON.

NORFOLK, VA.

BOULDER DAM PROJECT

Mr. ASHURST. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial published in the Arizona Daily Gazette on April 28 which refers to the Swing-Johnson bill.

The VICE PRESIDENT. Without objection, it is so ordered.

The article is as follows:

THE TRUTH COMES OUT OF CALIFORNIA

PHOENIX, *April 27.*

EDITOR THE GAZETTE: I am inclosing you herein an article on the Swing-Johnson bill and the Boulder Dam question printed as an edi-

torial in the New Pacific Coast Law Journal, published at Pasadena, Calif.

This article may be of some interest to the people of this State, and I request that you publish the same.

To my mind the author of this article is fully justified in his strictures on the pernicious activities of certain Cabinet officers and Federal officials when he says that they have strayed beyond their legitimate functions and powers in the matter.

Very truly yours,

SAMUEL WHITE.

The editorial Mr. White refers to is here reproduced in full:

The impasse of the Boulder Dam project still persists. Strenuous efforts are being made to rescue the project from its seeming grave. For three years or more the project has been the cynosure of all eyes—on the Pacific coast, at least.

That there exists a situation urgently calling for relief can not be questioned. That the Colorado River Basin furnishes an immense quantity of water going to waste for lack of utilization is known to all. That there are potential millions of horsepower of electrical energy lying unutilized is also true.

The people seeking to further the enterprise of conserving and harnessing the surplus waters of the Colorado River should be governed by Davy Crocket's sage advice: "Be sure you're right; then go ahead." These people have not gone about the matter in a proper, not to say an intelligent, manner.

The Colorado River Basin States own the waters of that river flowing through their respective territorial limits for such useful purposes, actual or potential, present or prospective, to which they can apply the same. In this right these river-basin States are supreme in their sovereignty under the Federal Constitution. They can not be coerced in the matter. The free and whole-hearted consent, concurrence, and cooperation of these States and of all of these States is essential and must be first secured. This consent, concurrence, and cooperation has not been secured or sought on an equitable basis. Sister or adjoining States can not coerce all or any one of the river-basin States. The United States Government can not dictate terms to the river-basin States or to any one of them in this matter touching their sovereignty. Congress can not, constitutionally, pass any law infringing the sovereignty of these States in the matter of the proposed enterprise, or deprive these States of any of their sovereign powers, privileges, and rights.

The "ground" for such an enterprise and improvement not having been "cleared" in a legal, proper, and intelligent manner, all efforts at this time are thrown away and all moneys expended in an attempt to promote the coveted enterprise are squandered. Go about the matter in a proper, businesslike manner, and there may be a chance of accomplishing something worth while, otherwise nothing can be accomplished save humiliating defeat.

Certain recommendations and suggestions have been made by heads of departments of the Federal Government—Cabinet officers. These are purely gratuitous intermeddling with a matter not within the jurisdiction of their offices or within the scope of their functions and powers. In purely State matters—however important in themselves and however many people are to be affected thereby—in a democratic Republic like ours the Federal authorities must keep hands off.

At the suggestion of these Federal functionaries, and in accordance with the plans outlined by them, efforts are being made by the sponsors of the Boulder Dam project, which efforts are unsuccessful to date, to redraft the Swing-Johnson bill in such a manner as to make it acceptable to all the river-basin States involved, whose interests are affected and whose sovereignty is invaded or sought to be invaded. Current and newspaper report informs us that the measure, as revised to meet the recommendations of Secretary Work, includes provisions that—

1. A 550-foot dam shall be constructed in Boulder Canyon.
2. An all-American canal shall be constructed from the Colorado River to the Imperial Valley.
3. A 1,000,000-horsepower hydroelectric plant shall be constructed.
4. A Government bond issue of $125,000,000 shall be floated to finance the development, to be paid off from profits in sale of power and water.

But the redrafted bill in this proposed form arouses the opposition and outspoken denunciation of the solons of the river-basin States—with the exception of California. The bill as suggested in its redrafted form includes only the final objectives aimed at—the high lines of the purposes. However desirable and generally beneficial these ultimate objectives may be in themselves, the redrafted bill as proposed does not provide a working arrangement under which all the interests and rights of each of the river-basin States will be deliminated and such rights of the respective States fully and satisfactorily conserved. The first essentials in such a redrafted bill are wholly ignored. Why?

The bill as proposed, in its incomplete and chaotic state, with only distant high objectives outlined, is said to have received the indorsement of Director Mead of the Reclamation Service of the Federal Government. But Director Mead, like Secretary Work, is straying beyond his legitimate functions and powers in the matter, and his approval of a bill or of a proposed bill not embracing the first fundamentals of the proposed project under which can be secured the pacification of the river-basin States by securing and conserving to each of such States their interests and sovereignty—the indorsement adds nothing toward the final accomplishment of the object in view, reaching the goal sought; the untying—or cutting—the Gordian knot.

It is said that the measure as redrafted is to become self-operative when a Colorado compact is signed by six of the seven Colorado River Basin States. Such a provision will nullify and destroy the bill should it by any possible chance in that form become a law.

Is the seventh State to be coerced? If so, by what right, on what grounds, and by what means? In the same method a bold highwayman, at the point of and with persuasion of a gun, coerces the unfortunate pedestrian to surrender his valuables? And this is a civilized and law-abiding country?

Are we, in the twentieth century, to be pushed back into and submerged beneath the politics, policies, and principles of the barnburners and antirenters flourishing in the Eastern States of this country in the early part of the nineteenth century, as depicted in all their lawlessness and infamy by James Fenimore Cooper in his Redmen—Indians and Injuns?

Have we not too many Senaca Newcombs in this business?

BIRTHPLACE OF LONGFELLOW

Mr. COPELAND. Mr. President, some months ago a number of prominent men of the State of Maine joined in an earnest plea for the preservation of the birthplace of Longfellow. Provision to assist this movement is made in the bill reported by the Committee on Banking and Currency to authorize the Treasury to prepare a medal commemorative of the poet. The Secretary of the Treasury has stated:

The department will be ready to cooperate with the Longfellow Society in issuing a medal should Congress authorize the same. The facilities and experience of the mint could be placed at the disposal of the association for the production of a suitable medal, and every assistance possible would be rendered by this department to expedite its production.

I ask unanimous consent that the names of citizens of Maine who indorse this enterprise be printed in the RECORD; also a few short letters from governors of States, afterwards elected to the Senate, from the mayor of Boston, and from the president of the New York State Federation of Women's Clubs.

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

GOVERNOR OF NEW JERSEY

MY DEAR MR. JACKSON: I have your letter of the 3d instant, and want to thank you for electing me as an honorary president of the International Longfellow Society.

I shall be very glad to serve in this capacity, and wish you all success in this worthy enterprise.

Very truly yours,

WALTER E. EDGE, *Governor.*

GOVERNOR OF SOUTH DAKOTA

DEAR MR. JACKSON: Because of what Longfellow's sincere love for children meant to me as a child when I first read his beautiful verses, what it means to me now as a man, and what it means to the children of our country, it is with gratification and pride that I become an honorary president and life member of the International Longfellow Society.

Yours sincerely,

PETER NORBECK, *Governor.*

GOVERNOR OF KANSAS

DEAR MR. JACKSON: Your letter of September 29 was duly received. I shall be very glad to serve as one of the honorary presidents of the International Longfellow Society and want to assure you of my warm interest in the movement.

Very respectfully,

ARTHUR CAPPER, *Governor.*

GOVERNOR OF KENTUCKY

MY DEAR MR. JACKSON: I have your very kind favor of recent date advising me of my election as an honorary president and life member of the International Longfellow Society.

I am deeply sensible of the honor conferred and heartily felicitate you upon this admirable endeavor. The life and writings of Longfellow are an inspiration to the American people, and they honor themselves in honoring him.

Very sincerely yours, A. O. STANLEY, *Governor.*

As the birthplace of our great poet has been dedicated as a distinctively international Longfellow memorial, we gladly join the Inter-

national Longfellow Society in urging your good offices for the preservation of this world shrine. There are few, indeed, to whom the world owes a deeper debt of gratitude than to Longfellow, or for whom it feels as sincere an affection.

Percival P. Baxter, Governor of Maine; Frank W. Ball, secretary of state; H. Siles Bradley, minister State Street Congregational Church; Carroll S. Chaplin, mayor of Portland; P. F. Chapman, president Chapman National Bank; Charles B. Clarke, ex-mayor of Portland; Charles Sumner Cook, chairman Fidelity Trust Co.; Leslie C. Cornish, chief justice supreme court; O. C. Curtis, ex-Governor of Maine; H. E. Dunnack, Maine State librarian; A. G. Goodard, minister Chestnut Street Methodist Church; Charles E. Gurney, chairman Public Utilities Commission; E. W. Hannaford, president Forest City Trust Co.; William B. Jack, superintendent Portland schools; Charles F. Johnson, United States circuit judge; Joel H. Metcalf, minister First Unitarian Church; John A. Peters, United States district judge; Edward E. Philbrook, surveyor Port of Portland; C. A. Robinson, postmaster of Portland; Ransford W. Shaw, attorney general of Maine; Augustus O. Thomas, State superintendent of schools; J. Harrison Thompson, minister First Baptist Church; George F. West, president Portland Young Men's Christian Association.

CITY OF BOSTON,
OFFICE OF THE MAYOR,
City Hall, May 15, 1925.

Hon. EDWIN MARKHAM,
Staten Island, N. Y.

MY DEAR MARKHAM: I am heartily in favor of your devoted service to raise a fund which will cancel the mortgage upon the birthplace of Henry Wadsworth Longfellow, world-beloved poet, and which is one of the finest examples of colonial architecture within the State of Maine.

No man in the history of the Commonwealth of Massachusetts was ever more greatly beloved than Longfellow, and his inspiring message for the idealism of the world will live until time is no more.

May I assure you I am very pleased to inclose my mite in behalf of the International Longfellow Society, and sincerely trust that the indorsement by the Nation may make early provision for the cancellation of the obligation upon the birthplace of the famous poet.

Sincerely yours,

JAMES M. CURLEY, *Mayor.*

NEW YORK STATE FEDERATION OF WOMEN'S CLUBS,
South Mountain Park, Binghamton, N. Y., September 19, 1925.

Mr. ARTHUR C. JACKSON,
President the International Longfellow Society,
Longfellow Birthplace, Portland, Me.

MY DEAR MR. JACKSON:

* * * * * * *

I honor myself when I accept an invitation to commemorate the memory of Longfellow, or in any way further the activities whereby we keep before the American public the remembrance of this singer of songs.

While visiting on the French Riviera four years ago, my husband (who was a poet and, you will recall, the author of The Children) and I stopped some time at Mentone. In one of our strolls we chanced suddenly upon a bust of Longfellow carved in the purest of white marble and set upon a pedestal in the midst of a little triangular piece of turf carefully fenced in. We were so impressed by this mute tribute to American letters that we at once determined to ascertain the source and inspiration of it. No one knew about it in the English or American resident colonies at Mentone, and my husband wrote to Alice Longfellow concerning it, but she has no information on the matter. Isn't it a beautiful tribute? I think you might like to know about it.

Believe me to be,

Most cordially yours,

ALICE B. M. DICKINSON.
(MRS. CHARLES M. DICKINSON.)

CARNEGIE INSTITUTE OF TECHNOLOGY

Mr. GOFF. Mr. President, I present a newspaper clipping from the Pittsburgh Press of Tuesday, May 4, entitled "Baker report denies drinking by Tech men," which I ask may be printed in the RECORD.

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

BAKER REPORT DENIES DRINKING BY TECH MEN

At a meeting of the committee of the trustees of the Carnegie Institute of Technology last Friday, Dr. Thomas S. Baker, president of the Carnegie Institute of Technology, made a report concerning the matter of drinking by students brought out in the testimony before the committee of the Senate which had been investigating the question of prohibition.

Following the meeting, President Baker made this statement:

"I regret that it has not been possible to make a public statement on this subject earlier, but I wanted to have time for a thorough study of the situation, and I wished to present my report first to the trustees at a regular meeting.

WANT DRINKING SUPPRESSED

"The officers, faculty, and students of the Carnegie Institute of Technology have been greatly encouraged by the many expressions of confidence and approval that have come to them. Col. Samuel Harden Church, as chairman of the board of trustees of the Carnegie Institute of Technology, is not in touch with the student body and he has stated that his testimony in regard to drinking among young people should be regarded as a generalization, which does not apply specifically to students at this institution. I can say with the greatest emphasis that the leaders among the students are very desirous of suppressing drinking at student celebrations, most of which is done by visitors.

"At the institution, as in most American colleges to-day, there is a large measure of self-government among the students. I have been amazed at the zeal and the wisdom of our student council in its efforts to assist the faculty in advancing the best interests of the institution. In the few cases of disorder, which have occurred at student parties, it has disciplined the offenders or has asked the faculty and authorities to take action. Infractions of regulations with regard to the use of liquor are dealt with summarily. The constant or regular drinker is unknown in this institution. In a technical school, where the laboratory and shop work makes very heavy demands on the time of the student, and where the standard of scholarship is high, dissipation, even if not discovered, brings with it dismissal for poor work.

PENALTIES SEVERE

"The life in our 19 fraternities is very wholesome. There are stringent regulations and severe penalties for drinking which the fraternities themselves enforce rigorously.

"I can assure the parents of our students and the friends of the institution that there is no ground for concern on this subject; that our students are an unusually hard-working and high-minded set of young men and young women; and that their leaders are just as jealous of the good name of Carnegie as any officer or member of the faculty. The trustees share with me pride in the manner in which they have conducted themselves during the past two weeks. They have felt the undeserved criticism that has been published very keenly."

JUDICIAL SALARIES

Mr. REED of Missouri. Mr. President, I ask unanimous consent for the present consideration of Senate bill 2858, which is commonly known as the judges' salary bill. I think it will not require much discussion.

Mr. CURTIS. I hope bills on the calendar may be considered this morning until 2 o'clock under Rule VIII. I am also going to ask unanimous consent—and I have spoken to the assistant leader on the other side about the request—that this afternoon at not later than 5.30 o'clock the Senate shall take a recess until 8 o'clock p. m. and that at the evening session unobjected bills on the calendar shall be considered, the Senate to remain in session not later than 11 o'clock. That will give us two hours this morning to consider the bills on the calendar under Rule VIII, and give us three hours to-night.

Mr. ASHURST. Mr. President, I wish to be heard.

The VICE PRESIDENT. The Senator from Missouri has the floor.

Mr. CURTIS. If it will take any time to discuss the request which I have submitted, I will withdraw it and ask for the regular order.

Mr. REED of Missouri. Mr. President, I did not rise to object to the request of the Senator from Kansas at all, but I had the floor. We have just passed a very important bill, and I thought, perhaps, I could obtain consideration for the judges' salary bill. If objected to, of course, I can not secure consideration for it at this time.

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

Mr. REED of Missouri. Yes.

Mr. ASHURST. I am in favor of the bill proposing increases in salaries of the judges, and I congratulate the Senator from Missouri [Mr. REED] upon his energy in this behalf; but if we should agree to the request for unanimous consent to consider unobjected bills only on the calendar, the Senator from Missouri would make no progress with the judicial salary bill. The Senator from Kansas, I think, should change his request so that bills objected to or unobjected to may be taken up.

Mr. REED of Missouri. Mr. President, did I understand the Senator from Kansas to object to taking up the judges' salary bill at this time?

Mr. CURTIS. Mr. President, I do not wish to object, but I did object to a bill presented by the Senator from Texas, and I had intended to object to other bills, because we ought to take up the calendar this morning, and if we take up individual bills and they shall be debated, there will be no business done at all this morning.

I am going to change my request, if I may be permitted to do so, and ask that we devote this morning, after the routine morning business shall have been concluded, to the consideration of bills on the calendar until 2 o'clock, and that on Saturday night we have a session beginning at 8 o'clock and continuing not later than 11 o'clock for the consideration of unobjected bills on the calendar. If it is not agreeable to Senators to have a session on Saturday night, then I will make the request for Monday night.

Mr. ASHURST. Mr. President, I wish to be heard.

Mr. CURTIS. I withdraw my request; I do not want to interfere with the regular order of business.

Mr. ASHURST. Mr. President, it is useless to proceed with the calendar to consider only unobjected bills. We ought for a time to proceed so that if a bill be objected to a Senator who wishes to have such bill discussed may have the right to move to proceed to its consideration, and then under the rule he may have five minutes in which to discuss such bill.

The VICE PRESIDENT. The Senator is stating correctly the procedure under Rule VIII.

Mr. ASHURST. It is impossible to secure the consideration of contested bills when we agree in advance that only uncontested bills shall be considered.

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

Mr. ASHURST. I do not think I have the floor.

Mr. LENROOT. May I suggest that the way to reach this matter is to consider the calendar for unobjected bills and then go back over it again for objected bills.

Mr. REED of Missouri. Mr. President, I am not opposing the request for unanimous consent in whatever form the Senator from Kansas may desire to put it. I am asking for unanimous consent now to take up Senate bill 2858. I do not think the discussion will occupy more than a few minutes.

The VICE PRESIDENT. Is there objection?

Mr. BLEASE. Mr. President, I do not like to object to anything my friend from Missouri wants, but, outside of the salaries which are proposed for the judges of the Supreme Court of the United States, I am opposed to this bill. I am in favor of an increase in the salaries of the Chief Justice and the Associate Justices of the Supreme Court of the United States, but I am not in favor of increasing the salaries of other judges. For that reason I object.

Mr. REED of Missouri. The Senator might let the bill be taken up for consideration and then make his speech on it. Let us have a chance to pass it or reject it. I am merely asking unanimous consent for the present consideration of the bill.

Mr. BLEASE. I understood that if the request were granted the bill would be considered under the five-minute rule. I object to that; but if the bill may be taken up and discussed without reference to the five-minute rule I shall not object.

Mr. REED of Missouri. I hope Senators will let us dispose of this bill. I have tried to get it up several times.

Mr. BORAH. I will inquire whether if taken up by unanimous consent the discussion would be unlimited?

The VICE PRESIDENT. The Chair would hold that if taken up by unanimous consent the time for the discussion would be unlimited.

Mr. LENROOT. Will the Senator from Missouri make his request for consideration under Rule VIII? That would limit the debate to five minutes on the part of each Senator.

Mr. KING. Then I will object.

Mr. LENROOT. Then it seems to me it will take until 2 o'clock to consider the bill.

Mr. REED of Missouri. I do not think it will. I have spoken to Senators who are opposed to certain features of the bill and those with whom I have talked have said that, while they desire an opportunity to express the views which they have, they do not desire to discuss the matter at great length. Of course, unless the bill shall be passed pretty soon we can not get it through the House of Representatives. I hope I may secure unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 2858) to fix the salaries of certain judges of the United States, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and to insert:

That the following salaries shall be paid to the several judges hereinafter mentioned in lieu of the salaries now provided for by law, namely:

To the Chief Justice of the Supreme Court of the United States the sum of $21,500 per year and to each of the Associate Justices thereof the sum of $20,000 per year.

To each of the circuit judges the sum of $15,000 per year.

To each of the district judges the sum of $12,500 per year.

To the chief justice of the Court of Claims and to each of the other judges thereof the sum of $12,500 per year.

To the chief justice of the Court of Appeals of the District of Columbia and to each of the associate justices thereof the sum of $13,500 per year.

To the chief justice of the Supreme Court of the District of Columbia and to each of the associate justices thereof the sum of $12,500 per year.

To the presiding judge of the United States Court of Customs Appeals and to the judges thereof the sum of $13,500 per year.

To each member of the Board of General Appraisers, which board functions as the customs trial court, the sum of $12,500 per year.

That all of said salaries shall be paid in monthly installments.

SEC. 2. That this act shall take effect on the first day of the month next following its approval.

Mr. REED of Missouri. Mr. President, I have heretofore offered an amendment in the nature of a substitute.

The VICE PRESIDENT. The amendment in the nature of a substitute proposed by the Senator from Missouri will be read.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause and to insert:

That the following salaries shall be paid to the several judges hereinafter mentioned in lieu of the salaries now provided by law, namely:

To the Chief Justice of the Supreme Court of the United States the sum of $20,500 per year, and to each of the Associate Justices thereof the sum of $20,000 per year.

To each of the circuit judges the sum of $12,500 per year.

To each of the district judges the sum of $10,000 per year.

To the presiding judge of the United States Court of Customs Appeals, and to each of the other judges thereof, the sum of $12,500 per year.

To the Chief Justice of the Court of Appeals of the District of Columbia, and to each of the associate justices thereof, the sum of $12,500 per year.

To the Chief Justice of the Court of Claims, and to each of the other judges thereof, the sum of $12,500 per year.

To the Chief Justice of the Supreme Court of the District of Columbia, $10,500 per year, and to each of the associate justices thereof the sum of $10,000 per year.

To each of the members of the Board of General Appraisers, which board functions as the customs trial court, the sum of $10,000 per year.

That all of said salaries shall be paid in monthly installments.

SEC. 2. This act shall take effect on the first day of the first month next following its approval.

The VICE PRESIDENT. The question is on agreeing to the amendment in the nature of a substitute.

Mr. REED of Missouri. Mr. President, I have heretofore expressed myself on this bill, and I will now merely say that the bill as reported by the Judiciary Committee fixed the salaries of the judges at higher rates than proposed by the pending substitute which I have offered. The reason for the change that is now before the Senate is this: The committee of the House of Representatives have considered a similar bill, have arrived at the conclusion that they do not want to go beyond a certain point in the salaries, and have agreed on what that committee at least think is the proper standard. The committee of the American Bar Association have been here and have stated to me that they believe it is better to yield to the views of the committee of the House than to contend for larger salaries, although they regard the larger salaries as only just. Accordingly I have brought forward an amendment which fixes the salaries as reported by the committee of the House, with the idea that if this bill shall now be passed by the Senate it can probably receive favorable consideration by the House. I think the salaries now proposed are entirely too low in a number of instances. I think we must bear in mind that under the recent act of Congress the jurisdiction of the Supreme Court as to appeals has been changed and that the courts of appeal have become for all practical purposes courts of last resort.

Of course we all understand that the Supreme Court has the right, upon certiorari, to order cases before it for determination; but, looking at the question from the practical standpoint, we must regard the courts of appeals as now having a very much greater responsibility than in the past. They ought, under the circumstances, to be composed of men of the highest

order of ability. They ought to be judges of great experience and learning.

There is no waste equal to that which can be committed by an incompetent court. The salaries as now stated in the substitute, in my judgment, are far below what we ought to pay if we expect to keep the courts of the land on a high plane; because, first or last, men are bound to consider the care of their families, their own comfort, and their ability to earn money in the profession of the law.

I regret that it is necessary to fix these salaries as low as they are. I think we can make no greater mistake than to depreciate the quality of our Federal courts. Their jurisdiction to-day is very much greater than it was a few years ago. The work thrust upon them is of a more onerous kind and involves an immense amount of labor.

No matter what we may say about the liberty of a people, no matter what we may write into our constitutions or our statutes, after all is said and done there is no protection for life or property in any country unless it is finally found in the courts of the land. In the justice or the lack of justice that is administered is to be found at last the measure of human liberty.

Mr. President, that is all I desire to say now. I hope this bill can pass in its very moderate form.

Mr. McKELLAR. Mr. President, I think practically all of us concede that the salaries of our Federal judges are too small. In some of the States much larger salaries are paid. I should like very much indeed to see the amendments made by the Senate committee adopted. I think the schedule of salaries fixed in that amendment is very much nearer what we should pay to our judges. I should much prefer to vote for the salaries fixed in the Senate amendment; but, as I understand, the parliamentary situation and the conditions generally are such that there is no chance to get the schedule of salaries fixed by the Senate committee enacted into law at this session, and therefore I shall vote for the salaries as fixed by the House committee.

"The laborer is worthy of his hire." These Federal judges have onerous duties. They have responsible duties. They have had many additional duties within the last few years put upon them by the Congress. We have had four additional constitutional amendments passed in the past 10 or 12 years, all imposing additional duties on Federal judges. The income tax law, the Volstead law, the immigration law, the bankruptcy law, and other Federal laws passed in recent years have made all the Federal judges in the land busy. They ought to have sufficient salaries to give them a reasonably good living, so that their minds might be free from financial troubles while passing upon cases coming before them.

It is true that in some States judges do not receive even as large salaries as our Federal judges now receive. There may be constitutional or other local reasons why these lower salaries prevail in some States. This should not prevent the Congress from giving Federal judges reasonably adequate salaries. Nor do I think salaries should be graduated in accordance with a supposed difference of importance in the duties of Federal judges. A busy Federal judge in Tennessee or in Wisconsin or Colorado should have the same salary as a busy judge in New York or Pennsylvania. My observation is that in these days all our Federal judges are busy much alike.

I merely desire to express my approval of this move to increase the salaries of our Federal judges as being right and proper, and I hope the Senate will pass the bill.

Mr. WILLIAMS. Mr. President, I should like to inquire of my colleague if the bill which we are now considering is Order of Business No. 379?

The VICE PRESIDENT. That is the calendar number.

Mr. REED of Missouri. I do not know whether or not the Senator has the substitute bill in his file.

Mr. WILLIAMS. The salary of the Chief Justice, as stated on page 2 of Order of Business No. 379, is fixed at $21,500. I assume that that is a clerical error.

Mr. REED of Missouri. No; the Senator has the original bill.

Mr. WILLIAMS. I have the original bill as amended in committee.

Mr. REED of Missouri. I have offered on the floor a substitute. I will have a page take it to the Senator.

Mr. WILLIAMS. That is virtually the House bill, is it?

Mr. REED of Missouri. Yes; it is the House bill.

Mr. KING. Mr. President, it is a most ungracious task for a lawyer to oppose a measure increasing the salaries of judges. I have had the honor to be a justice of the Supreme Court of Utah and for a number of years actively engaged in the practice of my profession as a lawyer. I know something of the responsibilities resting upon judges and of the importance of the judiciary in a Government such as this. No one has a more profound respect for our courts than myself, and I pay tribute to the judiciary of our country.

The Senator from Missouri [Mr. REED] has upon a number of occasions eulogized the courts, both Federal and State, and emphasized the necessity of obtaining lawyers of eminence and integrity to fill judicial positions. With these statements I agree, and I think it can be truthfully said that, generally speaking, the judges of the United States—and I include, of course, judges of the various States—have measured up to the great responsibilities which rest upon them. However, it must be confessed that in some instances political appointments have been made and incompetent persons have been selected for judicial positions.

I am not quite in accord with the statements sometimes made that lawyers of ability can not be obtained for judicial positions unless large salaries are paid. I have known many lawyers of eminence and of great ability who have sacrificed their practice which brought to them many thousands of dollars a year to accept judicial positions. They felt that there was honor and dignity in the judicial positions which they voluntarily accepted, and they were willing, at a great financial sacrifice, to serve their people and their country.

A few years ago, when most of our Federal judges received but $5,000, some of the ablest lawyers left lucrative practices to accept judicial positions. I do not mean to infer that judges should not be paid reasonable salaries. Indeed, I believe that their compensation in many States is not sufficient and that Federal judges are entitled to an increase in their compensation. I do not believe that the bill before us is entirely just or that it establishes an entirely satisfactory ratio between the various positions therein dealt with.

Under other circumstances, Mr. President, I should be glad to vote for a substantial increase in the salaries of Federal judges, but I believe that it is inopportune to press this bill or any bill increasing the salaries of judges at the present time.

There are more than three-quarter of a million Federal employees, and the number will be greatly increased within the next two or three years. Demands are made from every department and executive agency for increases in the salaries of Federal employees. Large increases have been made within the past few years in the compensation paid to executive personnel. The classification act increased the salaries of many officials from 10 to 30 per cent. Many Federal agencies, boards, and bureaus have been created within the past few years, and unfortunately many more will be created. These organizations are being filled with persons whose salaries are progressively increased. The Federal Government will soon be called upon to appropriate a very large part of the enormous sum taken from the people by the tax gatherers to pay the salaries and compensation of the hundreds of thousands of Federal employees.

When increases are made in behalf of persons holding high positions in the Government, repercussions immediately occur in all other branches of the Government service, and demands for larger salaries pour in upon Congress like a mighty and irresistible flood. If Senators will examine the Budget and the reports submitted by the various departments and executive agencies, they will be amazed to discover the tremendous sum total of the enormous amount collected as taxes from the people, which is required to meet the pay rolls of the Government.

We hear much about inadequate salaries paid to Federal employees, and yet there are hundreds of applicants for every position provided by Federal statute. If a vacancy occurs in any position, no matter how unimportant or insignificant, there is an army of applicants feverishly working to obtain the valued prize. There is no difficulty in finding persons to fill Government positions.

We recently passed a law providing 24 additional Federal judges. The scramble for these positions was not creditable to the bar, and the political influences employed to fill some of the positions call for severe condemnation. Political factions held up appointments for months, and in some instances for more than a year. Lawyers of eminence and of the highest ability were, in many instances, passed by because they did not secure the indorsement of politicians and the support of certain political factions or organizations.

Mr. President, I repeat that this is not the time to increase the salary of any Federal official. Our economic and industrial condition is not normal or stable. We are in a condition of flux, and there are symptoms which clearly indicate the approach of economic disturbances and industrial depression. The price levels throughout the country are entirely too high. Fictitious values attach to property and too often to service. There must be and there will be readjustments, and these read-

justments will involve financial dislocations and a material decline in wages and in prices of commodities. With the adjustments going on in Europe, with the efforts to balance budgets, with the struggles which will increase in severity for foreign markets and expanding trade, America will be compelled to make changes and adjustments in the industrial and economic conditions in the United States.

I repeat that these changes will have an important effect upon wages and upon our industrial and our social life. I do not contend that these conditions will affect the progress culturally, intellectually, or morally of the American people.

But these are questions which I shall not discuss further. I am only contending that it is unwise to pass any bill at this session of Congress which increases salaries. In my opinion, both the President and Congress have been too prodigal in drawing upon the Treasury. The Budget Bureau has indorsed appropriations far in excess of the needs of the Government, and Congress, in my opinion, has been too lavish and too generous in appropriations thus far made during the session of Congress. I do not like to criticize, but I am forced to the conclusion, from a somewhat intensive study of the appropriation bills and the growing demands made upon the Federal Government, that unless greater economy is practiced Congress, instead of decreasing the burdens of taxation, will be compelled to materially augment them.

Everything indicates that the appropriations for the fiscal year 1928 will exceed the appropriations which we are making for 1927 by from two hundred and fifty to five hundred millions of dollars.

Mr. President, I know that it is futile to oppose any bill which calls for increased appropriations and the creation of new executive agencies. The country is possessed by some mad frenzy which impels the people to extravagance, to waste, and to unwise and too often improper and dangerous experiments and expenditures. Congress responds to this gripping spirit which is abroad in the land. The vaults of the Treasury are insecure. Congress is reaching for the treasures hidden therein.

This bill will pass. Other measures will be enacted into law which will take millions from the Federal Treasury. Mr. President, the mine may be exhausted some day and the people will awaken to the fact that they have dissipated their heritage and have fettered themselves and succeeding generations by chains of bondage which debts and bonds and mortgages always forge.

Mr. BRATTON. Mr. President, I do not desire to consume much time in addressing myself to this subject. I favor this bill. I would have voted for the original bill as amended by the Senate committee had it been submitted to the Senate.

In reply to the argument just made by the distinguished Senator from Utah [Mr. KING] in favor of economy, I might observe that that rule did not seem to obtain about a year ago when the question of raising the salaries paid to Senators and Members of the House of Representatives was before the Senate. I offer no criticism of what was done then, because if I had been here at the time I should have voted for that bill.

Mr. KING. I hope the Senator is not charging that I voted for it, because I voted against it.

Mr. BRATTON. Not at all; but I am saying what the policy of the Senate was and what the policy of Congress was regarding an increase in salaries.

I believe, Mr. President, as the Senator from Missouri [Mr. REED] has said, that the safety of any people rests largely in an independent, in a fearless, and in a capable judiciary, guided by men of experience, men of talent, and men of courage. I do not believe that we can get men of that type and hold men of that type in this day and under the present conditions which surround us without paying an adequate compensation or an adequate wage. I believe, under the present circumstances, that this bill does nothing more than to pay to our judges a living wage. I believe the bill has merit. It is not a reckless expenditure, but it is safe and sane economy, because when we get and keep men of that type on our Federal bench and induce them to dedicate themselves to continuing the Federal judiciary of this country along the lines of independence, along lines of courage, along lines of ability, we will contribute in that way to improving the American people and perpetuating our social and economical safety and prosperity.

I very much hope that this bill will pass, because I say that it is not reckless expenditure, but it is safe economy directed along wholesome lines.

Mr. COPELAND. Mr. President, personally I am opposed to this bill because the salaries provided for are not high enough. I would be glad to see them above the figures named by the Senator from Missouri.

As one who is entirely outside of the legal profession, it may be appropriate for me to say that laymen, especially the laymen of my State, feel that all judges should be well paid. It was a matter of shock to the community when Judge Garvan left the Federal bench in New York, giving as his reason the inadequate salary of the position. He is a man of the highest type, who served the district and the country ably during his career upon the bench.

But Judge Garvan could not live and maintain his family on the salary paid him. When he resigned from the bench this matter was commented upon by practically every newspaper in my community and State. There was universal accord that there should be action on the part of Congress to elevate the salaries so that men of high type may not need to make the sacrifices they have been making.

I trust this bill will pass and that it may be the beginning of another move to give to all Federal judges what are really adequate salaries, which I feel are not provided by this bill.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Missouri to the committee amendment.

Mr. WALSH. Mr. President, I regret exceedingly that I am obliged to oppose this bill. I am perfectly confident that the salaries paid to Federal judges in some of the States are entirely inadequate to enable them to live as others in the community of the same social standing and importance, in the work they discharge, do live. On the other hand, the salaries here provided for, so far as they apply to the country generally, are entirely disproportionate to the salaries paid to State judges.

I have here a list of the salaries paid to State judges in the various States, compiled, I believe, by the American Bar Association. A note says:

> This table no doubt contains many inaccurate statements, assembled, as it has been, from many sources, but it is believed that no salary has been understated. Corrections of errors in the table will be welcomed.
>
> A. B. A. CHAIRMAN.

I do not know how extensive are the errors in the statement, but it appears to be the most reliable information at hand. I do know that the statement so far as Montana is concerned is decidedly inaccurate, and the amount is very considerably overstated. It is said here that the judges of the Supreme Court of the State of Montana receive salaries of $7,500. The salary of a judge of our Supreme Court is limited by the Constitution to $5,000 a year. The judges secure an additional $500 as reporters of the supreme court under an act of the legislature, so that they get $5,500 a year instead of $7,500. The judges of the United States district court are to get more than two times as much as the judges of the supreme court of our State, a perfectly unjustifiable discrimination.

Mr. REED of Missouri. Under my amendment United States district judges are to get $10,000 a year.

Mr. WALSH. Very well; that is just twice as much. The conditions in my State are no different from the conditions which prevail all over the western country, indeed, all over the United States, with the exception of just a few States, to which I shall call attention. New York is one of them. The Senator from New York [Mr. COPELAND], like most of the people from that great State, always seems to regard the State of New York as the United States.

Mr. COPELAND. Is there any doubt about that? [Laughter.]

Mr. WALSH. That exhibits the feeling I was speaking about. In my judgment $5,000 is a perfectly inadequate salary for a judge of a United States court in the State of New York. It is quite disproportionate to the salaries paid by that State to the judges of the State courts. In that State the judges of the court of appeals get $13,700 a year. The judges of the appellate division and supreme court get $17,500. That is to say, the judge of the nisi prius court in the city of New York gets $17,500 a year, and the Federal judges get only $7,500 under the existing law, and will get but $10,000 under the amendment of the Senator from Missouri if it shall be agreed to and the bill shall become a law. The point I am making is this, that this bill does not meet the situation at all, as I view it. It makes the salaries altogether too large in the country generally, and too low in the great industrial States.

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

Mr. WALSH. I yield.

Mr. BRATTON. The Senator refers to the salary of the judges of the supreme court in his own State. Does the Senator think that is an adequate salary under present conditions?

Mr. WALSH. The people of that State seem to think so. If they did not, they would change it.

Mr. BRATTON. I was asking the Senator his opinion.

Mr. WALSH. We find no difficulty in getting very excellent men for justices of our supreme court. We have always had a court there of very high standing. In response to the suggestion that it is impossible to get judges of the Federal courts of

character and of standing for the salaries that are paid, and that certain judges have resigned because they could not live on the salaries, I may say that I do not believe there are above three lawyers in the State of Montana who would not take an appointment as judge of the United States district court at the present salary. One of our judges some time ago actually resigned because he conceived, and very properly, that he could make more money at the practice of the law; and he is making more money. But he was succeeded by a gentleman who is by no means his inferior as a judge, a very high-class man; but he did not have those peculiar talents and abilities which make for success at the bar.

Mr. REED of Pennsylvania. Mr. President, will the Senator yield for a question?

Mr. WALSH. I yield to the Senator.

Mr. REED of Pennsylvania. The Senator has pointed out that the salaries now paid Federal judges are inadequate in some parts of the country, apparently, while in other parts they seem to be quite sufficient. That indicates the wisdom of adopting some sort of a sliding scale, or contriving a scale of salaries proportioned, roughly, in accordance with the cost of living, or the salaries paid by the States. The Senator will agree, will he not, that as a matter of political practicability such a bill could not be passed?

Mr. WALSH. I have heard that said, but I can not understand why it could not be done.

Mr. REED of Pennsylvania. The Senator will remember that I introduced such a bill at the last session, and it seemed to meet with the unqualified disapproval of the Judiciary Committee, because it discriminated between different parts of the country.

Mr. WALSH. I am very sure the matter was never tested out before the Judiciary Committee.

Mr. REED of Pennsylvania. As I recall it, the Senator himself was a member of the subcommittee before which we had our hearing, and while I do not recall the Senator's expression of opinion, my recollection is that most of the subcommittee were opposed to it on that ground.

Mr. WALSH. My opinion has always been well known by the committee.

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

Mr. WALSH. I yield to the Senator.

Mr. GLASS. If I may ask, what would be the exact standard of pay should we adopt a sliding scale? Would the Senator from Montana assume to say that a Federal judge in New York City is worth more money than a Federal judge in Virginia, the judge in New York City being there in the midst of luxury, with all the facilities of civilization at hand, and the Federal judge in Virginia having to go into mountainous districts, and instead of holding court at one place convenient to himself and to his family, having to travel four or five hundred miles from point to point to hold court? Which would the Senator think was the more arduous and the more difficult task?

Mr. WALSH. Of course, the question of the Senator is his argument against the policy which I am advocating. I would say to the Senator, however, that it is generally believed that practicing lawyers in the city of New York make anywhere from $25,000 to $250,000 a year. In my State a man who makes $25,000 a year is at the head of the bar, and I dare say that the disproportion existing between the State of Virginia and the State of New York is the same, or at least to some extent the same. Everybody realizes that it costs more to live in the city of New York than in the city of Helena, for instance. I would like to be able to get a rental of $75 a month for a lovely home I have in Helena, but I can not get it. Probably in the city of New York it would easily lease for $3,000 a year.

Mr. GLASS. I did not suppose we were adjusting house rents, though.

Mr. WALSH. I speak of it just to illustrate that the cost of living in the large centers is unquestionably greater than it is out in the country.

Mr. GLASS. That would depend entirely upon how a man lives.

Mr. WALSH. Of course.

Mr. GLASS. I think a man can live respectably in New York just as cheaply as he can in the western district of Virginia.

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

Mr. WALSH. I yield.

Mr. McKELLAR. I believe it is generally assumed that the purchasing power of the dollar is about 65 per cent of what it was before the World War. Does the Senator think that $10,000, which has a purchasing power equal to that of $6,500 before the World War, is more than a judge ought to have, taking into consideration the active duties imposed on him by the Constitution and laws of the United States? I believe that most of our Federal judges are men of ordinary means, and that most of them are dependent on their salaries. Should not every judge have a salary sufficiently large to free his mind from financial worries, and does not a man make a better judge when his salary is sufficiently large to keep his mind free of financial difficulties?

Mr. WALSH. I should say that every judge should be in that situation, whether he is a Federal judge or a State judge, In the State of Alabama it is assumed that a judge can experience that quietude of mind necessary for him properly to discharge the duties of his office on a salary of $6,500 a year. The judges of the appellate court in that State get the same salary.

In Arizona the judges of the supreme court get $5,000 a year.

In Arkansas the judges get $4,000 a year.

Mr. CARAWAY. Mr. President, the Senator's information is altogether wrong. If the rest of it is no more accurate than that, he will have to revise it.

Mr. WALSH. I introduced what I said about this table with the remark that it contains a statement to the effect that there are inaccuracies in it. It was compiled by the American Bar Association, and they themselves think it is not entirely reliable. I showed that it is not entirely reliable so far as Montana is concerned.

Mr. CARAWAY. It is not half reliable.

Mr. WALSH. I should be glad to have the item corrected so far as Arkansas is concerned.

Mr. CARAWAY. The judges of the supreme court there get $7,500.

Mr. BRATTON. Mr. President——

The VICE PRESIDENT. Does the Senator yield to the Senator from New Mexico?

Mr. WALSH. I yield.

Mr. BRATTON. The Senator will keep in mind that in many of the Western States the salaries were fixed by constitutional provision many, many years ago, when living conditions were different and the cost of living was much less than it is now. I take it the Senator gives due regard to that difference.

Mr. WALSH. Yes, of course. The same conditions exist there that exist here. The people of those States realize all the changes that have come about, just the same as we do with respect to Federal judges. I say to the Senator that that situation of affairs is not confined by any means to the western country. I will call attention to the salaries paid in the New England States.

Mr. BRATTON. Regardless of the section of the country, the salaries in a great many instances were fixed years ago by constitutional provision, and, of course, were based upon conditions as they then existed. which were entirely different from what they are now. If the people of those States had the question up now to determine, predicated upon present conditions, they would in all probability fix an entirely different salary.

Mr. WALSH. But they are moved by the same considerations that are addressed to us to change the salaries of Federal judges.

Mr. BRATTON. Exactly; to fix a reasonable scale.

Mr. REED of Pennsylvania. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Pennsylvania?

Mr. WALSH. I yield.

Mr. REED of Pennsylvania. I would like to ask the Senator's opinion on this point. In view of the apparent impossibility of adopting a sliding scale by bill, does it not bring us down to the dilemma that either we have to pay half of the Federal judges of the United States too little or else in taking care of them we have to pay half of the judges too much? Is it not to the public interest, if we must err on one side or the other because of the difference in living conditions throughout the country, to see that they all get enough and half of them get too much than it is to underpay half of them?

Mr. WALSH. I would not like to admit the premise. I would not like to admit that it is impossible to regulate this situation upon what I believe to be a proper basis.

Mr. REED of Pennsylvania. I quite agree with the Senator, and I have had the same thought. At the last session and at this session I have introduced a sliding-scale pay bill for judges, but now I have reluctantly come to the conclusion that the Senator from Missouri has the only practicable solution of the difficulty.

Mr. WALSH. The way I am troubled about it is that it is not a solution, because it does not give to the judges in the populous States salaries that are commensurate with the dig-

nity and the duties of the office as judged by the people of those States when they undertake to fix the salaries of the judges of their own courts.

Mr. REED of Pennsylvania. I quite agree with the Senator in that thought. The common pleas judge in my city of Pittsburgh gets $12,500 a year, and the Federal judge, with twice the responsibility, is to receive only $10,000 under the proposed amendment.

Mr. WALSH. Under the table before me I see that the supreme-court judges of Pennsylvania get $17,500, the judges of the superior court get $16,000, the judges of the common-pleas court get $8,000 to $12,000, and the judges of the orphans court from $8,000 to $12,000. I think it rather discreditable to the administration of the Federal laws that a judge of the Federal court in the State of Pennsylvania should get a less salary than a judge of the orphans court.

Mr. REED of Pennsylvania. I fully agree with the Senator, and I am supporting the bill because it is the only practical way of correcting that injustice.

Mr. BORAH. Mr. President, will the Senator from Montana yield to me to ask the Senator from Pennsylvania a question?

Mr. WALSH. Certainly.

Mr. BORAH. I want to ask the Senator from Pennsylvania upon what basis it is proposed to increase these salaries. Is it with the idea of getting men of greater ability or is it merely a question of meeting the increased cost of living?

Mr. REED of Pennsylvania. It is done on the dual basis of compensating the present incumbents for the rise in the cost of living, in the first place, so that their pay in the future will bring them as much in comfort as the pay in the past. That is the first point. Answering the second half of the question, it is done, as I conceive it, with the idea of preventing the increasing number of resignations because of the inability of the present judges to live on their pay.

Mr. BORAH. The first proposition applies to every salaried officer in the United States. I think that is one very serious objection to the method by which we are raising salaries by piecemeal. Leaving out the question of the dignity and confining ourselves entirely to the cost of living, judges can meet the situation far better than those who are living on a lower salary. If we are raising these salaries in order to meet the cost of living, it certainly is highly improper to select a very small number of salaried officers and consider no one else.

Mr. WADSWORTH. Mr. President, will the Senator from Montana permit me to ask the Senator from Idaho a question?

Mr. WALSH. Certainly.

Mr. WADSWORTH. Is it not a fact, however, that already we have made an increase in nearly every other branch of the Government?

Mr. BORAH. We have made it in our own salaries.

Mr. WADSWORTH. We made it in the Army, Navy, Marine Corps, Coast Guard, and Coast and Geodetic Survey.

Mr. BORAH. When did we make that increase?

Mr. WADSWORTH. We made it in the Postal Service a little over a year ago. We made it in the civil service by the reclassification act. We made it in the Army, Marine Corps, Navy, and other related services in 1922. The pay of the officers was raised 20 per cent and that of the enlisted men 40 per cent.

Mr. BORAH. We are raising those different salaries simply by piecemeal.

Mr. WADSWORTH. We could hardly frame a bill which would cover all of the employees. It is being done in as large chunks, if I may use that expression, as possible.

Mr. BORAH. Neither this bill nor any other bill I have known to be drawn is proposing an increase based on percentage of increased cost of living. They complain of their salaries, and we make a lump-sum raise, and that is all.

Mr. WADSWORTH. I think the Senator will find by an examination of the list that they average 20 to 33 per cent, which would apparently reflect an endeavor on the part of Congress to equalize salaries in such fashion as would meet the increased cost of living.

Mr. BORAH. Take the particular officials in the Department of Justice or in the judiciary department. Only yesterday there was a gentleman in my office who was complaining that the salaries of the United States district attorneys are wholly inadequate to command men of sufficient ability. The judges, of course, are, in my opinion, subject to the same rules with reference to cost of living as are United States district attorneys. We do not even cover the same department.

Mr. WALSH. I remarked that the salaries of Federal judges have been recently raised from $6,000 to $7,500.

Mr. WADSWORTH. It is perfectly apparent that that did not equalize the increased cost of living.

Mr. WALSH. It was an increase of 25 per cent.

Mr. REED of Pennsylvania. What was the date of that increase?

Mr. WALSH. My recollection is that it was 1916.

Mr. REED of Missouri. Mr. President, will the Senator yield a moment?

Mr. WALSH. Certainly.

Mr. REED of Missouri. I have here an accurate statement of the times when salaries were raised. This is contained in the report of Mr. GRAHAM, of the Committee on the Judiciary of the House, who states that the modern history of Federal judicial salaries has been as follows: Prior to 1912 the salary of the Chief Justice of the United States was $13,000. In that year it was raised to $15,000. In that same year, 1912, the salaries of the Associate Justices were raised from $12,500 to $14,500. Until 1891 the salaries of United States district judges varied in the several districts. In that year a uniform salary of $5,000 was fixed. That was 34 years ago. This salary was increased in 1903 to $6,000 and in 1919 to $7,500.

Mr. WALSH. It was 1919 instead of 1916.

Mr. REED of Missouri. Yes. In 1891 the salaries of circuit judges were fixed at $6,000. This salary was increased in 1909 to $7,000 and in 1919 to $8,000.

Mr. WALSH. I think it will be difficult to establish that the general level of the cost of living has increased very materially since 1919.

Mr. BRUCE. Mr. President, will the Senator from Montana yield to me?

Mr. WALSH. Certainly.

Mr. BRUCE. I have been endeavoring to ascertain this morning from the Department of Commerce just what the increase in the cost of living has been since 1915. I do not know whether it would be of any particular interest to the Senator or not, but the increase has been 77.9 per cent.

Mr. WALSH. I saw a statement the other day, which was apparently accurate and reliable, that the purchasing price of the dollar is about 67 cents as compared with 1913.

Mr. BRUCE. That is the estimate of the Department of Commerce which I received just a few moments ago.

Mr. SHORTRIDGE. Mr. President——

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

Mr. SHORTRIDGE. Is it the theory of any Senator that salaries should be just sufficient to enable the judge to live and maintain his family? Is it his theory that we must argue and philosophize and figure to ascertain to a nicety just how much—how little—a judge can get along with?

Mr. BORAH. May I ask the Senator a question?

Mr. WALSH. I yield.

Mr. BORAH. Is the Senator from California going to vote for the bill?

Mr. SHORTRIDGE. I am going to vote for it, regretting that the amendment has been proposed, and regretting it exceedingly.

Mr. BORAH. How much does the Senator think a judge will save out of a salary of $10,000 a year?

Mr. SHORTRIDGE. I think he will be "in the red," if I be pardoned for using that counting-house phrase. I think he will save nothing, nothing whatever. I think, moreover, he should be able to be absolutely free from financial worry, to take care of himself and his family, and to educate his children. I think he should be able to abstract himself, so to speak, from all the worries of the business world and be free from anxiety as to bills payable—all to the end that he may discharge his high functions unembarrassed and undistracted by money demands.

Mr. BORAH. That is an elysium which will never be created in this world.

Mr. SHORTRIDGE. I am hoping for it, nevertheless.

Mr. WALSH. Mr. President, I regret exceedingly that I was not permitted, although the discussion has been interesting, to develop the argument which I was endeavoring to make here, which is to the effect that for a few States the salaries, even as fixed by the bill without the amendment, are too low, but with respect to the great body of the States the salaries are too high as compared with the salaries stated of the judges of those States.

I was interrupted by my esteemed friend, the junior Senator from Virginia [Mr. GLASS], and asked to state whether the services of a Federal judge in the State of New York are worth any more than the services of a Federal judge in the State of Virginia. Of course, I do not think so. I would like to ask the Senator if he thinks that the services of the judges of the supreme court of the State of Virginia are any less valuable than the services of the judges of the appellate court of the State of New York or even of the supreme court of the State of New York? Yet the people of the State of Virginia believe, according to the statement before me, that the judges

of the court of appeals of that State are adequately recompensed by a salary of $6,000 a year against the salary of $17,500 paid to the judges of the supreme court of the State of New York.

Mr. GLASS. I would say to the Senator that, in the first place, I do not believe the people of Virginia think that the supreme court judges of that State are adequately compensated for the services they are performing; but they have not been able to induce the politicians in the legislature to take a different view of the matter. Furthermore, assuming that the General Assembly of Virginia does think that the judges are amply compensated, I would assume that the general assembly thinks so relatively, that it thinks they are as well compensated as the State could afford to compensate them. If the Senator thinks the United States is not able to pay its Federal judges larger salaries, I can very readily perceive why the Senator is opposed to increasing their compensation.

Mr. WALSH. Let me remark in answer to that that an increase of $4,000 in the salaries of the judges of the Court of Appeals of the State of Virginia would not be a very heavy burden upon the people of that State.

Mr. GLASS. No; and I think it ought to have been made long ago, for we have practitioners at the bar of the Court of Appeals of the State of Virginia who out of one case of litigation get more than the entire annual salary of a judge on that court.

Mr. WALSH. There is no doubt about that.

Mr. GLASS. We ought not to have judges sitting on the court of appeals bench of the State to decide cases presented by lawyers of such type and compensate them at a rate of only $6,000 a year.

Mr. WALSH. I referred to that circumstance only to say that I did not feel that the question which the Senator addressed to me, as to whether the services of the Federal judges in the State of New York are more valuable than are the services of a Federal judge in the State of Virginia, was very persuasive.

Mr. GLASS. I do not think the services of Federal judges in New York are more valuable than the services of Federal judges in Virginia, and I do not think their duties are as arduous. In the first place, the Federal judge in New York has to administer the same Federal law, but he is not subjected to one tithe of the hardship and inconvenience that the Federal judge in Virginia or in Kentucky is subjected to. The Federal judge in New York holds court at one place, and one place only, whereas the Federal judge in Virginia and the Federal judge in Kentucky have to go from place to place. I presume that the judge of the Federal court for the western district of Virginia is required to hold court in 10 different places and to subject himself to great inconvenience going from one place to another.

Mr. WALSH. The Senator from Virginia need not labor to convince me of that.

Mr. GLASS. Then why should the judge in Virginia be paid less than the judge in New York?

Mr. WALSH. I stated that I fully agree with the Senator that the work is precisely as arduous and just exactly as valuable, but services are not paid for upon that basis. A lawyer in the city of New York will get ten times the compensation that a lawyer in Montana will get for exactly the same work.

Mr. GLASS. Yes; but the Government does not pay it.

Mr. WALSH. No; the Government does not pay it. We can not fix the salaries on any such basis as the arduousness of the work, although it is a proper element to be taken into consideration.

Mr. GLASS. I do not think the salaries here can be fixed on a sliding scale.

Mr. CUMMINS. Mr. President, will the Senator from Montana yield to me?

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

Mr. CUMMINS. I think I agree with the Senator from Montana with respect to the standard that ought to be applied in fixing the compensation of public officers. I think he stated a moment ago, in substance, that the standard ought to be the value of the service. In computing the value of the service there comes into review the cost of living, the withdrawal from the activities of the profession, and all such considerations as those; but does the Senator from Montana believe that, if the States do not properly appraise the value of the service which their own judiciary is rendering, the Congress of the United States ought to be bound by such action or ought to refrain from giving its judges compensation for the value of the services they render because the States have not done so or do not do so?

Mr. WALSH. Certainly not. If I were able to admit the premise of the Senator from Iowa that the States do not compensate their judges adequately, of course, that should not be used as a basis, but I am calling attention to the fact that, except in the case of four States, the States invariably pay their judges salaries less than those proposed to be fixed in this bill; and I am not ready to admit that 44 out of 48 States do not adequately pay their judges.

Mr. CUMMINS. Possibly, then, I did not understand the Senator from Montana in the beginning of his address. I thought he stated that the Federal judiciary were not adequately compensated at the present time.

Mr. WALSH. I made no such statement. I insist that, judged by the standards set up by the people of the communities in which they exercise their functions, they are adequately paid at $7,500 a year in the greater number of the States. Then, I assert that, even under this bill, they are not adequately paid, judged by the same standard, in a half dozen States.

Mr. CUMMINS. I agree with the Senator from Montana entirely that this is rather a crude approach toward doing justice; but I am not willing to admit that the United States is bound or should be governed by the view of the several States in fixing the compensation of their judges.

Mr. WALSH. The Senator from Iowa must not assume that I think so, either, but I do think that it is exceedingly persuasive when we find that situation of affairs existing in all but a few of the States of the Union.

Mr. CUMMINS. I know that in my own State the judges of the supreme court of the State receive, as I remember, $6,000 a year.

Mr. WALSH. That is what the schedule shows.

Mr. CUMMINS. There is not a lawyer in the State, and I do not believe there is an intelligent man in the State, who does not recognize and admit that the compensation paid to the judges of the supreme court of my State is inadequate. The judges of the courts of original jurisdiction in my State, as I remember, are paid $4,000 a year. Everybody knows that that is inadequate compensation. The result generally is that the men who are best qualified to become judges would not and will not accept judicial positions.

Mr. WALSH. The judges of trial courts in my State get $3,600 a year, and there is not a fault to be found with the judges of those trial courts. I will refer particularly to the court at my home in Helena. There has never been a time when there have not been men of capacity quite equal to the task imposed upon the bench there. I do not mean to say that the salary paid is sufficient, but that is the situation.

Mr. CUMMINS. Mr. President, I do not want by anything I have said to be understood as disparaging the judges of my own State. I think they are all good judges; but, in our nisi prius courts, we either have to take young men who have not, as yet, acquired a practice of great extent, or we must take old men who have not been entirely successful in the practice of the profession.

Mr. WALSH. If the Senator will pardon me, I do not quite agree with that, because the Senator will recall, I am sure, if he charges his memory, that at practically every bar there will be found men of fine legal minds, careful students, bookworms, so to speak, who have not really a faculty for getting business. Everybody recognizes their ability, and those men are quite generally sought out for judicial positions. They are men of calm temperament, of judicial mind, students, who, for some reason or other, do not get very much business.

Mr. CUMMINS. Is it not a pity that a man of that kind is asked to render service to the public for $4,000 a year?

Mr. WALSH. It is more than he would earn in any other way.

Mr. CUMMINS. I am not quite prepared to admit that.

Mr. BORAH. Mr. President——

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

Mr. BORAH. We never could fix salaries at a figure which would command the services of those men who are capable of making great fees in their practice, unless they are men who are willing to take the honor as a compensation for the money which they would otherwise earn. But here we are proposing to fix a salary of $10,000. Does the Senator think that such a salary will call from the practice of the profession a man who is earning $50,000 or $100,000 a year to take the place on the bench?

Mr. CUMMINS. I do not.

Mr. BORAH. Certainly not; unless for the reason I have stated.

Mr. CUMMINS. I am not so optimistic as that; but I believe that the compensation ought to be just and it ought to be the equivalent of the service which the judge renders the

public. The value of that service, of course, is to be determined by a great many considerations, not only the competency and the integrity of the particular judge but the circumstances and conditions under which he lives.

Mr. WALSH. Mr. President, I wish to call attention to the fact that the condition of which I speak is by no means confined to the western section with which I am more or less familiar; it obtains all over the country. Let us take the South, for instance: The judges of the Court of Appeals of Kentucky receive $5,000 a year, and the circuit judges $4,200 a year. Let us take Alabama; the judges of the Supreme Court of Alabama receive $6,500. Let us take South Carolina—and I take these States at random—the judges of the supreme court get $4,500, and of the circuit court, $4,000. The State of California, so ably represented by the Senator who interrogated me a few moments ago, pays to the judges of its supreme court $8,000 a year, to the judges of its court of appeals $7,000 a year, and to the judges of its superior court $7,000 a year.

Mr. CARAWAY. And, Mr. President, I dare say the judges of the supreme courts of all the States mentioned are the equals mentally and otherwise of any Federal judge who may be sent into those States.

Mr. WALSH. I do not doubt it at all.

Mr. BRATTON. Mr. President, will the Senator from Montana yield?

Mr. WALSH. Yes.

Mr. BRATTON. The Senator never had the experience of trying to live on one of those $3,600 or $5,000 a year salaries on the bench, did he?

Mr. WALSH. No; I never had the honor to be a judge.

Mr. BRATTON. If I may be pardoned a personal reference, I tried it for four years on a salary of $5,250 and for nearly two years on a salary of $6,000 a year, but, despite economy and frugality, I left the bench a much poorer man than when I started.

Mr. WALSH. I have no doubt about that.

Mr. BRATTON. And any other man who tries it will have the same experience. So we must get a man who has independent means and who enters upon the work of the bench regardless of his ability or we must get a man who serves at an inadequate wage.

Mr. WALSH. I am very sure if the Senator was not capable of earning more than $5,000 a year he never would be in this body.

Mr. BRATTON. I thank the Senator for the compliment, but I know from experience that those judges in the West and the South also, to which the Senator from Montana referred, necessarily are underpaid, and it occurs to me that that is harmful and strikes at the very heart of the judiciary of this country.

Mr. WALSH. Let us go to New England.

Mr. BORAH. Mr. President, the reasons for the able Senator from New Mexico leaving his profession and going on the bench and accepting that salary are also reasons which enter into the going upon the bench of every man who is fit to sit on the bench. There is something in this besides salary.

Mr. BRATTON. If the Senator will pardon me, the Senator from Iowa said that we have either got to get young men without experience or old men. In my State it was said that they had one without experience; that was the weakness there.

Mr. SHORTRIDGE. But not one without knowledge.

Mr. WALSH. Let us pass to the New England section; let us take the State of Maine. The judges of the supreme judicial court get $6,000 and of the superior court $4,000. Take Connecticut; the judges of the Connecticut supreme court of errors get $9,000 and of the supreme court $9,000. Those judges sit in a community adjacent to the city of New York. Let us take Vermont. The judges of the supreme court get $5,000 and of the superior court $5,000.

Take an interior State, Delaware; the judges of the supreme court get $7,500 a year.

Now, let me call your attention to those States in which the salaries are equal to or greater than that which the Federal judges would receive under the bill now under consideration. How many are there? There are the States of Illinois, Massachusetts, New Jersey, New York, and Pennsylvania. There are five States, and five States only, where the judges of the supreme court get as much as or more than it is proposed now to pay to the judges of the Federal courts all over the United States.

In the State of Illinois the judges of the supreme court get $15,000 a year and the judges of the appellate court $12,000. The judges of the Cook County Appellate Court get $15,000. I think the Federal judge in the city of Chicago ought to be paid a salary somewhat related to the salary that is paid to the trial judge under the State jurisdiction there.

Mr. SHORTRIDGE. Mr. President——

The PRESIDING OFFICER (Mr. BLEASE in the chair). Does the Senator from Montana yield to the Senator from California?

Mr. WALSH. I do.

Mr. SHORTRIDGE. I suppose the Senator carries along in his mind the fact that a United States district judge appointed for a given district may be called to any other district in the United States. He may be called to serve on the circuit bench. In other words, he is not a localized judge, but is a United States judge.

With great respect, I can not see the force of the argument that a district judge of one of the New York districts is more valuable or that his salary should be greater than that of the district judge of Montana or of Idaho or of New Mexico. They are Federal judges; they are United States judges; they are called or may be sent, indeed, from one district to another, from one circuit to another. Wherefore, I ask, does the Senator carry along in his mind the fact that the district judge is not a local judge confined to the district for which he is originally appointed?

Mr. WALSH. Why, yes; I have that in mind; and the judge of the State court is subject in exactly the same way to be sent anywhere in the State. That is the usual rule. That is the rule in my State.

Mr. SHORTRIDGE. I take it, too, that the nisi prius judges exercising common-law jurisdiction in the several counties or districts of a given State generally receive the same salary, do they not?

Mr. WALSH. Yes; the same salary; and the salaries here would be substantially different only in five States.

Mr. SHORTRIDGE. The point I wish to emphasize is that a district judge appointed for the southern district of California, for example, is to-day sitting in New York; he may be tomorrow in Chicago; and I recall so well that the great judge from the Senator's State often comes to California and there sits and dispenses law and justice. Wherefore the thought is always in my mind that under our present law—recently amended, as we all know—a district judge, though a resident of a given district—and, indeed, he must be a resident of that district as of the time when appointed—is nevertheless a Federal judge who may be called to all parts of the Union to perform the judicial functions, and therefore that no judge appointed for the southern district of New York is entitled to any greater salary than a judge appointed to sit primarily in Idaho or in the State of Washington or in the State of California.

If I may add just a word, and then I shall be through, I do not think that the able Senator from Montana is advancing very much the argument against this bill by emphasizing the salaries that are paid by the several States. The question is, what is right for us to do?

Mr. WALSH. I am rarely persuasive with the Senator from California.

Mr. SHORTRIDGE. The Senator from Montana is persuasive and usually convincing; but, with great respect, I am neither persuaded nor convinced up to this minute.

Mr. WALSH. Yes; it is true, Mr. President, that the judges of the Federal courts may be assigned, under recent law, anywhere in the United States, and exchanges are not infrequently made, but that is a perfectly incidental matter.

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

Mr. WALSH. I yield.

Mr. NORRIS. I call the Senator's attention to the fact that when that occurs the expenses of the judge are paid, in addition to his salary.

Mr. WALSH. Oh, yes.

I have given the figures in Illinois. Next comes Massachusetts. The judges of the supreme judicial court of Massachusetts gets $12,000 a year and the judges of the superior court $10,000.

Then New Jersey. The judges of the supreme court get $18,000; the vice chancellors get $18,000; the circuit judges get $16,000; and the lay judges $40 a day while sitting.

It will be observed, Mr. President, that Connecticut, New York, and New Jersey pay higher salaries—Connecticut not quite as high as the salary provided by this bill for judges of the Federal court—New York and New Jersey paying higher salaries.

Mr. COPELAND. Mr. President——

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

Mr. WALSH. I do.

Mr. COPELAND. What figures did the Senator give for New York?

Mr. WALSH. The court of appeals, $13,700; the appellate division and supreme court, $17,500 in departments 1 and 2 and $10,000 in departments 3 and 4. That is what I have.

Mr. COPELAND. The Legislature of New York this year raised those appellate salaries to $22,500.

Mr. WALSH. That strengthens the argument I am making that this bill is no solution at all of the problem. The judges of the Federal court in the State of New York get $10,000 a year, and the judges of the State courts sitting right alongside of them and doing exactly the same kind of work get $22,500.

Mr. SHORTRIDGE. Mr. President, what is the amount that the Senator gave for California?

Mr. WALSH. For California, the supreme court $8,000, the court of appeals $7,000, the superior court $7,000.

Mr. SHORTRIDGE. A memorandum has just now been handed to me to the effect that by statute of 1925 the salaries of the supreme court judges in California were increased to $10,000.

Mr. WALSH. Finally, Pennsylvania. In Pennsylvania the judges of the supreme court get $17,500, the judges of the superior court $16,000, the judges of the common pleas courts get $8,000 to $12,000, and the judges of the orphans court $8,000 to $12,000.

I want to conclude with Missouri. The judges of the Supreme Court of the State of Missouri get $7,500 a year; the judges of the court of appeals get $6,000, the judges of the circuit court get $3,000 to $5,000 a year, and the judges of the St. Louis circuit court get $8,000 a year. I never heard that the State of Missouri was in want of quite competent judges of its supreme court.

Mr. REED of Missouri. Mr. President, I might say to the Senator that as to the supreme court judges and certain of the other judges, I believe, there is a constitutional inhibition; and in order to get away from it as far as possible the supreme court judges have been named on a certain commission, which enables them to draw an additional salary. That is likewise true of the circuit judges of some of the counties, that they have been named on certain commissions. For instance, in my own home county, where we have 10 circuit judges, I believe, they are made jury commissioners, and, I think, draw $1,500 a year in addition to their stated salaries. I want to say further that I have not any doubt in the world that if Missouri were to adopt a new constitution it would change the salaries very greatly. My colleague [Mr. WILLIAMS] was a member of the recent constitutional convention and can speak of that.

Mr. WILLIAMS. That is quite correct. Of course the judges of our supreme court live at Jefferson City, Mo., which is a comparatively small city of some ten or twelve thousand people. They live in the supreme-court building. They have quarters there with rooms, and so forth, where they may live if they desire. The judges of the circuit court—that is, our nisi prius court—in St. Louis are paid not only by the State but by the city, and the salary is something more than $8,000.

Our United States district judges live at St. Louis and at Kansas City, a judge at each place, and they have to travel, of course, from St. Louis to the other points of the district where they practice; and the same is true of Kansas City.

It is true, as my colleague has said, that the constitution of our State must be in technical terms violated in order to permit our supreme-court judges to receive as much as $7,500 a year, and the living expenses are not so heavy. The same thing is true of our circuit judges—that is, our nisi prius judges—out in the State. I think the constitutional limitation of the salary of the circuit judges in our State is $2,000 a year; but they receive these additional salaries for statutory purposes, which permit them to get a living. The approximation in St. Louis of $8,300 a year for circuit judges is close to the $10,000 which it is proposed to give the United States district judges under this bill.

Mr. WALSH. I merely desire to say, in conclusion, that some information which has just come to me confirms the report of this schedule concerning salaries in the State of Montana, by reason of the fact that the salaries of judges of the supreme court have been raised to $7,500 and the salaries of the district judges to $4,800.

I ask unanimous consent that this schedule may be printed in the RECORD.

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

The matter referred to is as follows:

SALARIES OF JUDGES IN VARIOUS STATES

Alabama: Supreme court, $6,500; appellate court, $6,500; circuit court, $4,000; some few counties have authority to add to salaries, Mobile, $3,000; Montgomery, $2,000; Jefferson, $2,400; and Tuscaloosa, $1,200.

Arizona: Supreme court, $5,000; superior court, $3,500 to $4,500.

Arkansas: Supreme court, $4,000; circuit court, $3,000; chancery court, $3,000.

California: Supreme court, $8,000; court of appeals, $7,000; superior court, $7,000.

Colorado: Supreme court, $5,000; district court, $4,000.

Connecticut: Supreme court of errors, $9,000; superior court, $9,000; court of common pleas, $7,000.

Delaware: Supreme court, $7,500; chancellor, $7,500.

Florida: Supreme court, $5,500; circuit court, $5,000.

Georgia: Supreme court, $7,000; court of appeals, $7,000; superior court, $5,000; certain counties may add additional $3,000.

Idaho: Supreme court, $5,000; district court, $4,000.

Illinois: Supreme court, $15,000; appellate court, $12,000; circuit court, $6,500. Cook County (Chicago) appellate court, $15,000; circuit court, $15,000; superior court, $15,000; municipal court, $9,000.

Indiana: Supreme court, $7,500; appellate court, $7,500; circuit court $5,000 to $7,000.

Iowa: Supreme court, $6,000; district court, $4,000.

Kansas: Supreme court, $6,000; district court, $4,000.

Kentucky: Court of appeals, $5,000; circuit judges, $4,200; in Jefferson, Fayette, Campbell, and Kenton Counties circuit judges $3,000 from State plus $2,000 from county.

Louisiana: Supreme court, $8,000; court of appeals, $6,000; district court, $4,000 to $5,000.

Maine: Supreme judicial court, $6,000; superior court, $4,000.

Maryland: Court of appeals, $8,500; circuit court, $5,750; supreme bench of Baltimore city, $7,375.

Massachusetts: Supreme judicial court, $12,000; superior court, $10,000.

Michigan: Supreme court, $10,000; circuit court, $5,000 to $11,250.

Minnesota: Supreme court, $7,000; district court, $4,800; counties having 75,000 population may add $1,500. Counties with area over 15,000 square miles may add $1,500.

Mississippi: Supreme court, $6,500; circuit court, $4,000; chancery court, $4,000.

Missouri: Supreme court, $7,500; court of appeals, $6,000; circuit court, $3,000 to $5,000. St. Louis circuit court, $8,000.

Montana: Supreme court, $7,500; district court, $4,800.

Nebraska: Supreme court, $7,500; district court, $5,000.

Nevada: Supreme court, $6,000; district court, $4,500 and $5,000.

New Hampshire: Supreme court, $6,000; superior court, $6,000.

New Jersey: Supreme court, $18,000; vice chancellors, $18,000; circuit judges, $16,000; lay judges, $40 per day of court sitting or writing opinions.

New Mexico: Supreme court, $6,000; district court, $6,000.

New York: Court of appeals, $13,700; appellate division and supreme court, $17,500 in departments 1 and 2; $10,000 in departments 3 and 4.

North Carolina: Supreme court, $6,000; superior court, $5,000 (plus $1,250 traveling expenses).

North Dakota: Supreme court, $5,500; district court, $4,000.

Ohio: Supreme court, $8,500; appellate court, $8,000; court of common pleas, $3,000 plus $25 for each 1,000 of population up to 120,000, and $5 for each 1,000 over 120,000, in no case exceeding $5,000.

Oklahoma: Supreme court, $6,000; criminal court of appeals, $6,000; district court, $4,000.

Oregon: Supreme court, $5,250; circuit court, $4,000; counties having 100,000 population and over may pay $1,500 additional.

Pennsylvania: Supreme court, $17,500; superior court, $16,000; common pleas, $8,000 to $12,000; orphans court, $8,000 to $12,000.

Rhode Island: Supreme court, $8,000; superior court, $7,500.

South Carolina: Supreme court, $4,500; circuit court, $4,000.

South Dakota: Supreme court, $3,000; circuit court, $2,500.

Tennessee: Supreme court, $5,500; court of civic appeals, $5,500; chancery court, $4,000; circuit court, $4,000.

Texas: Supreme court, $6,500; court of civil appeals, $5,000; court of criminal appeals, $6,500; district court, $4,000.

Utah: Supreme court, $5,000; district court, $4,000.

Vermont: Supreme court, $5,000; superior court, $5,000.

Virginia: Supreme court of appeals, $6,000; circuit court, $3,600; city court, $3,000 to $3,500; counties and cities may supplement salaries.

Washington: Supreme court, $7,000; superior court, $6,000 in counties over 210,000 population; $5,000 in counties over 125,000; and $4,500 in remaining districts.

West Virginia: Supreme court of appeals, $8,000; circuit court, $3,300 to $6,000.

Wisconsin: Supreme court, $8,500; circuit court, $6,500.

Wyoming: Supreme court, $7,000; district court, $6,500.

FEDERAL JUDGES

$14,500, United States Supreme Court.
$8,500, circuit court of appeals.
$8,500, Court of Appeals District of Columbia.
$8,500, Court of Customs Appeals.
$7,500, United States district judges.
$7,500, Supreme Court of District of Columbia.
$7,500, Court of Claims.
$7,500, Territorial district judges—Alaska, Canal Zone, Hawaii, and Porto Rico.

NOTE.—This table no doubt contains many inaccurate statements, assembled as it has been from many sources, but it is believed that no salary has been understated. Corrections of errors in the table will be welcomed. A. B. A., chairman.

A convenient grouping of the salaries of the State supreme court judges (283 in number) can be shown by taking the conventional, unofficial system, which works out as follows:

TABLE VII—*Reporter system*

Reporter	Average salary
1. Northeastern	$11,572.00
2. Atlantic	10,140.00
3. Northwestern	7,079.00
4. Southern	6,608.00
5. Southeastern	6,393.00
6. Pacific	6,113.00
7. Southwestern	5,722.00
Average for 283 justices	7,701.06

Mr. GEORGE. Mr. President, I have no disposition to discuss this matter, and I am not going to delay a vote on the bill, but I want to voice my protest now against the fixing of salaries of Federal officers on a sliding scale, whether we are dealing with judges, postal employees, Army and Navy officials, or what not, and I want to put it upon this ground:

The tendency of legislation in this country for a half century has been to build up the large centers at the expense of the back places in the United States. In my judgment, no more pernicious principle could be introduced into Federal legislation than the scaling of the salaries of high Federal officials on the basis of the town or city in which the Federal official lives, and I am opposed to it absolutely.

Not only did the Senator from Missouri accept this amendment but in my judgment it is a wise amendment which he accepted. There is a principle involved in this legislation that is much broader than the legislation itself, and I merely want to go on record in regard to it. So far as these salaries are concerned, I shall vote for this bill without the slightest hesitation. It may be that the salaries are in some instances inadequate, but they are certainly not excessive in any instance.

Mr. TRAMMELL. Mr. President, in view of the fact that some days ago, when this matter came up, I voiced opposition to the bill as it stood at that time, I desire to state that since the bill has been amended so that the increases for district and circuit judges are only approximately $2,500 a year I shall not further oppose that particular feature of the bill. I did think at first, when the proposed increases ran from $5,000 to $6,500, that they were too much.

That has now been changed by amendment as far as the district and circuit courts are concerned, but the large increase still obtains in regard to the Supreme Court. The salaries of the justices of the Supreme Court were increased some few years ago from $12,000 a year to $14,000 a year, and a further increase is proposed from $14,000 a year, as at present, to $20,500 for the Chief Justice and to $20,000 for the Associate Justices, making an increase within a period of three or four years since the salaries were increased before of $6,000, which will mean an increase of $8,000 a year to the Associate Justices of the Supreme Court and the Chief Justice.

While I have very high regard for the Supreme Court—indeed, of all our judiciary I must say that the members of the Supreme Court do not perform any greater amount of work than do district judges or circuit court judges, and the work is no more taxing. In fact, I dare say that in a very large number of instances the district judges and the circuit court judges perform a greater amount of work than is performed by the Supreme Court justices.

I shall propose to perfect the substitute by striking out "$21,500," in line 5, which is fixed as the salary of the Chief Justice, making it $18,500.

Mr. ASHURST. On what line?

Mr. TRAMMELL. In line 5 of the proposed substitute, I move to strike out "$21,500" and insert in lieu thereof "$18,500"; and in line 6, to strike out "$20,000" and insert "$18,000." I think the raises then will be commensurate with the other raises carried in the substitute which we are now considering for district judges and circuit judges. I propose that amendment.

The PRESIDING OFFICER. The Secretary will state the amendment to the amendment.

The LEGISLATIVE CLERK. On line 5 of the substitute, strike out "$21,500" and insert in lieu thereof "$18,500."

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The clerk will state the next amendment to the amendment.

The LEGISLATIVE CLERK. On line 6, strike out "$20,000" and insert in lieu thereof "$18,000."

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is on the amendment offered by the Senator from Missouri in the nature of a substitute for the amendment of the committee.

Mr. NORRIS. Mr. President, I do not desire to delay a vote on the bill. I think it is fair that we should vote on it. We will have to vote on it eventually, and I am willing to have a vote now. I think, however, we ought to have a roll call on the passage of a bill of such importance. I do not care to have one on the amendment that has been offered, but on the final passage of the bill we ought to have a roll call.

Mr. President, I want to add just a word. While the arguments pro and con have been very ably presented, there is one thing that has been omitted, as I look at it, which should be called to the attention of the Senate and placed in the RECORD. When Federal judges are transferred from place to place, performing the work of other judges, their expenses are paid. In the performance of their official acts their traveling expenses, their railroad fare, their hotel bills, are paid. They are appointed for life. They do not have the expense connected with campaigns which candidates for a judgeship in State courts have. Therefore, it seems to me, they are not put to the same expense to which State judges are put in the same locality and under the same circumstances; and if there is any difference in the salaries, it is the State judges who ought to have the largest salaries.

I concede that in some parts of the country, comparatively small, the judges' salaries ought to be increased. There are other portions of the country where the method of the selection of Federal judges is in a great many instances very questionable. That applies to a section of the country with which I am not personally familiar, but I have talked with many Senators of the method by which judges are selected in some portions of the country, and it is not always true that high-class man are appointed, but inferior men are often put on the Federal bench through the methods employed.

Mr. WALSH. Mr. President, when the Senator institutes a comparison between the expenses to which the State judges are put in successive campaigns for reelection, and that sort of thing, with the expenses of Federal judges, who do not have that item to look after, he should not forget also that the Federal judges are pensioned after they arrive at a retiring age of 70 years.

Mr. NORRIS. That is another thing. They are pensioned for life.

With the understanding that we can have a roll call vote on the final passage of the bill, I care to say nothing further.

The PRESIDING OFFICER. The question now is on agreeing to the amendment offered by the Senator from Missouri in the nature of a substitute for the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDING OFFICER. If there be no further amendment as in Committee of the Whole, the bill will be reported to the Senate as amended.

The bill was reported to the Senate as amended and the amendment was concurred in.

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

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. NORRIS. On the passage of the bill I ask for the yeas and nays.

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

Mr. BRATTON (when his name was called). I have a general pair with the junior Senator from Indiana [Mr. ROBINSON]. I understand that if he were present he would vote as I intend to vote, and I will therefore vote. I vote "yea."

Mr. CURTIS (when his name was called). I have a pair for the day with the senior Senator from Nevada [Mr. PITTMAN]. Not knowing how he would vote, I withhold my vote.

Mr. FERRIS (when his name was called). I have a pair with the senior Senator from Pennsylvania [Mr. PEPPER]. I am informed that if he were present he would vote as I shall vote. I therefore vote. I vote "yea."

Mr. FLETCHER (when his name was called). I have a general pair with the junior Senator from Delaware [Mr. DU PONT]. I am advised that, if present, he would vote as I shall vote, and I vote "yea."

Mr. GILLETT (when his name was called). I have a general pair with the senior Senator from Alabama [Mr. UNDERWOOD]. I am not sure how the Senator from Alabama would vote on this question, but I feel it quite likely that he would vote as I shall vote. I will therefore take the responsibility of voting. I vote "yea."

Mr. SIMMONS (when his name was called). I have a general pair with the senior Senator from Oklahoma [Mr. HARRELD]. I transfer my pair to the senior Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. WADSWORTH (when his name was called). On this question I have a pair with the senior Senator from Arkansas [Mr. ROBINSON]. I transfer that pair to the senior Senator from Vermont [Mr. GREENE] and vote "yea."

The roll call was concluded.

Mr. WALSH. I desire to announce that the senior Senator from Nevada [Mr. PITTMAN] is absent on account of illness.

Mr. KING (after having voted in the negative). Unfortunately I have a pair upon this vote with the Senator from New Jersey [Mr. EDWARDS], and in his absence I am compelled to withdraw my vote. It is needless to say that if I were permitted to vote I should vote "nay."

Mr. HARRISON. I have a pair with the junior Senator from Oklahoma [Mr. PINE]. Not being able to get a transfer, I withhold my vote.

Mr. MAYFIELD. The senior Senator from West Virginia [Mr. NEELY] is necessarily detained from the Senate. If he were present, he would vote "yea."

Mr. OVERMAN (after having voted in the affirmative). May I inquire whether the senior Senator from Wyoming [Mr. WARREN] has voted?

The PRESIDING OFFICER. He has not voted.

Mr. OVERMAN. I transfer my pair with the senior Senator from Wyoming to the senior Senator from Alabama [Mr. UNDERWOOD] and let my vote stand.

Mr. JONES of New Mexico (after having voted in the affirmative). I have a general pair with the senior Senator from Maine [Mr. FERNALD]. I am advised that if he were present he would vote as I have voted, and I therefore permit my vote to stand.

The result was announced—yeas 66, nays 8, as follows:

YEAS—66

Ashurst	Fess	McKellar	Sheppard
Bayard	Fletcher	McLean	Shipstead
Bingham	Frazier	McMaster	Shortridge
Bratton	George	McNary	Simmons
Broussard	Gillett	Mayfield	Smith
Bruce	Glass	Means	Stanfield
Butler	Goff	Metcalf	Steck
Cameron	Gooding	Moses	Stephens
Copeland	Hale	Nye	Swanson
Couzens	Heflin	Oddie	Tyson
Cummins	Johnson	Overman	Wadsworth
Dale	Jones, N. Mex.	Phipps	Watson
Deneen	Jones, Wash.	Ransdell	Wheeler
Dill	Kendrick	Reed, Mo.	Williams
Edge	Keyes	Reed, Pa.	Willis
Ernst	La Follette	Sackett	
Ferris	Lenroot	Schall	

NAYS—8

Blease	Caraway	Howell	Trammell
Borah	Harris	Norris	Walsh

NOT VOTING—22

Capper	Greene	Norbeck	Smoot
Curtis	Harreld	Pepper	Underwood
du Pont	Harrison	Pine	Warren
Edwards	King	Pittman	Weller
Fernald	McKinley	Robinson, Ark.	
Gerry	Neely	Robinson, Ind.	

So the bill was passed.

RAILWAY CARRIERS AND THEIR EMPLOYEES

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The LEGISLATIVE CLERK. A bill (H. R. 9463) to provide for the prompt disposition of disputes between carriers and their employees, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 10244. An act to extend the time for the construction of a bridge across the Fox River in the State of Illinois on State Road No. 18, connecting the villages of Yorkville and Bristol in said county; and

H. R. 10246. An act to authorize the commissioners of McKean County, Pa., or their successors in office, to construct a bridge across the Allegheny River at a certain location where a highway known as State Highway Route No. 211 crosses said river at a location within the limits of the borough of Eldred or not distant more than one-half mile north of said borough of Eldred, McKean County, Pa.

The message also announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H. R. 4034. An act granting the consent of Congress to Texas-Coahuila Bridge Co. for construction of a bridge across the Rio Grande between Eagle Pass, Tex., and Piedras Negras, Mexico;

H. R. 5691. An act granting the consent of Congress to Charles L. Moss, A. E. Harris, and T. C. Shattuck, of Duncan, Okla., to construct a bridge across Red River at a point between the States of Texas and Oklahoma where the ninety-eighth meridian crosses said Red River;

H. R. 10169. An act granting the consent of Congress to the Gallia County Ohio River Bridge Co. and its successors and assigns to construct a bridge across the Ohio River at or near Gallipolis, Ohio; and

H. R. 10470. An act granting the consent of Congress to the city of Little Falls, Minn., to construct a bridge across the Mississippi River at or near the southeast corner of lot 3, section 34, township 41 north, range 32 west.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 10055) to amend section 77 of the Judicial Code to create a middle district in the State of Georgia, and for other purposes; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. GRAHAM, Mr. DYER, and Mr. SUMNERS of Texas were appointed managers on the part of the House at the conference.

HOUSE BILLS REFERRED

The following bills were severally read twice by title and referred to the Committee on Military Affairs:

H. R. 9178. An act to amend section 12 of the act approved June 10, 1922, so as to authorize payment of actual expenses for travel under orders in Alaska;

H. R. 10504. An act to amend the act approved June 4, 1897, by authorizing an increase in the cost of lands to be embraced in the Shiloh National Military Park, Pittsburg Landing, Tenn.;

H. R. 10827. An act to provide more effectively for the national defense by increasing the efficiency of the Air Corps of the Army of the United States, and for other purposes; and

H. R. 11511. An act to amend in certain particulars the national defense act of June 3, 1916, as amended, and for other purposes.

HOUSE BILLS TO THE CALENDAR

The bill (H. R. 5223) to authorize disbursing officers of the Army, Navy, and Marine Corps to designate deputies was read twice by its title.

The bill (H. R. 4547) to establish a department of economics, government, and history at the United States Military Academy, at West Point, N. Y., and to amend chapter 174 of the act of Congress of April 19, 1910, entitled "An act making appropriations for the support of the Military Academy for the fiscal year ending June 30, 1911, and for other purposes," was read twice by its title.

Mr. WADSWORTH. I ask unanimous consent that the two bills just read may go to the calendar without reference to the Committee on Military Affairs. The Committee on Military Affairs has already reported duplicate bills, which are upon the calendar.

The PRESIDING OFFICER. Is there objection?

Mr. WALSH. Are the bills identical?

Mr. WADSWORTH. They are.

The PRESIDING OFFICER. The bills will be placed on the calendar.

The bill (H. R. 8592) to further amend section 125 of the national defense act of June 3, 1916, as amended, was read twice by its title.

The bill (H. R. 9218) to authorize the Secretary of War to exchange deteriorated and unserviceable ammunition and components, and for other purposes, was read twice by its title.

Mr. WADSWORTH. I make the same request with respect to these bills. The Senate Committee on Military Affairs has reported similar bills.

The PRESIDING OFFICER. Without objection, the bills will be placed on the calendar.

FIRST LIEUT. HARRY L. ROGERS

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S.

37, for the relief of First Lieut. Harry L. Rogers, jr., which was, on page 1, line 6, to strike out "$700" and insert "$902.63."

Mr. MEANS. I move that the Senate agree to the amendment proposed by the House.

Mr. KING. What is the amendment?

Mr. MEANS. I will explain it. It makes an increase of $200 over the amount allowed by the Senate. I really think the House considered it more fully than the Senate and they raised the amount about $200.

The PRESIDING OFFICER. The question is on the motion of the Senator from Colorado that the Senate agree to the House amendment.

The motion was agreed to.

MONDAY EVENING SESSION

Mr. CURTIS. Mr. President, I ask unanimous consent for the entrance of the following unanimous-consent order. I have spoken to the Senator from Arizona [Mr. ASHURST] and several other Senators in regard to it, and I think there will be no objection to it.

The PRESIDING OFFICER. The clerk will read the proposed unanimous-consent agreement.

The legislative clerk read as follows:

Ordered (by unanimous consent), That upon Monday, May 10, at not later than 5.30 o'clock p. m., the Senate take a recess until 8 p. m., and that at the evening session the calendar be taken up for the consideration of unobjected bills on said calendar, and that when the calendar is concluded for unobjected bills the calendar be called for the consideration of bills under Rule VIII; that the evening session shall continue until not later than 11 o'clock p. m.

Mr. FLETCHER. Mr. President, may I ask the Senator if that means we will not have the calendar before Monday night?

Mr. CURTIS. We will have a call of the calendar until 2 o'clock on Monday unless the morning hour is otherwise taken up.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement? There being no objection it is entered into.

EASEMENTS UPON PUBLIC MILITARY RESERVATIONS

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1482) to authorize the Secretary of War to grant easements in and upon public military reservations and other lands under his control, which was, on page 2, after line 14, to insert:

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. WADSWORTH. I move that the Senate concur in the House amendment. It is corrective in character.

The motion was agreed to.

BOARD OF COMMISSIONERS OF UNITED STATES SOLDIERS' HOME

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1484) to amend section 1, act of March 4, 1909 (sundry civil act), so as to make the Chief of Finance of the Army a member of the Board of Commissioners of the United States Soldiers' Home, which was on page 1, line 8, after the word "surgeon," to insert the word "general."

Mr. WADSWORTH. The amendment is the correction of a typographical error, and I move that the Senate concur in the House amendment.

The motion was agreed to.

ADALINE WHITE

Mr. CURTIS. I ask unanimous consent that the Committee on Claims be discharged from the further consideration of the bill (S. 254) for the relief of Adaline White, and that the bill be referred to the Committee on Finance.

The PRESIDING OFFICER. Is there objection?

Mr. BRUCE. What is the nature of the bill?

Mr. CURTIS. It is a bill growing out of war matters and it is the rule that the Committee on Finance shall have jurisdiction instead of the Committee on Claims.

The PRESIDING OFFICER. Without objection, the change of reference will be made.

REGULATION OF COMMERCE IN COAL

Mr. COPELAND. Mr. President, will the Senator from Indiana yield to me to report a bill and make a brief statement about it?

Mr. WATSON. Will it excite debate?

Mr. COPELAND. Not at all.

Mr. WATSON. I yield for that purpose.

Mr. COPELAND. From the Committee on Education and Labor I report back favorably with an amendment the bill (S. 4177) to regulate interstate and foreign commerce in coal and to promote the general welfare dependent on the use of coal, and for other purposes. A copy of the bill will be found on each desk.

In view of the present coal crisis in England and in view of the situation we had in the United States last winter, I am sure we will agree this is a matter which must be given consideration at this session. My purpose in calling attention to the matter this morning is to make the Senate familiar with this simple bill.

FACT FINDING

It enlarges the powers of the Department of Commerce, requiring the Bureau of Mines to gather, analyze, and make public all essential facts and conditions relating to the production, distribution, and storage of coal, including cost, prices, profits, marketing, wages, working conditions, and so forth. In its provisions for fact finding it covers the suggestions made in his bill by the Senator from Arkansas [Mr. ROBINSON].

LABOR RELATIONS

The second title of the bill relates to labor relations. In the event of a threatened strike in the coal industry the President is authorized to employ, in his discretion, any existing agencies suitable to mediate in the dispute, or perhaps to induce the disputants to submit to voluntary arbitration.

If the dispute is not settled in this manner and interruption of interstate commerce is threatened, the President is authorized to create an emergency coal board. It is the duty of this board to investigate and report to the President upon the controversy within 30 days.

EMERGENCY DISTRIBUTION

The third title of the bill provides for emergency distribution in event there is substantial restraint or interruption of interstate commerce in coal. The President is authorized to proclaim that an emergency exists, threatening to impair the health, safety, and welfare of the people of the United States, and to interfere with commerce between the several States. He may then declare as operative and in full effect the act of September, 1922, providing for the appointment of a Federal fuel distributor, providing for the declaration of car-service priorities and to prevent the sale of fuel at unjust and unreasonably high prices.

There was a further provision in the bill which I presented. This authorized the President, in his discretion, to take over and operate during the emergency such mines as were necessary to furnish enough coal to keep the people from freezing and starvation. This was stricken out by the committee.

The bill will be brought up for consideration, I hope, at some early time. I am anxious that Senators may be thinking about it and studying the bill, because the matter is of such importance that I feel we should be thoroughly informed regarding it in order that early action may be taken.

The PRESIDING OFFICER. The bill will be placed on the calendar. The unfinished business will be proceeded with.

RAILWAY CARRIERS AND THEIR EMPLOYEES

The Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 9463) to provide for the prompt disposition of disputes between carriers and their employees, and for other purposes.

Mr. CURTIS. I desire to submit an amendment to the pending bill, which I ask to have read and that it be printed and lie on the table.

The amendment was read and ordered to be printed and to lie on the table, as follows:

Amend section 7, paragraph (f) in line 20, by striking out the proviso and add in lieu thereof the following proviso:

"*Provided*, That the Interstate Commerce Commission may, upon its own motion, suspend the operation of any such award or any wage agreement between the parties subject to this act, except one resulting from the operation of section 10, if the commission is of the opinion that such award or agreement involves an increase in wages or salaries as not to be in the public interest. The Interstate Commerce Commission shall hear any award or agreement so suspended within 30 days thereafter and with due diligence affirm or modify such suspended award or agreement."

Mr. WATSON. Mr. President, I claim for the measure that is now brought before the Senate for consideration that it is the best that can be passed at the present time and under existing conditions to preserve peace between the carriers and their employees in the United States.

The measure is the result of conferences held during the summer and fall of 1925 between representatives of employers and employees on the transportation system of the United States. Informal conversations between them began before the adjournment of the last Congress, but it was not until after

that time that representatives were formally selected for the purpose of conferring upon some measure or some principle or some policy that might prevent strikes in the future and preserve peace as between the parties. In December last the bill was finally formulated. During these conferences the parties gradually grew closer together. There had been more or less of antagonism, more or less of suspicion, more or less of fear, but gradually it dawned upon each party that the other was impelled by the most sincere motives and that each side was determined, if possible, to make concessions so that some measure might finally be agreed upon that would preserve peace in this portion of the industrial world and in the future prevent strikes and lockouts on the railroads.

I will ask to have printed in the RECORD as a part of my remarks a list of the railroads that were represented and also a list of the employees' organizations that were engaged in this endeavor.

The PRESIDING OFFICER (Mr. BLEASE in the chair). Without objection permission is granted.

The lists are as follows:

LIST OF RAILROADS

Alabama & Vicksburg.
Atchison, Topeka & Santa Fe.
Atlanta & West Point.
Atlantic Coast Line.
Baltimore & Ohio.
Boston & Maine.
Buffalo, Rochester & Pittsburgh.
Central of Georgia.
Central Railroad Co. of New Jersey.
Chesapeake & Ohio.
Chicago & Eastern Illinois.
Chicago & North Western.
Chicago, Burlington & Quincy.
Chicago & Western Indiana.
Chicago Great Western.
Chicago, Indianapolis & Louisville.
Chicago, Milwaukee & St. Paul.
Chicago, St. Paul, Minneapolis & Omaha.
Clinchfield.
Colorado & Southern.
Delaware, Lackawanna & Western.
Duluth, South Shore & Atlantic.
Florida East Coast.
Fort Worth & Denver City.
Grand Trunk System, lines in United States.
Great Northern.
Gulf Coast Lines.
Gulf, Mobile & Northern.
Gulf & Ship Island.
Hocking Valley.
Illinois Central.
Lehigh & New England.
Lehigh Valley.
Long Island.
Louisville & Nashville.
Minneapolis, St. Paul & Sault Ste. Marie.
Minnesota & International.
Missouri Pacific.
Nashville, Chattanooga & St. Louis.
New York Central.
New York, Chicago & St. Louis.
New York, Ontario & Western.
Norfolk Southern.
Norfolk & Western.
Northern Pacific.
Pennsylvania.
Reading.
Richmond, Fredericksburg & Potomac.
Rutland.
St. Joseph & Grand Island.
San Antonio, Uvalde & Gulf.
Southern Pacific.
Trinity & Brazos Valley.
Union Pacific.
Vicksburg, Shreveport & Pacific.
Western Pacific.
Western Railway of Alabama.
Winston-Salem Southbound.

LIST OF ORGANIZATIONS OF RAILWAY EMPLOYEES

Brotherhood of Locomotive Engineers.
Brotherhood of Locomotive Firemen and Enginemen.
Order of Railway Conductors.
Brotherhood of Railroad Trainmen.
Switchmen's Union of North America.
Order of Railroad Telegraphers.
American Train Dispatchers' Association.
International Association of Machinists.
International Brotherhood of Boilermakers, Iron Ship Builders and Helpers of America.
International Brotherhood of Blacksmiths.
Sheet Metal Workers' International Alliance.
International Brotherhood of Electrical Workers.
Brotherhood of Railway Carmen of America.
Brotherhood of Railroad Signalmen of America.
Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees.
Brotherhood of Stationary Firemen and Oilers.
United Brotherhood of Maintenance of Way Employees and Railroad Shop Laborers.
National Organization, Masters, Mates, and Pilots of America.
International Longshoremen's Association.
National Marine Engineers' Beneficial Association of the United States of America.

Mr. WATSON. Suffice it to say in general terms that 58 railroads were concerned in these negotiations and 20 railroad labor organizations. Fifty-eight railroads were favorable. When the final vote was taken 20 were against the proposition, but the railroads do not vote as units. They vote in their meetings by each thousand miles of railroad, 1 vote for each 1,000 miles. One hundred and ninety-nine votes were cast for the bill measured in that way and 48 against it. Twenty railroad labor organizations participated through their representatives in these conferences. No labor organization was hostile to the proposition at that time and indeed at the present time none is hostile, though one or two have been here asking to have some amendments adopted, in order that they may certainly be included in the provisions of the bill.

The measure passed the House, after full consideration by the Committee on Interstate and Foreign Commerce and by the House of Representatives itself, by a vote of 381 to 13. We had ample hearings before the Interstate Commerce Committee of the Senate. Practically everybody was heard who demanded to be heard, and it was quite significant at the time that no railroad company appeared in opposition to it, that no labor organization appeared in opposition to it, and that the sole opposition was voiced by Mr. James A. Emery, a very able and brilliant lawyer representing the National Association of Manufacturers, who appeared in the interest of certain amendments, which had full consideration by the committee. So that this is a good-faith effort on the part of the managers and on the part of labor to set up some machinery by which their differences may be adjusted and by which peace between them may be preserved.

This is no experiment in the way of legislation in the United States. The truth about it is that as far back as 1875 discussions in both Houses of Congress began as to whether or not railroad strikes might not be prevented by conciliation, by arbitration, and by those peaceful methods that we all so much favor when they can possibly achieve the desired result. Public sentiment, however, did not sweep up to a sufficient height and develop sufficient volume to bring about the passage of an act until 1888; but in that year Congress did pass an act providing only for arbitration.

Let me say, Senators—and this is essential in the consideration of this question—that there are two classes of disputes that arise in connection with the operation of railroads. One class is what are ordinarily called grievances. They may be of a personal nature; they may involve a great many employees; they may involve a few employees; they may involve but one employee. Of this class, also, are disputes rising out of the interpretation and application of existing agreements as to wages, hours of labor, or working conditions.

The second class are those which have reference directly to changes in the rates of pay, salaries, hours of service, or working conditions, and they are the ones that in the last analysis occasion the greatest difficulties and give rise to the most serious disagreements.

I wish to give Senators a brief history of this attempt to set up machinery to preserve peace in the transportation system of the United States. The first act, that of 1888, provided for arbitration only. It had no reference to either mediation or conciliation and had to do only with wages and rules and conditions of service. There was no attempt to settle what are ordinarily called grievances by the boards of arbitration thus set up. The President was authorized by the act to appoint two commissioners, one from the State in which the dispute arose and the other from any place the President might choose to find him. Those two commissioners were authorized to cooperate with the Commissioner of Labor for the

purpose of constituting a board that might arbitrate the dispute or disagreement in which the railroad was involved. They could voluntarily offer to arbitrate, and the President had the right to offer their services in case of a dispute, because, Senators, all of this legislation is based upon the theory of the existence of a dispute. If there be no dispute, there is no occasion for arbitration; there is no occasion for any attempt at either conciliation or mediation. It is only in the case of disputes where difficulties that are irreconcilable arise that this machinery is set up for the purpose of establishing some method that will bring the disputants together and prevent strikes or lockouts. The act of 1888 also provided for arbitration. In case of a dispute each side could name one individual and those two could name a third. They were clothed with powers of arbitration—that is, the powers usually given to boards of arbitration.

The law was on the statute books for 10 years, but in that whole time not one single case was submitted to it for consideration. This is most significant to a proper understanding of the mechanism of this machinery. In the 10 years that that law remained on the statute books not one case was referred to it, for the reason that it had in it provisions for compulsory investigation; that is to say, the board appointed by the President, if cases were referred to it—and it all had to be voluntary—could take charge and force the attendance of witnesses, the production of papers, and so on. That was so distasteful to both sides at that time that nobody appealed to the board.

There was one tremendous strike that occurred while the board was in existence, and that was the celebrated Debs strike of 1894, during the course of which President Cleveland sent troops to Chicago to see that the transportation of the mails was not interferred with by those who were seeking to destroy railroad property. Yet no case was submitted for the consideration of the board of arbitration.

By 1898 Congress and the public believed that some law should be enacted, that some machinery should be set up, that some method should be adopted by which arbitration, mediation, and conciliation, without the use of force, might be employed in the settlement of all such disputes. So what is called the Erdman Act was passed in 1898. Some of us were Members of the House of Representatives at that time. My friend the Senator from Kansas [Mr. CURTIS], the present majority leader, and one or two other Senators were then Members of the House of Representatives and voted for the Erdman Act.

The act of 1888 and the Erdman Act of 1898 applied only to wages, rules, and working conditions, and not to grievances. Those acts applied only to those employees who were engaged in the actual operation of the trains, those engaged in train service only. They did not cover any other branch or organization of railroad employees.

The Erdman Act provided for mediation and conciliation; that is to say, when a dispute arose it was the business of the disputants to get together and undertake by mediation and conciliation to settle their own differences and arrange their own difficulties. Then it provided for arbitration in the usual way in which arbitration comes about, each side appointing a man, and those two a third, the three to arbitrate the difficulty. After the question was submitted to arbitration the board so created then had the right to send for persons and for papers; in other words, there was provision for compulsory investigation; and the award was filed with the circuit court of the United States and judgment was rendered thereon.

For eight and a half years after that act was passed no dispute was submitted under it for mediation or arbitration or conciliation or to be dealt with in any other manner. But by that time public sentiment had become so aroused to the danger of strikes and the interruption of the transportation service of the country that cases began to be referred to these boards for settlement, and between 1906 and 1913, when the Erdman Act was repealed, there were submitted to it 61 cases involving wages, salaries, and conditions of service, which are the questions out of which grow the great strikes on the railroads of the country. Every case was adjusted peacefully without any resort to force—a most happy consummation of the desires of those who were responsible for that legislation.

Of the 61 cases thus settled 16 were disposed of by arbitration and the remainder by mediation. Not one single strike of any great consequence came upon the country during that time, and every case that was referred to these boards was adjusted.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER (Mr. GOFF in the chair). Does the Senator from Indiana yield to the Senator from Florida?

Mr. WATSON. Yes.

Mr. FLETCHER. Under what act was that?

Mr. WATSON. The Erdman Act. But the public and Congress became somewhat dissatisfied, and as a result, in 1913, the Newlands Act was passed. Senators will remember Senator Newlands, of Nevada. He introduced a bill which took his name and became a law in 1913. The difference between the Newlands Act and Erdman Act was that the Newlands Act provided a permanent Board of Mediation and Conciliation. It provided that the President could appoint a board consisting of a special commissioner of mediation and two others who were in the Government service, holding office at that time. That board could offer its services in case of a dispute between the management and employees of the railroads. It could only consider, as in the case of the other two acts, questions involving wages, hours of labor, and conditions of service. It could not in any wise deal with grievances or those minor disputes which are characterized as grievances. During the life of the Newlands Act 148 disputes were submitted to these boards, and all but one were settled peacefully. That was the one out of which grew the Adamson law. That dispute was settled not by mediation or conciliation or by arbitration, but by direct act of Congress.

I may have occasion later on to refer to the Adamson Act. Seventy-one of the cases submitted under the Newlands Act had reference to wages and hours and conditions of labor, the most aggravating class of cases that arise, and yet all were adjusted harmoniously; all were settled by mediation, conciliation, or arbitration. At all events no force was employed; at all events no compulsion was used, but all of the difficulties which arose during that time were settled in accordance with the methods of peace, which we trust may be those that shall be adopted in the future.

So, Senators, we come now to 1918, when the railroads were taken over by the Government on the 1st day of January of that year. With the advent of Government operation a new system was set up. We may all remember that at the time the railroads were taken over by the Government there was a tremendous demand for increased wages, and at that very time Mr. McAdoo appointed a commission of four. Mr. Wilcox, who had been chairman of the Republican National Committee, was one of those commissioners.

The commission sat for many months in the effort to adjust that question, and after, I think, four months, they decided unanimously in favor of the railroad employees; their decision was concurred in by Mr. McAdoo, and the award was made retroactive to January 1, 1918. Knowing that other disputes and difficulties would arise, at the suggestion of Mr. McAdoo, provision was made for boards of adjustment, which was the first time they appeared in connection with legislation of this kind. Such boards of adjustment could be formed by the parties to a controversy, or they could be permanent.

I refer to them as provided in the law at that time because in character and in formation they were identical with those in the Esch-Cummins Act. That is to say, they might be established by a single railroad line, a number of carriers, or any number of organizations. They might be established by a group of railroads. They might be established by the railroads nationally. I will say that under Government operation these boards of adjustment were almost universally acquiesced in and established by the labor organizations, or offers were made to do so, although at that time they were not looked upon so kindly by railroad managements.

During that period many cases were referred to these boards of adjustment; but the boards of adjustment in that case, as in this bill provided, had to do only with grievances—that is to say, with the interpretation and the application of existing agreements as to wages, hours of labor, and conditions of service—not as to wages, conditions of service, and hours of labor themselves, but as to the application and interpretation of existing contracts as to them. These boards of arbitration always are made up of those intimately acquainted with the conditions. Outsiders are not put on the boards. The problems are all of a technical nature, and therefore railroad men are required to decide them. So that in the measures providing for Government operation, as well as in the Esch-Cummins Act and in the measure before us, we provide for boards of adjustment to settle those technical questions that arise growing out of the interpretation and the application of existing agreements as to wages, hours of labor, and conditions of service, though they do not deal with the larger and the more drastic and the more dangerous problems of changes in the rates of pay or in the conditions of service or in the hours of work.

These boards of adjustment, as I say, were almost universally accepted; and in order that everybody might have an

opportunity to have his case adjusted, however small his grievance, Adjustment Board No. 1, Adjustment Board No. 2, and Adjustment Board No. 3 were established, and dozens upon dozens of cases were submitted to them during the time of their existence. All of these cases were settled in a spirit of conciliation and of harmony, and no difficulty grew out of the service during the time of Government operation so far as mediation or conciliation could maintain the harmonious relations that existed.

When the roads were to be turned back to their owners, Mr. Esch, then chairman of the Interstate and Foreign Commerce Committee of the House and now an honored member of the Interstate Commerce Commission, introduced a bill providing for the method of their return. This bill provided for conciliation and arbitration and for mediation. Mr. Anderson of Minnesota, submitted an amendment to it, which was adopted, which went even further along the line of conciliation and mediation than the proposition of Mr. Esch. When the bill came over to the Senate, however, there was a new situation. The Senator from Iowa [Mr. CUMMINS], then the honored chairman of the Interstate Commerce Committee, a man of wide knowledge and great experience in dealing with these problems, brought in an entirely new proposition. I call the particular attention of those who believe that at this time we should have force and compulsion instead of mediation and conciliation in the settlement of these disputes to the act that was passed by the Senate of the United States upon the recommendation of the Interstate Commerce Committee at that time.

We provided for a Railroad Labor Board. As recommended by the Interstate Commerce Committee and passed by the Senate, it consisted of five persons, all to be appointed by the President, all representing the general public. None of them was to have anything to do with railroad operation or with railroad ownership or with membership in any railroad organization; but when the bill got over to the House, the House would have none of it. It completely changed the complexion of the Railroad Labor Board, and it sent back to us a proposition providing for a Railroad Labor Board consisting of nine members—three representing management, three representing labor, and three representing the general public. In other words, it sent back to us a proposition by the terms of which we have six lawyers and three jurors on the jury, in which we have six advocates and three judges on the bench; and that is one of the causes of the failure of the Railroad Labor Board at the present time. It has been brought to a condition, as I shall show you presently, where it is absolutely useless so far as the settlement or adjustment of any controversies submitted to it is concerned.

That is just a brief history of the results of the efforts of Congress in times gone by, aided partially only by management on one side and labor on the other, to set up machinery for the adjustment of the differences between management and laborers on the railroads of the country.

That brings us up to the present time. "Well," you say, "what is the occasion for the passage of this bill at this time"? The necessity for the passage of this measure at this time is the collapse of the Railroad Labor Board, not because of the personnel of the board—because there are on it men of high character, wide experience, and high motives—but because of the very complexion of the board, its constituent elements. As I have said before, it has on it three members representing management, three representing labor, and three representing the general public; and when any case comes before that board, immediately those who are in sympathy with the respective sides become advocates on the court.

Mr. CURTIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Kansas?

Mr. WATSON. I do.

Mr. CURTIS. I have been surprised to hear the Senator say that the Railroad Labor Board has collapsed. I wish the Senator, before concluding his remarks, would tell us in what regard it has collapsed. I have been told, though I have not had time to verify the statement, that the Railroad Labor Board has been very successful except in, perhaps, two or three cases. Of course, I am not a member of the committee and have not had time to verify that statement, but I should like to have the Senator, if he has the facts, state them in reference to the failure of the board.

Mr. WATSON. The facts are that all the organizations of labor squarely state that they never again will appeal to the Railroad Labor Board in any case; four-fifths of the railway managers of the country state that they never again will appeal to it in any case; and if neither side appeals to the board, it has no jurisdiction over anything, because it is only to settle disputes. If agreements are made, the Railroad Labor Board can not get into the situation. It is quite true that in the past it did consider a great many cases. It is quite true that management went to it; it is quite true that labor went to it; it is quite true that it had a great many cases.

Mr. CURTIS. Mr. President, is it not true that the cases settled were satisfactorily settled except in about three instances?

Mr. WATSON. In many instances, yes; but if the parties will no longer appeal to it, of what use is it? It is a dead branch on the vine that can bring forth neither flower nor fruit.

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

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

Mr. WATSON. Yes.

Mr. WHEELER. The trouble with the Railroad Labor Board is that the Supreme Court has held that it has not any power, and that any order it makes is not binding.

Mr. WATSON. I am coming to that, I will say to the Senator, in what I hope will be something of an orderly discussion.

Mr. CURTIS. Then, right in that connection, I wish the Senator would tell us something about the board of mediation, which under this bill has absolutely no authority, and yet the bill creates a board of five members at salaries of $12,000 each.

Mr. WATSON. It has just as much authority as the Railroad Labor Board.

Mr. CURTIS. Why create it, then, if it is given no authority?

Mr. WATSON. I am going to tell the Senator why.

The present Railroad Labor Board is permanent, and that is another cause of its weakness, because, having no authority to enforce its decrees, whenever it makes a decision it makes an enemy. That is why labor no longer will appeal to it, and that is why management no longer will appeal to it; and if nobody appeals to it—as the parties say they will not—then of what use is it? It can not voluntarily thrust itself into a situation unless there is a dispute; and if there be no dispute, and the parties agree, then there is nothing of which the Railroad Labor Board has any jurisdiction. It is utterly powerless to go into a situation unless there be a dispute. If there be an agreement, it has no function to perform, no duty to fulfill.

That manifest failure, as I shall show, on the part of the Railroad Labor Board, resulted in a bill being reported from the Interstate Commerce Committee of the Senate only a year ago abolishing the Railroad Labor Board, and 160 Members of the House of Representatives signed a statement in favor of abolishing it. This situation became so acute that the President referred to it in his annual message in 1923, in which he said:

> The settlement of railroad-labor disputes is a matter of grave public concern. The Labor Board was established to protect the public in the enjoyment of continuous service by attempting to insure justice between the companies and their employees. It has been a great help, but is not altogether satisfactory to the public, the employees, or the companies. If a substantial agreement can be reached among the groups interested, there should be no hesitation in enacting such agreement into law.

And that is precisely what we bring to you now—an agreement, a substantial agreement, a working agreement accepted by both sides, in accordance with the suggestion of the President of the United States.

Mr. CURTIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Kansas?

Mr. WATSON. I do.

Mr. CURTIS. Does the Senator claim that that is done by the board of mediation?

Mr. WATSON. No; I am coming to tell the Senate all about it in a little bit, if the Senator will listen to me.

Mr. CURTIS. I thank the Senator. I will listen.

Mr. WATSON. The President continued:

> If it is not reached, the Labor Board may very well be left for the present to protect the public welfare.

But it has been reached. Therefore we have fulfilled the conditions of the President's message.

This message resulted in a wide discussion of the question throughout the United States. After its delivery the platforms of both political parties in 1924 took cognizance of the situa-

tion, the two conventions evidently believing that the matter was of such serious moment as to deserve platform recognition. The resolution adopted by the Democratic convention was as follows:

The labor provisions of the act (the transportation act) have proven unsatisfactory in settling differences between employer and employees. * * * It must therefore be so rewritten that the high purposes which the public welfare demands may be accomplished.

In that year—and I call the attention of my Republican associates to this language—the Republican platform of 1924 carried these words——

Mr. SMITH. Mr. President, before the Senator reads what was in the Republican platform, will he reread that which was written in the Democratic platform? As I caught it, it stated that the law as it now stands had to be rewritten. Will the Senator read that again, please?

Mr. WATSON. I shall be very happy to do so:

The labor provisions of the act (the transportation act) have proven unsatisfactory in settling differences between employer and employees. * * *

Mr. SMITH. That is the present Labor Board?

Mr. WATSON. That is what it means.

It must therefore be so rewritten that the high purposes which the public welfare demands may be accomplished.

The Republican platform of the same year used this language to which I call attention. If it does not fittingly describe and graphically set forth the very labor in which we are now engaged, then I do not understand the significance of language:

The Labor Board provisions of the present law should be amended whenever it appears necessary to meet changed conditions. Collective bargaining, mediation, and voluntary arbitration are the most important steps in maintaining peaceful labor relations and should be encouraged.

Listen:

We do not believe in compulsory action at any time in the settlement of labor disputes.

And yet men are coming here every day demanding that compulsory action be taken and compulsory provisions written into this law in place of what we adopted as the Republican platform!

We do not believe in compulsory action at any time in the settlement of disputes. Public opinion must be the final arbiter in any crisis which so vitally affects public welfare as the suspension of transportation.

We provide the machinery by which public opinion may be invoked, because we provide the method by which the public may be informed so as to intelligently come to conclusions respecting these propositions.

Therefore the interests of the public require the maintenance of an impartial tribunal which can in an emergency make an investigation of the facts and publish its conclusions.

That is just what we give.

This is essential as a basis for popular judgment.

I maintain that the bill now before the Senate carries out these suggestions to the very letter and embodies the very ideas set forth in the message of the President of the United States and in the platforms of the two great political parties.

Following his election the President, in his annual message to Congress, on December 3, 1924, referred again to this question. He said.

Another matter before the Congress is legislation affecting the labor sections of the transportation act. Much criticism has been directed at the workings of this section. It would be helpful if a plan could be adopted which, while retaining the practice of systematic collective bargaining with conciliation and voluntary arbitration of labor differences, could also provide simplicity in relations and more direct local responsibility of employees and managers.

Here is the plan thus outlined to the very letter to carry out that suggestion in the bill that is now here for consideration. I do not know how the suggestions of a message could be more explicitly embodied in legislation than were those of the President in the provisions of the pending measure.

The conferences conducted throughout 1925, which resulted in the formulation of the pending bill, were concluded on the 21st of December of that year. Speaking with reference to the results of the labors of the gentlemen who were responsible for the formulation of this measure, the President said in his annual message:

I am informed that the railroad managers and their employees have reached a substantial agreement as to what legislation is necessary to regulate and improve their relationship. Whenever they bring forward such proposals, which seem sufficient also to protect the interests of the public, they should be enacted into law.

Mr. CURTIS. Mr. President, will the Senator explain at the proper time, if he can, wherein the public is protected in the bill which is before us?

Mr. WATSON. I shall be glad to tell the Senator all about that, too.

The President continued:

It is gratifying to report that both the railroad managers and railroad employees are providing boards for the mutual adjustment of differences in harmony with the principles of conference, conciliation, and arbitration. The solution of these problems ought to be an example to all other industries. Those who ask the protection of civilization should be ready to use the methods of civilization.

The manifest inclination of the managers and employees of the railroads to adopt a policy of action in harmony with these principles marks a new epoch in our industrial life.

How could this pending measure be indorsed in stronger or more explicit language? I will come in a moment to what my good friend from Kansas adverted to.

Remember this, that the employees absolutely refuse to appear before the board in the future; that many of the important railroads of the country are opposed to it; that it has been held explicitly, as I will show in a moment, by the Supreme Court of the United States to have no authority to execute its decrees or enforce any decision it may make.

Mr. CURTIS. Mr. President, did not the Senator and other members of the committee know it had no authority when it was created?

Mr. WATSON. Certainly we did.

Mr. CURTIS. My recollection is that I made a motion on the floor to amend the bill by striking out the provision creating the Labor Board because it had no authority. The Senator knew at the time it had none.

Mr. WATSON. Certainly it had none. It is absolutely helpless. It is perfectly impotent. Yet my friend is holding it up as the final and decisive authority of the country to settle all the railroad difficulties of the Nation.

Mr. CURTIS. No; the Senator from Kansas is not holding it up; but the Senator from Kansas wants this measure so worded as to give protection to the public.

Mr. WATSON. Which I will show we do, unless the Senator wants us to resort to force. Does the Senator want compulsory arbitration?

Mr. CURTIS. The Senator from Kansas does not want to resort to force. The Senator wants a board with authority to investigate and pass upon the question as to whether or not the public interest is protected.

Mr. WATSON. How?

Mr. CURTIS. I want it to possess some authority to determine the public interest and take such action as it can to see that the public interest is protected.

Mr. WATSON. How? By legal compulsion? That would mean compulsory arbitration. That would mean force. I will say to my dear friend from Kansas, with whom I have served all these years, that it is either an olive branch or a club, and we have come with the olive branch. There is no chance for a club.

Mr. CURTIS. What I insist is this, that we give some other board—you may make it this mediation board, if you please, or the Interstate Commerce Commission, if you please—authority to review any agreement that is reached between these people, and if they find that it is not in the public interest, that they can then set it aside.

Mr. WATSON. I will come to that.

Mr. CURTIS. That ought to be done.

Mr. WATSON. I will show the Senator that that is precisely how we do that very thing. That is what we do, I will say to my good friend from Kansas, and my honored leader.

Mr. CURTIS. It is not done in this bill.

Mr. WATSON. No; it is not what I am talking about now, but it is what I hope to talk about by and by.

The President has suggested that it would be wise to seek a substitute for this. The platforms of both parties in 1924 clearly indicated dissatisfaction with the existing act relating to labor, and therefore something must be done, or we may have difficulty throughout the approaching summer and fall.

Do not think I am making a threat. I have no authority to speak for anybody, but I know that if disputes arise on

the railroads of the country, and there is no machinery set up by which those disputes may be harmonized and those differences adjusted, there may come suffering. Therefore it is our duty, sitting here as legislators, to provide some machinery that will enable those people to adjust their differences and settle their relationships.

Mr. JOHNSON. May I suggest to the Senator that we have an example to-day in the Anglo-Saxon-speaking country across the sea, and he is endeavoring to prevent just that sort of thing.

Mr. WATSON. If it be humanly possible to do it; and may God in His providence spare this Republic such dark calamity!

Senators, in the opinion of the Interstate Commerce Committee it is not possible to embody force in any form in this legislation. The theory of the bill is—and I call attention squarely to it—that all of these difficulties can be adjusted by good-faith agreements, by adjustments, either by collective bargaining or through the medium of a board of adjustment, or by mediation, or by arbitration and conciliation, and that no force whatever is required in order to bring about this happy solution of these difficulties.

Now I come to answer my friend from Kansas as to the public interest. The great objection to this bill is, as the Senator has so well voiced it, that it does not protect the public by its provisions. My contention is that the public is far better protected by this measure than at the present time. How shall I prove that? What has the public now under the present law? It has a board of mediation, it has a board of arbitration in an individual case, and it has the Railroad Labor Board.

The adjustment boards never have as a part of their membership anybody representing the public. The disputes considered by that board, as I said a moment ago, and as I say again, all arise out of technical questions, and therefore boards of adjustment have nobody on them but those familiar with railroad business, who understand the technique of the situation.

What else has the public? It has one-third of the board of arbitration; that is to say, if there is a dispute between the railroad employees and the managers, the employees appoint one and the managers another, and the third comes from the public.

Mr. CURTIS. How do you get arbitration? Not without the consent of the interested parties.

Mr. WATSON. Certainly not; but the public has that if it has anything. If it has not that, it has not anything under the existing law. What else has it? It has one-third of the Railroad Labor Board. That is utterly impotent to enforce a decision or to execute a decree.

What do we give the public in this measure? It has one-third of every board of arbitration, just as it has now. What else? We give it a board of mediation of five persons, all representing the general public, all appointed by the President. What else do we do? We then give it an emergency board, to be appointed by the President. No member of the board of mediation, no member of the emergency board, which is to act in the last analysis, after all efforts have failed, is to have any interest in the railroad management or in any labor organization. We have given two complete boards, whereas now the public has one-third of one board. If the public is protected now, it is doubly protected by the provisions of this bill which I present for consideration.

Mr. CURTIS. Will the Senator point to the provision providing for mediation that in any way protects the public?

Mr. WATSON. How much can the Railroad Labor Board protect the public? It can not protect it at all. It is perfectly helpless.

Mr. CURTIS. The Senator keeps referring to the Railroad Labor Board. I am not interested in the Railroad Labor Board; I am interested in this measure.

Mr. WATSON. I am referring to the Railroad Labor Board because we have to substitute something for it. I want to furnish something that is live and galvanic as a substitute for something that is dead or moribund.

Mr. CURTIS. Will the Senator tell the Senate what is live in the mediation provisions of this bill?

Mr. WATSON. Certainly. I am telling the Senator with all my might.

Mr. CURTIS. Do not give us just language. Point out the provisions in the bill.

Mr. WATSON. I am pointing out the provisions in the bill. I am afraid the Senator has not read it.

Mr. CURTIS. I have read every word of it several times, and I offered an amendment, because I thought it was necessary. I want to say that I am just as heartily in favor of the carriers and their men getting together as the Senator can be. I showed that when I offered an amendment to do away with the Railroad Labor Board when the present law was under consideration. I want something in this act which will provide that if agreements between the employees and the managers are unfair to the public the public's interest can be protected. Every Member of this body ought to be interested in that, because the public is more deeply interested in this question than are the railroads or their men. The railroads are created to serve the public, and the public interest should be protected in this measure or we ought to defeat the measure.

Mr. WATSON. Protect it how?

Mr. CURTIS. I stated to the Senate a moment ago that it should be protected by giving the Interstate Commerce Commission, or by giving to this board of mediation, the right to withhold any order or agreement the companies and the men may make if it is against the public interest.

Mr. WATSON. Which would be absolutely unconstitutional.

Mr. CURTIS. Giving them 30 days in which to have a chance to be heard. If the railroads and their employees want to do what the Senator contends, they will not object to that, and the very fact that they do object to it convinces me that they do not care to have the public interest protected.

Mr. WATSON. Mr. President, I do not care to stand here and impugn the railroad managements and all the railroad employees of the United States.

Mr. CURTIS. Neither do I; but that is only a fair provision, and it ought to be put in this bill.

Mr. WATSON. I will say to my good friend that he is actuated by the fear, I think, that the railway managements and the railway laborers will get together, if this is passed, and fix up an agreement for increased wages.

Mr. CURTIS. I expect them to do that, and I hope it will be fair. If it is fair, it ought to be approved, but if for any reason, because of their anxiety to get together, they agree to something that is against the public interest, there should be somebody, some power somewhere, to hold them down, and with authority to consider whether a thing is fair to the public or not.

Mr. WATSON. The public interest can be protected by mediation or by conciliation or by both. That is all there is to it.

Mr. CURTIS. So far as mediation is concerned, the Senator has not pointed out one single line that protects the public. The board of mediation, so far as it is concerned, is just as helpless and just as useless as the Senator says the present Labor Board is. We are simply asked to give to five men a salary of $12,000 each, that we might as well or had better throw in the Potomac River, because somebody might find it and it would help them.

Mr. WATSON. Let me tell my friend wherein he is wrong. In the first place, if the management of the Pennsylvania Railroad and the employees of the Pennsylvania Railroad wanted to get together to-morrow and fix wages, who is there in the United States to say they shall not do it? Not one soul! Everybody is perfectly helpless. Why? It is a private contract, and I have here decisions of the Supreme Court squarely to show that no power has a right to interfere with private contracts.

Mr. CURTIS. But if that be an agreement which would increase the railroad rates beyond what is reasonable, then there is a power or should be a power that could prevent those rates from being put into effect.

Mr. WATSON. I will talk about that feature of it, but it is not to be accomplished by the amendment proposed by the Senator from Kansas.

Mr. CURTIS. Oh, yes; it is.

Mr. WATSON. No; not by any manner of means, and I will talk about that in a moment.

Mr. CURTIS. The amendment proposed by the Senator from Kansas would give to the Interstate Commerce Commission the power to hold up an agreement until they could investigate to see if in its opinion it would be against public interest. The commission would give the parties a hearing within 30 days. If they find the agreement is against the public interest, they may order that it not be put in operation.

Mr. WATSON. I am perfectly familiar with the Senator's amendment, and I am just as much opposed to it as I could be to any proposition.

Mr. CURTIS. I am sorry, because if the Senator is opposed to it, he is opposed to protecting the public interest, and I do not think that of the Senator from Indiana.

Mr. WATSON. I am going to protect the public interest. In fact, I am right now engaged to the uttermost limit in trying to set up machinery to protect the public interest, and I will talk about that in a moment.

How can the public interfere if the Pennsylvania Railroad management and its employees get together and fix wages? It is said that there is danger that this is going to be done. If they want to do it, they can do it now. The Railroad Labor Board has nothing to do with that proposition. The Railroad Labor Board has power to act only when there is a dispute. If there be no dispute the Railroad Labor Board is never called into play. It has no authority, no jurisdiction, and it can not get into the controversy anywhere along the line.

Now, let us go to title 3, which is the title of the present law.

Mr. REED of Missouri. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Missouri?

Mr. WATSON. I yield.

Mr. REED of Missouri. Does the Senator not see any difference between a single railroad agreeing with its employees as a matter of private contract between the employee and the employer, and a proposition that the Government shall itself set up a tribunal which shall pass upon the question of wages on all railroads, affecting them all alike at one time?

Mr. WATSON. I do not. I do not care whether it is one man's wages or a million men's wages, it is the right of private contract as applied to the individual. Under the Adamson law, in the case of Wilson against New, that question was squarely decided by Chief Justice Taft and concurred in by the unanimous opinion of all the members of the court. We can not interfere with the right of private contract, the right to work, the right not to work, the right to fix wages, the right to agree on emoluments for labor. That is an absolute contract that is sustained and protected by the Constitution of the United States.

Mr. REED of Missouri. I was unfortunate in not getting my thought to the Senator.

Mr. WATSON. I do not care whether it is one man or a million men, the principle is the same.

Mr. REED of Missouri. The principle to which I am trying to call attention is this: Let us concede that the Pennsylvania Railroad has a right to agree with its men on the wages that shall be paid. That private contract, if they see fit to make it, can not be interfered with. Suppose we concede that. Does not the Senator see any difference from a practical standpoint between that transaction between one railroad and its employees, and the Federal Government setting up a board which is to decide the question not only for one railroad but for all railroads, or the Federal Government itself undertaking to sanction or to promote an arrangement that affects every railroad in the United States at once? Does the Senator see no practical difference between those two propositions?

Mr. WATSON. Not the slightest in the world. If it relates to the wages of one man, it is the principle involved. The Adamson law applied to a case where all the railroads were involved and all labor was involved, and that is where the decision came.

Mr. REED of Missouri. I am talking about the practical standpoint.

Mr. WATSON. I am talking about the legal phase of it, and that is all there is to it. There is no escape from that.

Mr. REED of Missouri. I do not think so at all.

Mr. WATSON. Then the Senator and I differ.

Mr. REED of Missouri. If that is all there is to it, why pass the bill? If all there is to it is the legal phase——

Mr. WATSON. I will explain that to the Senator in a moment.

Mr. REED of Missouri. If the Senator will pardon me, I should like to make this statement.

Mr. WATSON. Certainly.

Mr. REED of Missouri. If all there is to it is the legal phase and if any railroad company and its employees had the right now to contract——

Mr. WATSON. Does the Senator dispute that?

Mr. REED of Missouri. No; I am not disputing it. If that is all there is to it and if that is all the bill does, why should we pass such a bill?

Mr. WATSON. That is all there is to this phase of it.

Mr. REED of Missouri. Manifestly it is because we propose to go beyond the mere contractual right that individual men have to contract with their company and we propose to set up a machinery to do something. Now what is it? It is to interfere in a labor dispute. Senators can not come here and say, because the parties have a legal right to contract, therefore we must pass this bill, which proposes to create a tribunal to affect the rights of the company and the men and the public and at the same time fall back upon the proposition that they have the legal right to do it anyway.

Mr. WATSON. What would the Senator set up? What does he propose?

Mr. REED of Missouri. I am just trying to call attention to the distinction.

Mr. WATSON. I am trying to find out what the Senator would do.

Mr. REED of Missouri. I shall have some opportunity to express myself in regard to what I think ought to be done, but I am just calling attention to the fallacy of an argument which says there is a legal right to contract, and therefore, because of the legal right to contract, we must pass this particular bill.

Mr. WATSON. No; I do not say that.

Mr. REED of Missouri. It is said that we must pass this particular bill which goes far beyond the legal right of contract, and that is the reason why the Senator is asking to have the bill passed.

Mr. WATSON. No; the Senator has, unintentionally, of course, misstated my major premise and my minor premise and my conclusion. Otherwise his statement is all right.

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

Mr. WATSON. Certainly.

Mr. FESS. I do not want to interfere with the course of the Senator's argument, but the Senator from Kansas [Mr. CURTIS] has raised a very significant question about the protection of the public——

Mr. WATSON. It is, indeed.

Mr. FESS. In asking that the Interstate Commerce Commission be given certain power which can not protect the public except in the way of having power to prevent a strike, which nobody is proposing, or in preventing an increase of rates in order to meet the agreement. I would like to ask the Senator whether agreements can require an increase of rates under the bill without first having the approval of the Interstate Commerce Commission.

Mr. WATSON. It can not; and I propose to discuss that with the Senator in just a moment or two.

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

Mr. WATSON. Certainly.

Mr. SMOOT. There are certain railroads in the United States that could increase the wages of their employees and still make more than the recapture clause of the law would allow them in the way of earnings. There are other railroads in the United States who, with the wages paid to-day, can hardly meet their expenses. What is there in the bill that would prevent the first-mentioned railroads, in order not to turn back to the Government of the United States a certain amount of their earnings over and above the amount allowed, from increasing the wages of their employees? And if that is done, does not the Senator think all employees on the other railroads would demand the same rate of pay, and if that be the case, what is going to be the result if the bill passes?

Mr. WATSON. I shall be very glad to take up that particular phase when I reach it, because I intend to do so later on.

Mr. SMOOT. I wish the Senator would do so, because it is of vital importance.

Mr. WATSON. Of course, the Senator is referring to the recapture clause?

Mr. SMOOT. Yes.

Mr. WATSON. Emphasizing the fact that the present Railroad Labor Board is helpless even in the case of a dispute, I want to call attention to two events that happened. In December, 1923, the engineers and firemen applied to the New York Central for a wage increase. They refused to submit the matter to the Railroad Labor Board and declined to take it there, but they did sit down around the table with the management of the New York Central.

The New York Central granted the increase. Similar negotiations resulted in a 5 per cent increase on all the eastern lines. They declined to appeal to the Labor Board, and the increases were made without any reference whatever to the Labor Board. The Labor Board was powerless to help the situation.

Immediately after that the engineers and firemen requested the western railroads to apply the New York Central increase to the western railroads. Conferences were held between the western managers' committee and the organizations. The railroads countered the request for a wage increase with a proposed change in rules, which the employees refused. The managers' conference failed, and ended in May, 1924. The employees then sought to get the individual roads in the West to apply the New York Central increase. The Labor Board intervened on its own motion and summoned the parties before it. The employees refused absolutely to appear. This was in July, 1924. The Railroad Labor Board issued subpœnas in

September, 1924, and attempted, through the district court, to compel the attendance of Mr. Robertson and others. Two cases were carried to the Supreme Court of the United States, where the first one, Robertson *v.* Railroad Labor Board, was decided in favor of the employees, the court holding that they had no right, power, or authority to subpœna anybody to come before them for any purpose. Therefore the whole thing went out of court.

What happened? Being unable to force the employees to appear, the Railroad Labor Board took evidence and handed down a decision in December, 1924, ordering certain changes in rules. The employees claimed that those changes in the rules would utterly invalidate any increase in wages. The employees refused to pay the slightest attention in the world to the decision so called. After a strike vote was taken on the Southern Pacific that railroad settled with the employees, granting the wage increase without any changes in the rules, in December, 1924.

Then similar settlements were made with all the other western railroads. In other words, here was a case where they declined absolutely to appeal to the Railroad Labor Board, and the Railroad Labor Board was powerless. Here was another case where the Railroad Labor Board made a decision and where both parties refused to pay any attention to the decision, but went on and agreed to an increase regardless of the Labor Board, and the Labor Board was powerless.

Mr. SMOOT. I want to get the Senator's idea as to what would happen in a case like this. Suppose another case like the New York Central case with its employees should arise. Suppose the employees took the identical course that they took and the western railroad employees should then appear asking for an increase. Suppose the increase made in the New York Central case was not affected by the recapture clause, but the increase was such that if some of the roads in the United States, be they in the West, or South, or East, granted those same rates they could not make the road pay. What would happen then?

Mr. WATSON. May I answer that in just a little bit?

Mr. SMOOT. At any time, but I want it answered, because I think it is a very vital question.

Mr. WATSON. An answer at this time would interrupt the continuity of what I am trying to present. I want to take up for specific discussion the amendment offered by the Senator from Kansas [Mr. CURTIS], which includes the proposition the Senator from Utah has just suggested.

Mr. SMOOT. Not altogether. That is only a part of it.

Mr. FESS. Mr. President, will the Senator from Indiana yield to me?

Mr. WATSON. Certainly.

Mr. FESS. I understand the question of the Senator from Utah [Mr. SMOOT] to be to the effect that if there be a profitable road, which could very easily increase the pay of its employees, and at the same time there be a less profitable road, which could not safely make the increase, the proposed law will not meet that condition? However, how is it met under the existing law?

Mr. WATSON. My attention was diverted for a moment and I did not catch the Senator's question.

Mr. FESS. Under the proposed law the small railroad would be in the same situation, so far as its operations are concerned, as under the present law?

Mr. WATSON. Certainly.

Mr. FESS. In other words, the proposed law will not in any way interfere with the less profitable roads.

Mr. SMOOT. The Senator forgets that under the power of the Interstate Commerce Commission if the allowance of increased wages for employees involves a greater expense than a railroad can stand under present rates, then an increase of rates must take care of it. That applies to all of the roads throughout the United States, but in this case it could not be cared for in that way.

Mr. FESS. It would apply under the new law just as it would under the present law.

Mr. SMOOT. No.

Mr. FESS. Precisely.

Mr. SMOOT. Not if the Interstate Commerce Commission has nothing to say about it.

Mr. FESS. That matter was presented to the committee.

Mr. WATSON. I am going to come to that in a little while, I will say to my friend from Utah.

Mr. GOODING. Mr. President, it seems to me that it would be better if Senators would allow the Senator from Indiana to proceed with his presentation of this bill.

Mr. WATSON. That is all right.

Mr. GOODING. I am sure that many of the Senators here would like to have a full statement in reference to the bill and then to submit their questions. I am certain that the Senate can get a better understanding of the bill in that way. I am sure that the Senator from Indiana, who is the chairman of the Interstate Commerce Committee of the Senate, is going to discuss every phase of the bill all the way through.

Mr. SMOOT. All the Senator from Indiana has to do is to refuse to yield if he desires not to be interrupted, and I will respect his wishes.

Mr. GOODING. But the Senator from Indiana does not care to do that. It seems to me, however, that it would be to the advantage of the Senate if he should be allowed to proceed until he shall have concluded his presentation of the bill.

Mr. BRUCE. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Maryland?

Mr. WATSON. I certainly do.

Mr. BRUCE. I am sorry that I can not just yet accept the suggestion of the Senator from Idaho [Mr. GOODING]. It seems to me that the Senator from Indiana ignores the fact that while the present Railroad Labor Board has no power to enforce its conclusions and has no compulsory power of any kind, yet it has the power to do what was practically the only thing it was intended to do when it was created; that is, to elicit facts and bring those facts to the attention of the public, so that the public may form its own judgment as to the justice of an industrial dispute.

Mr. WATSON. But how far afield it must go to do that, when no labor organization will appeal to it in any dispute, when few railroad managers will appeal to it in any dispute, and when if it thrusts itself in everybody will know that no attention will be paid to whatever decision it may reach. Why refer a case to a board of that character?

Mr. BRUCE. But is the Senator right in saying that nobody pays any attention to it?

Mr. WATSON. I am right in saying that. If the Senator was present in the committee and heard the statement of representatives of labor that they never intended again to appeal to it, he would not question the accuracy of my statement. They have not been appealing to it recently, except in cases of slight grievances.

Mr. BRUCE. If the theory of the law is right, it makes very little difference whether the railway executives pay any attention to the Railroad Labor Board or whether the railway workers pay any attention to it. It still has the power through its statistical bureau, and through its agencies of one sort and another, to establish the real facts of a controversy, to elicit information with reference to a controversy, and to present that information to the public, so that the public may judge whether it is the railway executives or the railway workers that should suffer its condemnation.

Mr. WATSON. I just showed the Senator that the present board has no such power; I just gave two illustrations where the board subpœnaed men to come before it to testify and they declined to testify; and the case was taken to the Supreme Court of the United States, where it was decided that the board did not have that power.

Mr. BRUCE. The Senator is in error in citing the defiance of the law as an illustration of the inefficacy of the law.

Mr. WATSON. It is no defiance of the law when there is no law and there is no authority. Why does the Senator say it is law when it is not law and when this board has no authority?

Mr. BRUCE. It has no power to enforce its mandates.

Mr. WATSON. It has not the power to compel the attendance of witnesses.

Mr. BRUCE. It can issue no compulsory process; that is all true; it was never intended to have any such compulsory power; but I think in the formation of that board it was intended that it should be clothed with full authority to elicit the facts relating to labor controversies and to lay those facts before the American people so as to let the American people judge whether it is the railway executives or the railway workers who are at fault.

Mr. WATSON. That is very fine, but the board has no such power; it can do no such thing. It can not subpœna a solitary man and compel him to come before it; it can not issue a subpœna duces tecum and have it honored; it can not get a soul before it.

Mr. BRUCE. But information can be obtained without resort to a subpœna duces tecum or resort to a summons. There are all sorts of ways of getting information in the case of a labor dispute; there are hundreds of individuals who are only too glad to come forward and to give information to the Railroad Labor Board.

Mr. WATSON. They generally know nothing about it.

Mr. BRUCE. I say the Senator is not correct——

Mr. WATSON. I am correct.

Mr. BRUCE. When he attempts to hold up the Labor Board as being absolutely impotent, for that is not the fact.

Mr. WATSON. I say it is a fact, and I say that the facts warrant the statement. The Senator knows it has no power; the Senator has admitted that it can not enforce its decrees; he has admitted that it has no compulsory process. Then what is there to it?

Mr. BRUCE. It was never intended to have any such power. We have not yet arrived at the stage—although perhaps we may, if the example that is being set by England is to become infectious—we never have yet arrived at the stage of being compelled to resort to the use of force in labor disputes. Consequently, when the Labor Board was created the idea was not to clothe it with any coercive or compulsory authority of any kind, but to clothe it with the power to elicit facts relating to labor controversies, so that the American public could judge for itself who was at fault; whether the railway executives or the railway workers.

Mr. WATSON. The Senator knows just as well as he is alive that that is just what the emergency board provided in this bill will be able to do.

Mr. BRUCE. I do not; and I am going to offer an amendment to that part of the House bill. I am also going to offer some other amendments which I conceive to be in the interest of the public. The emergency board is clothed with no power whatever to issue a simple subpœna or a subpœna duces tecum. It is clothed with no sort of adequate authority for the purpose of eliciting facts with reference to labor controversies.

Mr. WATSON. A board of arbitration is provided for, as the Senator knows.

Mr. BRUCE. There is no provision whatever for any impartial board of arbitration. The board of arbitration under that bill is simply a continuation of the present board of adjustment.

Mr. WATSON. Not at all.

Mr. BRUCE. I do not want to be misunderstood. If this bill were properly amended, I might feel that it was my duty to vote for it. The fact that it has obtained the assent of a certain number of railway executives, and the fact that it has obtained the assent of a large number of railway workers, is a strong point in its favor, but, in my humble judgment, before the bill should be accepted it should be amended, and I am going to do everything in my power to secure its amendment.

Mr. WATSON. And I am going to do everything in my power to prevent its amendment.

Mr. CURTIS. Mr. President, the Senator made a statement in regard to the labor organizations holding out against the Railway Labor Board. I have received information—I have not had time to verify it—that only one organization, the engineers, have held out against the Labor Board.

Mr. WATSON. I did not say that.

Mr. CURTIS. I say I have information that only yesterday one of the organizations of railway employees appeared before the Labor Board.

Mr. WATSON. I did not say that.

Mr. CURTIS. The Senator said that the railroad organizations were refusing to recognize the board.

Mr. WATSON. Their representatives have come before our committee and said they never again intended to recognize it or appeal to it.

Mr. CURTIS. Yet, only yesterday one of those organizations appeared before the board.

Mr. WATSON. It may have appeared before the board in regard to some little grievance or other, but not as to any fundamental question involving wages, hours of labor, service, or working conditions, which are the serious, far-reaching disputes that cause all the trouble in the country.

The Labor Board is authorized by the act of 1920 to act in all disputes in respect to the wages or salaries of employees and subordinate officials of carriers not decided by agreement or by an adjustment board. It is quite true that it is provided that in any such decision at least one of the representatives of the public must concur before the decision shall be binding; but of what value is that if the decision can not be enforced?

It may assume jurisdiction of a question when asked so to do by the chief executive of a railroad or the chief executive of a labor organization whose members are directly interested in the dispute; but most of these various organizations have determined, as I have repeatedly said, that they will no longer appeal to the Labor Board, and, therefore, how is a dispute to get before it? The Railroad Labor Board was organized to settle disputes. If there be agreement, there is no dispute, and so the board does not act on the case.

Mr. BRUCE. Mr. President, may I interrupt the Senator again for just a moment?

Mr. WATSON. Certainly.

Mr. BRUCE. As I understand, only three railroad companies in the country have refused to go before the Labor Board; that is to say, the Chicago & Alton, the Erie Railroad, and the Pennsylvania Railroad. I may be wrong, but that is my information.

Mr. WATSON. I will say to the Senator that his information is decidedly erroneous. If the Senator heard the testimony of these men in the committee he will remember that they squarely said to us that they would not appeal to the board any more.

Mr. BRUCE. I am speaking about what has been done; not what the railway executives say they will do, but what they have actually done.

Mr. WATSON. I just cited two cases to the Senator.

Mr. BRUCE. That is my information. If I am laboring under misinformation, I hope the misinformation will be corrected, but I make the statement that, so far as I know, only three railroad companies have refused to go before that board, the Pennsylvania Railroad, the Chicago & Alton, and the Erie. Has the Senator any specific information to the contrary? Can he name any other railroad company that has refused to go before the board?

Mr. WATSON. I have just cited, but the Senator does not pay attention to what I say, two cases; one was the New York Central, and the other was the Southern Pacific. Both of them I cited to the Senator just a moment ago. I did not bring a reference to other instances with me, but they are decisive of the proposition I was discussing. The New York Central people got together and said that they would not go to the Labor Board and would pay no attention to it.

Mr. BRUCE. Did the New York Central refuse specifically to accept the jurisdiction of the Railroad Labor Board?

Mr. WATSON. Certainly they refused.

Mr. BRUCE. I was not aware of that fact.

Mr. WATSON. I am telling the Senator of it now, and I hope to tell the Senator a great many things of which he is not aware.

Mr. BRUCE. I am glad to receive information, even from a source of such doubtful authority as the Senator from Indiana.

Mr. WATSON. I thank the Senator. I cited also to my good friend from Maryland the case of the Southern Pacific. Did the Senator hear me refer to that?

Mr. BRUCE. I did not.

Mr. WATSON. Well, I will not go over it again; I will tell the Senator about it privately.

Again, upon the Labor Board's own motion it may thrust itself into a dispute, if it is of the opinion that it is likely substantially to interrupt commerce; but of what avail is such action if it is entirely without authority to settle the dispute? Neither side is bound by the decision, even where the representative of the public concurs, because no authority is vested in the board to enforce its decrees.

Let it be assumed that the employees of any carrier make a demand for an increase of wages; that it can not be settled between the parties or by an adjustment board or by mediation, and that an appeal is made by either party to the Labor Board, that a hearing is had and a decision reached. Let us assume that the decision is against the railroad company ordering it to pay the extra wage; the company is under no legal obligation whatever to obey the order and to increase the wage. Nor would the situation be altered if neither party appealed to the board and it thrust itself into the controversy on its own motion. Authority is in no way vested in the board to enforce its decision, and that leaves it but a "dead end" only.

Mr. BRUCE. It never was intended to have any compulsory authority.

Mr. REED of Missouri. Where is the authority in the bill under discussion to enforce any decision?

Mr. WATSON. There is no authority to enforce it.

Mr. REED of Missouri. Then, what the Senator claims is a defect in the old law exists in the pending bill, by his own confession.

Mr. WATSON. I decline to be a party to put force in a board or to resort to compulsion to settle these controversies at the present time. If we set up this machinery and it fails to prevent strikes, if it shall fail in the effort to preserve harmony between the management and employees of the railroads, then the time may come when we shall be compelled to resort to force; but I want to go to the last extreme of conciliation and mediation before we resort to that last thing in our American civilization.

Mr. REED of Missouri. I am very much in agreement with the Senator about that. The point I am asking about is this: The Senator states the present law is ineffective because nobody is compelled to submit his dispute and nobody is compelled to obey the decisions of the board.

Mr. WATSON. Does the Senator deny that?

Mr. REED of Missouri. No; and that is exactly the condition in which you leave us with your proposed measure.

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

Mr. WATSON. No, no; let me go a little further.

Mr. REED of Missouri. There is no power to compel obedience, and there is no authority to compel a submission to jurisdiction in the first instance, and the Senator has just said that he is opposed to any kind of force.

Mr. WATSON. I am. Does the Senator want to embody force in this bill?

Mr. WALSH. Mr. President, I have no doubt that if the Senator from Indiana were allowed to proceed he would tell us how the proposed law is better than the one we have.

Mr. WATSON. That is what I want to try to do by and by. I thank the Senator.

Section 313 of the act of 1920 specifically provides as follows:

> The Labor Board, in case it has reason to believe that any decision of the Labor Board * * * is violated by any carrier or employee * * * may upon its own motion, after due notice and hearing to all persons directly interested in such violation, determine whether in its opinion such violation has occurred.

And then what? What remedy is provided? What power is put in its hands? What force is lodged in it? What can it do? The section answers this question by saying that the Labor Board under such conditions shall—

> make public its decision in such manner as it may determine.

That is its force, and that is its authority, and that is its power. Does the Senator deny that? How, then, is the public protected by such a measure more effectually than it would be protected by the provisions of the pending measure, which provides first for the board of adjustment as the present law does; which provides for this board of mediation, consisting of five persons; which provides that after they have endeavored by conciliation to induce the parties to settle in a spirit of amity and comity, and have failed, they shall then do their utmost to bring about arbitration; and if arbitration shall come, the board of arbitration shall be clothed with all the power with which boards of arbitration usually are clothed; the power that my friend says ought to be lodged somewhere; the power to send for witnesses and papers and make a complete investigation of the whole situation. Then, if all of these steps shall prove utterly futile, the board of mediation shall so notify the President of the United States; and if, in the opinion of the President, commerce is seriously threatened or the transportation system is likely to be seriously interrupted, then what happens? Then the President may appoint an emergency board of as many members as he may deem wise to appoint, as many as he thinks essential, to investigate the situation, and for 60 days the status quo shall be preserved; no strikes shall happen; no lockout shall occur; no trains shall stop. This period of repose for 60 days, this cooling-off time, will give the public full knowledge of the situation. That is what the Senator wants, and that is what I want, and that is all the power than can be lodged in any board unless we embody force in the bill. Is not that true?

Mr. BRUCE. Mr. President, not at all. The point I make is that the emergency board is not clothed by the provisions of this bill with the power to summon any witnesses before it, or to act in any way, to take any testimony in relation to the pending dispute.

Mr. WATSON. That is all true.

Mr. BRUCE. It is an impotent emergency board with no real power of any sort.

Mr. WATSON. Let me ask the Senator this question, however, in all fairness and in all candor:

Suppose there is a great railroad strike in the country that seriously threatens the peace of the Nation, that ties up interstate commerce, and is likely to freeze and starve a great many people; and suppose this board of mediation, which is a permanent board, undertakes to bring the parties together: Does the Senator say that they will refuse to come? Does the Senator say that they will decline to arbitrate? Can the Senator say that in this day and age of reason, and of peace, and of the force of public thought and opinion, either side could decline to arbitrate? Certainly not.

Mr. BRUCE. Mr. President, I do. That is exactly what the workers refused to do when the Adamson law was under consideration. Did they not refuse then to submit their dispute to arbitration? Did not the miners in Pennsylvania only a few weeks ago refuse to submit their dispute to arbitration?

Mr. WATSON. Did not both sides refuse, so far as that is concerned?

Mr. BRUCE. Oh, yes. I am not holding any brief for any railway executives or any railway companies that they represent.

Mr. WATSON. Neither am I.

Mr. BRUCE. I am holding a brief for the people of the United States, so far as in my humble capacity as an individual Member of the Senate I am authorized to say that much of myself.

Mr. WATSON. That is fine; but I claim that nobody, under those conditions, would refuse to arbitrate.

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

Mr. WATSON. Yes.

Mr. COUZENS. I think there is some confusion. There is nothing in section 10, dealing with the emergency board, which provides arbitration.

Mr. WATSON. Oh, no.

Mr. COUZENS. The Senator from Maryland and the Senator from Indiana keep referring to arbitration after the matter reaches the stage covered by section 10, dealing with the emergency board.

Mr. WATSON. Oh, no; not at all. The Senator misunderstood me.

Mr. COUZENS. That is what the Senator from Maryland said. He referred to a refusal to arbitrate. The question the Senator raised was that the emergency board provided by section 10 had no authority to bring in witnesses.

Mr. WATSON. It has not.

Mr. COUZENS. That is true; but it was perfectly clearly pointed out that when the controversy reached that stage either side refusing to come before the emergency board would be placed in a very unenviable position.

Mr. WATSON. Here is the point about it: I claim that arbitration will come, and the whole thing will be investigated, and all of its recesses explored, and all of the evidence brought to the surface. Then we come to the emergency board. Does anybody pretend to say that each side would not with all speed hasten to the emergency board to disclose its evidence, to put forward its side of the controversy?

Mr. BRUCE. Mr. President, again I ask, did they at the time of the controversy which resulted in the enactment of the Adamson law? Did the parties speed to the White House to obey the injunctions of the President of the United States himself?

Mr. WATSON. Why, yes.

Mr. BRUCE. Were they even disposed to wait for the decision of the Supreme Court of the United States? Now, I am not using any incriminatory language. I have no disposition to reflect at all on either of the parties; but we must look facts in the face. We must bear in mind that when an acute labor controversy, a protracted labor controversy is under way, men lose their heads; railway executives lose their heads; railway workers lose their heads; and precedents, I say, are not wanting in which even the authority of the President of the United States and the authority of the Supreme Court of the United States have not been regarded with the degree of deference with which they should have been regarded.

Mr. WATSON. We all understand that to be true.

Mr. BRUCE. We are not legislating for ordinary peaceful times, when the halcyon is brooding over the sea, and its face is perfectly smooth. We are attempting to legislate for times of stress and trouble and conflict and passionate resentment.

Mr. WATSON. I agree to that. The Senator and I are not in any controversy on that proposition.

In the case of Pennsylvania Railroad Co. *v.* United States Railroad Labor Board, decided in October, 1922, the Supreme Court, speaking through Chief Justice Taft, thus defined the final authority of the Railroad Labor Board:

> The decisions of the Labor Board are not to be enforced by process. The only sanction of its decision is to be the force of public opinion invoked by the fairness of a full hearing, the intrinsic justice of the conclusion, strengthened by the official prestige of the board, and the full publication of the violation of such decision by any party to the proceeding. The evident thought of Congress in these provisions is that the economic interest of every member of the public in the undisturbed flow of interstate commerce, and the acute inconvenience to which all must be subjected by an interruption caused by a serious and widespread labor dispute, fastens public attention closely on all the circumstances of the controversy and arouses public criticism of the side thought to be at fault. The function of the Labor Board is to direct that public criticism against the party who, it thinks, justly deserves it.

Which is just the function of the emergency board provided for in this bill.

Further on in the same case, the court emphatically says:

The jurisdiction of the board to direct the parties to do what it deems they should do is not to be limited by their constitutional or legal right to refuse to do it. Under the act there is no constraint upon them to do what the board decides they should do except the moral constraint, already mentioned, of publication of its decision.

Again, at the October term, 1924, speaking on the same point in another case, Chief Justice Taft emphatically limited the powers and defined the authority of the Labor Board in the following language:

But when the other sections of the title are taken as a whole they may be searched through in vain to find any indication in the mind of Congress or any intimation that the disputants in the controversies to be anticipated were in any way to be forced into compliance with the statute or with the judgments pronounced by the Labor Board, except through the effect of adverse public opinion.

Mr. BRUCE. Mr. President, may I ask the Senator whether that comes to anything, except saying that Congress expected that the railway executives of this country and the railway workers of this country would have enough respect for the Government of the United States to appear before a board created by Congress when cited to appear before it?

Mr. WATSON. I am not going off into the high altitudes of ethical problems and settle them here as to what a railroad manager or a railroad worker ought to do or ought not to do. I am talking about the plain, practical proposition of what he does do. He is not going and he says he does not intend to go to the existing board; and if he does not go you have a dead proposition. Do you want something to put in its place? That is all there is to it.

In the light of the statute creating the board and in the added light thrown upon its power by these decisions how can it be said that the general public is protected by the provisions of the act of 1920 to a greater extent than it will be under the provisions of this bill? Both are voluntary. Neither is compulsory. Both depend upon public opinion specifically focused upon the point in controversy.

Neither confers more power upon any board than the other, and neither gives authority to enforce its decrees or to execute its judgments by legal process. But the one has failed. The other is yet to be tried. The one they say they will not appeal to. The other is their voluntary creation, and in good faith and in all sincerity they assert that they will appeal to it, and they will abide by its decision. That is the difference between the dead and the living.

Mr. BRUCE. Mr. President, the moment the Senator is in the slightest degree disinclined to permit my interruptions I want him to say so, and I will take my seat.

Mr. WATSON. I am delighted to yield to the Senator.

Mr. BRUCE. I am very much gratified to say that the Senator always seems to be peculiarly indulgent with me; but now I want to ask the Senator whether it is not true that there was also a board of mediation provided by the act of 1888, to which the Senator has referred?

Mr. WATSON. Yes.

Mr. BRUCE. And by the Erdman Act?

Mr. WATSON. Yes.

Mr. BRUCE. And by the Newlands Act?

Mr. WATSON. Yes.

Mr. BRUCE. Why is it that those boards of mediation are all being abandoned for a new board of mediation, which, so far as we know, will be able to exercise no more salutary authority than was exercised by those boards?

Mr. WATSON. The trouble about the Senator's inquiry is that in order to answer it I should have to go over again the same thing that I have been over before, and the Senator did not hear me.

Mr. BRUCE. That was so interesting that it will stand repetition.

Mr. WATSON. No; because I want to quit by sundown.

The act of 1888 provided for compulsory investigation. That was the period in railroad management when the managers were saying "The public be damned," that they had a right to run their own railroads in their own way, and they declined to appeal to any board. The representatives of labor were fearful that if they appealed to the board the managements would put something over on them; and for 10 years there was not a case referred to the board, although the Debs strike occurred at that time. Then came the Erdman Act.

Mr. BRUCE. When the Debs strike took place, that was the time when the workers said "The public be damned."

Mr. WATSON. Well, we are not getting anywhere by referring to that. I can not go back and argue the old Debs case over. The truth about it is that the board undertook to intervene, and no attention whatever was paid to it in the Debs strike; but I do not want to go into those details.

Then came the Erdman Act; and, as I stated a while ago, 61 cases were settled amicably under its provisions. It referred only to wages and labor conditions and hours of service, that is all; in other words, the drastic things over which strikes occur. Sixty-one cases were settled amicably. For some reason or other—and I can tell the Senator what I think the reason was, if he wants to know it—they provided that for three months after a decision the status quo should be maintained, and neither side would agree to that. So the Erdman Act gave way to the Newlands Act.

Mr. BRUCE. The Senator knows that thousands and thousands of cases have been settled amicably by the present Railroad Labor Board.

Mr. WATSON. When the Senator says thousands and thousands of cases, that means the petty cases. If a railroad appealed, and a hundred men were involved, they counted that a hundred cases.

Mr. BRUCE. Some important wage disputes have been settled by it too, have they not?

Mr. WATSON. Yes; but will not be in the future.

Mr. BRUCE. As long as wages were increased, nobody objected to the authority of the Railroad Labor Board. It was only when wages were diminished that the agitation against it began.

Mr. WATSON. Senators talk about protecting the public. Within four months after that board was formed and sat it increased wages $600,000,000. Was that protecting the public?

Mr. BRUCE. Yes; it was. As I understand it, the workers were justly entitled to the increases at that time.

Mr. WATSON. The Senator is saying that the public is protected only when wages are decreased. I am saying that the public is protected when the wages are increased quite as much.

Mr. BRUCE. With due deference to the Senator, I said nothing of the sort. I have always thought that increases of wages made with the approval of the Railroad Labor Board were eminently just increases of wages, to which the railroad workers were in every respect entitled.

Mr. WATSON. I will say to my good friend that when we passed the Esch-Cummins Act, the railway management of the whole country was against it. They came here in unlimited numbers and opposed it, and all of labor was for it, and they were here demanding that it be passed.

Mr. BRUCE. I am not speaking of what the railway executives thought about that act. I am speaking about what the general public, the final court of appeals under our institutions, thought of it. I have never heard any disinterested citizen of the United States finding fault with the increases of wages approved by the Railroad Labor Board after the World War.

Mr. WATSON. I do not know that there was any fault finding about it. I am not talking about that. But I understood the Senator to say that because the board increased wages they were not protecting the public. If he did not say that, then I was mistaken.

Mr. BRUCE. Indeed, I did not. What I said was that this general disaffection in relation to the Railroad Labor Board did not spring up until the Railroad Labor Board adopted an order diminishing the wages of the railroad workers.

Mr. WATSON. I am not going into any keen analysis of that situation. I am not going to diagnose the disease of which the thing died. All I say is that it is functus officio. All I say is that it can no longer function. I do not care what the operating causes were; I do not care what produced it. I speak of the condition, and it is a condition I want to meet. Does the Senator dispute the condition?

Mr. BRUCE. Does the Senator think he can apply a safe cure if he does not even make a diagnosis?

Mr. WATSON. I know what the diagnosis is—that it can no longer operate, and is no longer useful. That is all the diagnosis I need.

The Labor Board has broken down. Neither side will appeal to it to settle disputes. If upon its own initiative it assumes jurisdiction of a case, it has no authority to enforce its decision. Its authority is nowhere recognized. Neither side can be compelled to obey its mandate, and therefore it is evident that something must be substituted for it, or else chaos will result.

That is all there is to this. The two sides come to Congress in all good faith and in all sincerity. I want to say that I was never interested in anything in my whole public life more than in the kindly spirit of cooperation that prevailed among those people.

When they appeared they came to say that in good faith and in all genuineness and in all sincerity they wanted this machinery set up, and that they would in all good conscience obey its mandates in the days to come. They are all here asking it—the railroads and 2,000,000 of the employees. Why should we not, in this modern-day spirit, yield to them and at least give them an opportunity to set up the machinery they want to set up, by which they say in all good faith they will settle their disputes in the days to come? They want understandings, not misunderstandings. Mr. Richberg, the very able attorney, said before the committee:

We do not want strikes. We want peace. We have the equivalent of a 6 per cent investment on $40,000,000,000 every year for our wages. Why should we want to overturn a situation of that kind? Disputes must need come, because men are human. When they come we want some place to which we can go mutually to settle, in a kindly way and in the spirit of our civilization, such disputes as arise.

Is there anything wrong about that? If this shall fail after it be set up, then I will take my friend from Maryland by the hand, and my other friend, the Senator from Kansas, and go whither evidently they want to go—that is, to the application of compulsion in the settlement of these disputes.

Mr. CURTIS. The Senator should not say that, because the Senator from Kansas took no such position. The Senator from Kansas said all he desired was a board like the Interstate Commerce Commission, with authority to investigate any agreements that might be made, and if they were against public policy that the agreements should be set aside. That is what the Senator from Kansas said. That is not force.

Mr. WATSON. Mr. President——

Mr. BRUCE. Mr. President, it is only fair to me that I should be allowed the same opportunity to reply that the Senator has afforded the Senator from Kansas. I have never suggested the application of force. I am opposed to the application of force in labor disputes so long as labor disputes do not arrive at the point of actual lawlessness or bloodshed, strongly opposed to it.

Mr. WATSON. Just a few moments ago, when my friend became somewhat hectic, he said, "I have never been in favor of force in the settlement of these cases, but that time may come."

Mr. BRUCE. A moment ago the Senator indicated that he thought that the time might come, and said that if that time ever came he would be prepared to use force.

Mr. WATSON. Absolutely. I sat at the table in the room of the Interstate Commerce Committee and tried by might and main to have teeth put into the Esch-Cummins law. But the House would have none of it. The House had passed that bill by an almost unanimous vote and this machinery was set up, and we can not go to force until it shall have been demonstrated beyond a peradventure of doubt that these disputes can not be settled by modern methods.

Mr. BRUCE. I do not want any application of force in labor disputes, except that application which, of course, is warranted already by the general laws of the land. But should a time come in the history of disputes between employees and employers like that which has just come in England, when the government of the country and its civil liberties are at stake, then I shall unhesitatingly, fearlessly, advocate the application of force to the fullest limit.

Mr. WATSON. The Senator and I agree about that. But that time has not come. The Senator says it has not come.

Mr. BRUCE. It has not, because our workers have been too intelligent, too enlightened, too patriotic, to precipitate any such crisis as that.

Mr. WATSON. Precisely; I agree.

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

Mr. WATSON. I yield.

Mr. FESS. Was it not the consensus of opinion of both parties represented before the committee that if this law failed there would not be anything short of compulsory arbitration?

Mr. WATSON. That is true, and I was looking for the language. I have misplaced it.

I come now to the matter about which my friend from Kansas interrogated me, if I may have his attention; and if I misquoted the Senator a while ago, I beg his pardon. I certainly had no such thought or intention.

What he proposes is that the Interstate Commerce Commission shall be clothed with power to set aside any wage increase which, in the opinion of the Interstate Commerce Commission, may advance rates. Am I right?

Mr. CURTIS. Which it thinks may advance rates to such an extent as to be against the public interest. I can realize that wages ought to be increased sometimes, and I can also realize that the employers and employees might enter into an agreement whereby the increase of wages would be so high, or the agreement would be in such terms, as to be against the public interest.

Mr. WATSON. Let me discuss that. There is a joint statement, issued by the American Farm Bureau Federation under date of February 21, this year, in which it is stated:

Under the present law the Railroad Labor Board can not make a wage award without the approval of one of the representatives of the public on the board.

Listen to this:

If the railroad managers and their employees make an agreement about wages, the board can suspend the agreement until it finds out what effect it will have upon railroad rates. This is a clear-cut, definite protection which Congress gave six years ago to prevent new and excessive burdens being put upon railroad service.

There never was a more erroneous conception of the law. "If the railroad managers and their employees make an agreement about wages the board can suspend the agreement." Mr. President and Senators, if the railroad managers and their workers agree, the board never has an opportunity to test the case at all or have anything to do with it.

Mr. CURTIS. The Senator is not fair in comparing the Railroad Labor Board with the Interstate Commerce Commission.

Mr. WATSON. I am coming to that.

Mr. CURTIS. It is not likely that the railroads and their employees would go against an order of the Interstate Commerce Commission, because the railroads would know that the increased rates they desired would not be granted.

Mr. WATSON. I am coming to that in a moment. This is only preliminary. I am going to discuss the Senator's problem. He need not be afraid I am getting away from it.

In other words, as I have said several times, if there be no dispute, there is never anything to go to the Railroad Labor Board. It was set up to try to adjust disputes, not agreements. It has no power to overturn a wage agreement between management and employees. That is a voluntary contract, and under the decisions of the Supreme Court voluntary transactions may not be interfered with.

It is equally true—

Said Justice White in the Adamson case—

that as the right to fix by agreement between the carrier and its employees a standard of wages to control their relations is primarily private, the establishment and giving effect to such agreed-on standard is not subject to be controlled or prevented by any public authority.

That is the whole thing. Therefore, if there be an agreement on wages, there is no appeal to the Railroad Labor Board, and the Railroad Labor Board has no place in the controversy if there is no dispute.

Again:

Included in the right of personal liberty and the right of private property—partaking of the nature of each—is the right to make contracts for the acquisition of property. Chief among such contracts is that of personal employment, by which labor and other services are exchanged for money or other forms of property. If this right be struck down or arbitrarily interfered with, there is a substantial impairment of liberty in the long-established constitutional sense. The right is as essential to the laborer as to the capitalist, to the poor as to the rich, for the vast majority of persons have no other honest way to begin to acquire property save by working for money.

That is from the decision in Coppage *v.* Kansas (236 U. S. 14).

The following quotation is from a very recent case decided by the Supreme Court in the Minimum Wage cases.

Mr. BRUCE. What volume is that?

Mr. WATSON. Two hundred and sixty-first United States Reports, 525.

That the right to contract about one's affairs is a part of the liberty of the individual protected by this clause [fifth amendment] is settled by the decisions of this court and is no longer open to question.

Then many cases are cited.

Within this liberty are contracts of employment of labor. In making contracts, generally speaking, the parties have an equal right to obtain from each other the best terms they can as the result of private bargaining.

Therefore, unless there is a dispute, it is unconstitutional for any board to attempt to interfere. If there be an agreement and the railroad company and its operatives agree on

wages, the Interstate Commerce Commission has no power to interfere with that private contract.

Mr. BRUCE. Mr. President——

Mr. WATSON. Wait a moment. I am coming to the other side of it. I know what is in the Senator's mind. I have got so I can read it.

If there is no dispute, how does the Railroad Labor Board get into it? Listen to this extract from the Esch-Cummins Act:

SEC. 307. The Railroad Labor Board shall hear and as soon as practicable and with due diligence decide—

What?

any dispute involving grievances, rules, or working conditions. In case the appropriate adjustment board is not organized under the provisions of section 302, the Labor Board (1) upon the application of the chief executive of any carrier, (2) upon a written petition signed by not less than 100 unorganized employees, (3) upon the Labor Board's own motion, if it is of the opinion that the dispute is likely substantially to interrupt commerce, etc.

There must be a dispute. If there be no dispute and there is a perfect agreement as to wages, no one can interfere. Does the Senator dispute that fundamental proposition?

Listen again:

(b) The Labor Board (1) upon the application of the chief executive of any carrier or organization of employees or subordinate officials whose members are directly interested in the dispute, (2) upon a written petition signed by not less than 100 unorganized employees or subordinate officials directly interested in the dispute, (3) upon the Labor Board's own motion, if it is of the opinion that the dispute is likely to produce certain results.

So that if there be a dispute there would be some justification for appealing to the Railroad Labor Board. If there be no dispute and there is perfect agreement about it, the Railroad Labor Board has no power to interfere and the Interstate Commerce Commission, if it did interfere, would be violating the Constitution of the United States.

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

Mr. WATSON. Certainly.

Mr. BRUCE. But the Senator from Indiana knows that even if an amicable settlement be arrived at between the railroad company and its employees in the case of any dispute with regard to wages, the Interstate Commerce Commission would have the right of its own initiative to take cognizance of that increase in wages and to duly take account of it in fixing rates.

Mr. WATSON. Which is entirely correct, and therefore the amendment of the Senator from Kansas would not only give the Interstate Commerce Commission no additional power, but on the other hand would involve it in every wage controversy and ultimately break it down and destroy its usefulness, just as wage controversies destroyed the usefulness of the Railroad Labor Board.

It is proposed to amend the bill by conferring upon the Interstate Commerce Commission the power to hear any award or agreement respecting wages and as soon as practicable either to affirm or modify its terms and provisions. I am opposed to the amendment.

In the first place, it will directly involve the Interstate Commerce Commission in all the fierce, sometimes tumultuous, controversies arising out of labor disputes. Those have been sufficient at least to aid in breaking down the Railroad Labor Board. We should not add to the enormous burdens already borne by the commission by forcing it to take up and settle every wage dispute that may arise on the transportation system of the country. Undoubtedly one or two adverse decisions by the commission would concentrate upon it criticisms that would weaken it and eventually, in my judgment at least, impair its usefulness. It can not be doubted that if the commission has final authority to settle all wage disputes it will be to a greater or less extent thrust into politics and the appointments upon it will be subject largely to political considerations. Thoughtful people fear that if the commission ever becomes involved in these controversial questions its prestige will first be impaired and its usefulness afterwards destroyed.

As was pointed out in the debates in the House, and this is very forcefully and very cogently put—

If the purpose be to make certain that any increase in a scale of wages would be reflected in increased rates, nothing could be devised which so certainly as the above-mentioned amendment would have that effect.

Will the Senator from Kansas listen to me a little while? I do not want to interfere with the private conversation he is having with the Senator from Michigan [Mr. COUZENS], but I am addressing myself to the amendment proposed by the Senator from Kansas.

Mr. CURTIS. I will listen to the Senator. I might say that the Senator from Michigan was helping the Senator from Indiana.

Mr. WATSON. I very greatly appreciate the valuable assistance of the Senator from Michigan, who heard all the testimony and who, I am very happy to say, is in cordial sympathy with the provisions of the bill and no doubt could argue it much more forcefully and intelligently than the present speaker.

The gentleman in the House said this:

If the purpose be to make certain that any increase in the scale of wages will be reflected in increased rates, nothing could be devised which so certainly as the above-mentioned proposal would have that effect. In practical results, whenever there is an increase in the wage schedule, if the foregoing provision were in the law, the commission must either at once suspend it, or, by its failure or refusal to do so, give it by implication its approval. The reluctance of the commission to suspend a wage increase would, because of obvious considerations, be very great, and in most cases the increases would be left unsuspended. In that event the commission could find no excuse for not increasing the rates to meet an expense which it had thus impliedly approved. The users of transportation, including the agricultural users, can not contemplate such a result with any degree of satisfaction.

Mr. CURTIS. That is an unfair reflection upon the Interstate Commerce Commission. It is not reasonable to suppose that if the commission would happen to overlook the fact that an increase or agreement made by the roads and their employees for an increase would be against public interest, that they would not have the power, that they would not have the nerve, if it may be stated that strongly, when the matter was brought to their attention, to act, and to act properly. I will never believe that any Interstate Commerce Commission would do otherwise, no matter who the gentleman was that made the speech in the other body.

Mr. WATSON. I am sponsoring what the gentleman said in the other House.

Mr. CURTIS. I will not take it even from the Senator from Indiana.

Mr. WATSON. I am grieved at that.

Mr. CURTIS. I knew the Senator would be.

Mr. WATSON. I commend to the manufacturing and agricultural interests, whose fears seem to have been aroused by the passage of this bill, that a far greater protection is provided for them by that section of it which provides that a wage award shall not be construed to diminish or extinguish any of the powers or duties of the Interstate Commerce Commission under the interstate commerce act, which means, as applied to this measure, that none of its powers to determine an increase of wages or award of wages shall either be diminished or altogether subverted.

Mr. CURTIS. Mr. President, the Senator does not seriously submit that as an argument, does he? Does not the Senator know that there is nothing in the bill taking away power from the Interstate Commerce Commission, and that the amendment was simply offered in the House to get rid of an amendment that was offered by another Member of the House of Representatives.

Mr. WATSON. But it is still here. It is still with us.

Mr. CURTIS. Certainly; and it is of no use on earth.

Mr. WATSON. I am arguing that the power still abides in the commission, and I make that statement as the first step in the argument which I now take up.

As far back as 1911 Mr. Commissioner Prouty, in the Eastern Rate case (20 I. C. C. p. 278) expressly laid down the rule:

This commission certainly could not permit the charging of rates for the purpose of enabling railroads to pay their laborers extravagant compensation as measured by the general average compensation paid labor in this country as a whole.

The syllabus of that case reads as follows:

Before any general advance in rates can be permitted, it must appear with reasonable certainty that carriers have exercised proper economy in the purchase of their supplies, in the payment of their wages, and in the general conduct of their business.

That already is their duty. That already is their power. At the same time they are not involved in all wage-increase disputes which would be sent ultimately to them and never decided until they got to them.

This was before the passage of the transportation act of 1920 and, if that was then the rule by which the commission

was governed, under how much greater obligations they are now to look to wage increases in exercising their powers to make rates. As amended, that act squarely provides that—

In the exercise of its power to prescribe just and reasonable rates, the commission shall initiate, modify, establish, or adjust such rates so that the carriers as a whole * * * will, under honest, efficient, and economical management, earn a fair return.

How can the commission discharge its obligation to see that the railroads are economically managed if undue wage increases are permitted?

On the 19th of last month, in testifying before the Interstate Commerce Committee of the Senate, I asked Commissioner Cox this question:

How far does the Interstate Commerce Commission now go, or how far under existing law has it the authority to go, in determining questions of wages on railroads? Suppose that a railroad should agree to raise wages $50,000,000. Do you take anything of that kind into consideration with reference to efficient and economical administration as reflected in rates?

To which he replied:

I think the commission might have a right to take that under consideration in determining what might be a proper rate level, but I do not think that under the law we have any right to suggest to a carrier what they shall pay in wages. If it were clearly shown that the level for that one railroad was in excess of that for other railroads, I think that might be taken into consideration.

There is the answer to the question of my friend, the Senator from Utah [Mr. SMOOT]. Commissioner Eastman then asked permission to express an opinion on that subject, which being granted, he said:

I think if the commission found that the railroads were generally paying to their presidents salaries of $1,000,000 a year, it could take that fact into consideration in determining what rates they should charge. And I think if it were found that they were paying plainly excessive and exorbitant wages to their men, then that fact should be taken into consideration also.

What is the real argument? The commission now deals with the railroads alone. It is their sole duty to determine whether or not rates measure up to the standard fixed by law; that is, to make the earning fixed by law. In doing this they have a right to determine what charges the traffic on any railroad will bear, on the one hand, when the charges become prohibitive and, on the other hand, when they cease to be remunerative. They take the question of wages into consideration only incidentally and are not bound to give it consideration at all, whereas if this amendment were adopted it would be their duty to take into consideration every question of wages that might be thrust upon them, not alone in determining rates, but in determining the merits of a wage award, so that the Interstate Commerce Commission, instead of being a rate fixing commission, would become a wage determining commission, because—listen to me, Senators—if the Interstate Commerce Commission is the final authority, if that body in the last analysis has the right to determine whether wages shall or shall not be increased, no intermediate steps will ever be used, but they will all be cast aside and it will be said, "The Interstate Commerce Commission will fix it anyway." Every wage dispute will then go directly to the Interstate Commerce Commission, and the Interstate Commerce Commission will lose its power of fixing rates and will become the sole authority for determining the merits of all wage increases, in all the wage disputes raised in the United States on the railroads.

If Senators want to destroy the commission, adopt this amendment. No wonder Mr. Commissioner Clark, one of the ablest men that ever sat on that body, cried out in express terms and in no unequivocal voice against permitting the commission to have this power, and he was right.

The adoption of this amendment would bring the commission face to face with all the labor organizations; and their demands for increased wages, if and when made, would thrust upon it entirely new duties and obligations, would place upon it added burdens, and would force it to take into consideration in all rate-making cases wage problems not now considered except as incidental to the general subject.

Under the transportation act of 1920 the commission is bound to see that all expenses are economical and proper, and under the provisions of this bill the commission in passing on rates would deal only with carriers, mark you, and not with employees. They simply determine whether or not the carrier should be allowed to charge greater rates—that is the point—and they take into consideration incidentally the expense of wage increases. That is their right now.

Mr. SMOOT. The Senator's position, then, resolves itself into this: That they have got to make a rate that will take care of the railroad that makes less money from its operations than some other road. There are roads that could operate and make money upon the rates they might fix; but does the Senator mean that hereafter the Interstate Commerce Commission will take into consideration only those roads that can afford to haul the freight for a lower charge?

Mr. WATSON. Oh, no. There can not be any change at all in that.

Mr. SMOOT. If there are two railroads running in the same territory, the rates must be the same from the common starting point to the terminal.

Mr. WATSON. Certainly on all competing lines.

Mr. SMOOT. The Senator knows that in more than one section of the country rates that may be profitable for one railroad will destroy another.

Mr. WATSON. Will my friend let me say right there that Mr. Commissioner Cox, in his answer, stated that he takes that into consideration in determining the rate level in the aggregate, and that is precisely what they do in determining the question of rates.

Mr. SMOOT. If they take the rate level, it is the level between the high and the low, and that may destroy the weaker road.

Mr. WATSON. In that respect it is not proposed to change the power of the Interstate Commerce Commission in this bill at all. Whatever power the commission has now it would have should the provisions of the pending bill become law.

Mr. SMOOT. I am aware of that, with the exception, however, that in this case the prosperous road could have private understandings with its employees and pay them higher wages than would be justified and supported by the Interstate Commerce Commission.

The Senator says that under the existing law the roads can do that; but does the Senator think that the Interstate Commerce Commission would allow that under existing conditions?

Mr. WATSON. No; and I do not think that the Interstate Commerce Commission will allow any extravagant increases in wages anywhere under their present authority. Commissioner Prouty squarely lays down the principle.

Mr. SMOOT. I do not see how they are going to get around it.

Mr. WATSON. Mr. President, this amendment is opposed on principle by a majority of the carriers because they do not approve of involving the Interstate Commerce Commission in these controversies. It is earnestly opposed by the employees on the ground that it destroys the efficiency of the methods of adjustment contained in the bill. Both of them oppose it on the ground that it destroys the efficacy of the methods of adjustment contained in this measure, and its effect would be to destroy the agreement of the parties in respect to the proposed methods of adjustment and to place reliance, not on an agreement, but on the force of the statute, and as they vigorously assert, this would violate the entire spirit of the pending measure.

Let it not be forgotten that every agreement proposed in the pending bill is purely voluntary, that there is neither compulsion nor force involved anywhere in it, because it is believed that all disputes can be amicably adjusted, and that, until it shall have been demonstrated to the entire satisfaction of the American people that conciliation and mediation are not sufficient to prevent disastrous disputes in connection with railroad operation, coercion should not be resorted to in determining these questions. Both management and labor not only understand, but representatives of both have squarely and unequivocally asserted before our committee with every manifestation of sincerity, that, if the method provided in the pending bill shall not succeed, if disputes that threaten to tie up the transportation system of the country and imperil the happiness or the safety of its citizenship shall continue to occur, then they must be settled by methods other than those established or provided in this bill. But they say, in all sincerity, that they want this done. They represent the railroads; they represent the railroad employees; they are in good faith; they do not want strikes; and yet they know that difficulties will arise.

They want something to be set up that will enable them, in a peaceful way, to conciliate their differences, to reconcile the inharmonious sides, and to bring peace to the railroad world. I confidently believe that that will be the result of the enactment of this bill.

Not only that, but I am bold enough to prophesy that if this plan shall be adopted, no railroad labor strike will occur in the United States; I am bold enough to prophesy that no great wage increases will be asked in the United States, because

both sides will know that they are under trial if this bill shall be passed. I am bold enough to say that if this proposed legislation shall succeed, it will become the standard by which similar machinery may be set up in the whole industrial world of America. Who does not wish for that glad day in the settlement of these disputes? So, I think, that when they come carefully to analyze the provisions of this measure Senators will agree with the statement I made at the outset—that this is the very best measure that can possibly be passed at the present time for the preservation of peace on the transportation systems of the country.

Mr. BRUCE. Mr. President, I simply desire to say I do not think this amendment necessary. I do not think this is one of the respects in which the public welfare needs to be safeguarded under the provisions of this bill. I agree with the Senator from Indiana in thinking that the Interstate Commerce Commission would have the power anyhow to take an increase of wages into consideration when determining a rate controversy. At the most, it seems to me that the amendment of the Senator from Kansas is merely a declaratory amendment. It simply gives declaratory effect to an authority with which the Interstate Commerce Commission is already endowed. Therefore, while reserving the right to offer other amendments to this bill which I think are of considerable significance to the public welfare, I personally propose to vote against this amendment.

Mr. CURTIS. Mr. President, I desire to ask the Senator from Indiana if he wishes to proceed further with the bill to-night?

Mr. WATSON. Mr. President, if the Senator from Kansas is willing that the Senate shall adjourn now, I hope he will make such a motion.

Mr. CURTIS. I was going to move that the Senate proceed to the consideration of executive business.

Mr. WATSON. Very well.

MIDDLE JUDICIAL DISTRICT OF GEORGIA

The VICE PRESIDENT laid before the Senate the action of the House of Representatives, disagreeing to the amendment of the Senate to the bill (H. R. 10055) to amend section 77 of the Judicial Code to create a middle district in the State of Georgia, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. CUMMINS. I move that the Senate insist upon its amendment, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and Mr. CUMMINS, Mr. BORAH, and Mr. OVERMAN were appointed conferees on the part of the Senate.

EXECUTIVE SESSION

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After three minutes spent in executive session the doors were reopened.

RECESS

Mr. CURTIS. I move that the Senate take a recess until 12 o'clock noon to-morrow.

The motion was agreed to; and (at 4 o'clock and 28 minutes p. m.) the Senate took a recess until to-morrow, Friday, May 7, 1926, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 6, 1926

POSTMASTERS

ALABAMA

Amos N. Fain, Ariton.
Charlie S. Robbins, Good Water.

CALIFORNIA

Edna J. Keeran, Princeton.
William L. McLaughlin, Sanger.

CONNECTICUT

Oliver M. Bristol, Durham.

IDAHO

Rose J. Hamacher, Spirit Lake.

INDIANA

Josiah J. Hostetler, Shipshewana.

KANSAS

Charles Friskel, Frontenac.
Ella J. Starr, Scott City.

KENTUCKY

Clarence Neighbors, Bowling Green.
Yaman Watkins, Clarkson.
Willie G. Thornbury, Munfordville.
Marvin L. Whitnell, Murray.

LOUISIANA

Albert Boudreaux, Thibodaux.

MICHIGAN

Eugene E. Hubbard, Hudsonville.

MISSISSIPPI

Preston C. Lewis, Aberdeen.

MISSOURI

Ferd D. Lahmeyer, Bland.
Florence Gilkeson, Garden City.
Taylor Fisher, New Franklin.

NEW YORK

John E. Gubb, Batavia.
Clarence F. Dilcher, Elba.
Sylvester P. Shea, Freeport.
Philip I. Brust, Medina.
Earl V. Jenks, Perry.

NORTH CAROLINA

Roger P. Washam, Gastonia.

NORTH DAKOTA

Mary B. Engbrecht, Goldenvalley.

OHIO

Harry E. Hawley, Mansfield.

OKLAHOMA

Bert A. Hawley, Leedey.

PENNSYLVANIA

William E. Vance, Unity.
Ruth Roberts, Vintondale.

UTAH

Claude C. McGee, Lewiston.

WYOMING

Elmer W. Ace, Green River.

HOUSE OF REPRESENTATIVES

THURSDAY, *May 6, 1926*

The House met at 12 o'clock noon.

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

Heavenly Father, we bless Thee that we are still within the circle of Thy loving arms, for their protection is sure and their care is infinite. Each day give us courage and endurance and may these virtues make us stronger and nobler men. May Thy greatness flow around our incompleteness. We most humbly ask the forgiveness of our sins. We pray for our families that Thy love and mercy may be their daily portions. In the integrity of soul, in the confidence and calmness of a conquering faith, may our whole Nation continue to set up the banners of the living God. In Thy holy name. Amen.

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

PRIMARIES AND PROHIBITION

Mr. CRAMTON. Mr. Speaker, I ask unanimous consent to speak for one minute.

The SPEAKER. The gentleman from Michigan asks unanimous consent to address the House for one minute. Is there objection?

There was no objection.

Mr. CRAMTON. Mr. Speaker, the beer and wine polls have disappeared from the newspapers and we are now getting returns from the polls taken under authority of law. I read from to-day's Associated Press report of the recent primaries in Indiana as it appears in the Washington Post this morning:

> All senatorial and congressional candidates who hinted at tendencies toward being moist on the liquor question lagged behind in the voting.

[Applause.]

As a matter of fact, I am advised by Indiana Members that the wet and dry issue was most squarely drawn in the fifth or Terre Haute district, where Congressman JOHNSON defeated his wet opponent by 10 to 1, and in the sixth district, where Congressman ELLIOTT defeated by 8 to 1 a woman candidate who advocated modification of the Volstead Act.

In the Illinois primaries a little earlier the wets also failed signally in their announced campaign to win a Congress that will modify the Volstead Act to let in beer and wine. There are two Congressmen at large in Illinois, elected by vote of the entire State. Congressmen YATES and RATHBONE, both dry and both opposed to beer and wine, were opposed by candidates named Seidlinger and Miller. YATES, as a prominent member of the House Committee on the Judiciary and outspoken opponent of beer and wine modification or any other weakening of the Volstead Act, was, of course, the particular object of attack by wet organizations and wet newspapers. Miller was not outspoken on the issue of prohibition, but was understood to be wet, while Seidlinger was indorsed by the Chicago Daily News and stated by that paper to have "promised to work for modification." The primary figures, official for the whole State outside of Cook County, are as follows:

Yates	379,400
Rathbone	322,732
Miller	105,484
Seidlinger	63,215

The official vote is not yet available, but the unofficial vote shows that both YATES and RATHBONE had decisive majorities over Miller and Seidlinger even in Chicago.

Beer and wine advocates can not hope for any gain in the Seventieth Congress from the Indiana and Illinois showing.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 3163. An act to authorize the Secretary of War to exchange deteriorated and unserviceable ammunition and components, and for other purposes.

The message also announced that the Senate had passed with amendments the bill of the following title, in which the concurrence of the House of Representatives was requested:

H. R. 6559. An act to provide for the construction of certain public buildings, and for other purposes.

The message also announced that the Senate had passed without amendment bill of the following title:

H. R. 10501. An act to repeal section 806 of the revenue act of 1926.

The message also announced that the Senate had agreed to the amendments of the House of Representatives to the bills of the following titles:

S. 37. An act for the relief of First Lieut. Harry L. Rogers, jr.;

S. 1482. An act to authorize the Secretary of War to grant easements in and upon public military reservations and other lands under his control; and

S. 1484. An act to amend section 1, act of March 4, 1909 (sundry civil act), so as to make the Chief of Finance of the Army a member of the Board of Commissioners of the United States Soldiers' Home.

SENATE BILL REFERRED

Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 3163. An act to authorize the Secretary of War to exchange deteriorated and unserviceable ammunition and components, and for other purposes; to the Committee on Military Affairs.

THE RETIREMENT BILL

Mr. LEHLBACH. Mr. Speaker, I ask unanimous consent to have recommitted to the Civil Service Committee the bill H. R. 7, the retirement bill.

The SPEAKER. The gentleman from New Jersey asks unanimous consent to have rereferred to the Committee on Civil Service the retirement bill. Is there objection?

Mr. GARRETT of Tennessee. Reserving the right to object, is that a committee request?

Mr. LEHLBACH. That is the unanimous request of the committee.

The SPEAKER. Is there objection?

There was no objection.

ADDITIONAL FEDERAL JUDGE AND JUDGES' SALARIES

Mr. SNELL, chairman of the Committee on Rules, by direction of that committee, presented a report for printing under the rule on the consideration of the bills H. R. 10821 and H R. 11053, which was referred to the calendar and ordered printed.

FEDERAL DEPARTMENT OF EDUCATION

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. The gentleman from New York asks unanimous consent to address the House for five minutes. Is there objection?

Mr. TINCHER. Reserving the right to object—and I shall not object—the order to-day limits us to four days of debate, and all time taken by unanimous consent comes out of that debate under the terms of the rule. I shall not object to this request, but I hope there will not be too many requests for unanimous consent either to-day or to-morrow.

Mr. REED of New York. I do not think I will take over three minutes.

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

Mr. RANKIN. Reserving the right to object, is not the first thing in order to-day the Graham resolution?

The SPEAKER. It is the first regular order, but this is by unanimous consent. Is there objection to the request of the gentleman from New York to proceed for five minutes?

There was no objection.

Mr. REED of New York. Mr. Speaker, unauthorized and misleading statements published in the local press with reference to the alleged action on the Reed-Curtis education bill by the Committee on Education, of which I am chairman, can not in fairness to the members of the committee and the House go unchallenged.

The following is taken from the Washington Daily News of May 4, 1926:

> The Upshaw movie censorship bill and the Reed department of education bill were killed by the House Education Committee to-day. The authors will probably seek action on the bills in December.

Here is a statement from the Washington Post of May 5, 1926:

> The Reed bill proposing establishment of a Federal department of education with a Cabinet officer at its head was killed, at least in this session, yesterday when the House Committee on Education voted against reporting it to the House.

I call your particular attention to the statement:

> The House Committee on Education voted against reporting it to the House.

In fairness to the press, I wish to say that the committee did defer action on the moving picture bills until December, because of the voluminous character of the record and the consequent delay in its preparation.

There was, however, no formal action taken by the Committee on Education with reference to the Reed-Curtis bill (H. R. 5000), except to direct the chairman to introduce a resolution requesting the House to authorize the printing of 1,000 extra copies of the hearings to meet an unprecedented demand for them by Members of the House. The press reports, therefore, that action has been taken, either favorable or adverse, are incorrect.

It is evident that the news reports would cause no concern to those who are opposed to the bill, and it can be taken for granted that they will not write to their Representatives asking for an explanation. It is quite certain, however, unless this news item is explained at this time that the Members of this House will receive a flood of letters from the large number of national organizations in favor of the bill, which are represented in practically every congressional district. I wish to submit from the record of the hearings the list of these organizations which have registered their approval of this bill:

The list of organizations supporting the education bill and the membership of each is as follows:

	Membership
National Education Association	158,000
American Federation of Teachers	9,000
American Federation of Labor	2,877,297
National Committee for a Department of Education	100
National Council of Women	(1)
National Congress of Parents and Teachers	900,000
General Federation of Women's Clubs	2,800,000
National League of Women Voters	(2)
Supreme Council, Scottish Rite of Freemasonry, Southern Jurisdiction, United States	300,000
International Council of Religious Education	(3)
National Council of Jewish Women	55,000
National Woman's Christian Temperance Union	500,000
American Association of University Women	25,000
National Federation of Business and Professional Women's Clubs	40,000
General Grand Chapter, Order of the Eastern Star	1,800,000
National Board Young Women's Christian Associations	500,000
National Women's Trade Union League	500,000
National Society, Daughters of the American Revolution	153,800
National Federation of Music Clubs	

[1] 30 national organizations. [2] 36 Protestant organizations.
[3] Organizations in 44 States.

	Membership
American Library Association	7,000
American Vocational Association	1,690
Woman's Relief Corps	
Federal Council of Churches of Christ in America	(4)
National Kindergarten Association	
American Home Economics Association	8,000
American Hellenic Educational Progressive Association	10,000
American Nurses' Association	50,000
Osteopathic Women's National Association	700

I feel that this explanation will in some degree save the membership of the House the trouble of answering many requests which otherwise would come from the organizations in their districts. Further, I shall attempt to relieve the Members of the House, so far as possible, from the necessity of answering these organizations by mailing out this statement to the organizations which I have named. [Applause.]

MIDDLE JUDICIAL DISTRICT IN THE STATE OF GEORGIA

Mr. GRAHAM. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 10055) to amend section 77 of the Judicial Code, to create a middle district in the State of Georgia, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to take from the Speaker's table the bill H. R. 10055, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference. Is there objection?

There was no objection.

The SPEAKER appointed the following conferees: Mr. GRAHAM, Mr. DYER, and Mr. SUMNERS of Texas.

COMMISSIONER FREDERICK A. FENNING

Mr. GRAHAM. Mr. Speaker, I call up House Resolution No. 228, concerning the alleged official misconduct of Frederick A. Fenning, a commissioner of the District of Columbia.

Mr. ASWELL. Mr. Speaker, I rise to a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ASWELL. Will this time be taken out of the day which has been devoted to debate upon the agricultural bills?

The SPEAKER. There is no limit to the day. This matter is of equal privilege. There is no definite limit to the day. The gentleman from Pennsylvania calls up House Resolution No. 228, the title of which the Clerk will report.

The Clerk read the title of the resolution.

Mr. GRAHAM. Mr. Speaker, I yield 15 minutes to the gentleman from Massachusetts [Mr. LUCE].

Mr. CHINDBLOM. Mr. Speaker, may we know something about the plan? Is there to be an hour of debate upon this matter? Does the gentleman propose to retain control of the floor?

Mr. GRAHAM. Yes.

The SPEAKER. The gentleman from Massachusetts is recognized for 15 minutes.

Mr. LUCE. Mr. Speaker, I desire to present certain reasons why this resolution ought to be adopted. No proceeding of this gravity should, in my judgment, go forward without some statement of the circumstances involved. I have been and am of the opinion that there is grave doubt as to whether an official of the rank of a commissioner of the District of Columbia ought to be impeached. Precedent informs us that many years ago in an analogous case a committee expressed such doubt by reason of the fact that the person charged was appointed for a limited and definite time, that he was subject to removal, and that he was of a rank that did not warrant the use of the solemn proceeding of impeachment, which is meant to concern itself with high crimes and misdemeanors by high officials. In this instance there is the added reason that the organic law of the District of Columbia says that a commissioner is a municipal officer, which would expose us in case the precedent is set, to having our time encroached upon by demands to impeach other appointed local officials, such as members of the school board, the chief of the police or of the fire department, anyone else in the service of the District, or even notaries public. The Committee on the Judiciary, however, has seen fit not to face this issue before it has the authority to proceed with investigation. I have no doubt it will consider the question early in its deliberations, but should it, nevertheless, decide to pursue inquiry there will be benefits accruing that will be of great value to the House, to the people, and to the cause of justice.

Before this episode confronted us I had never met the man whom it is sought to impeach. I never saw him until he entered our committee room, that of the Committee on World War Veterans' Legislation. I hardly knew of his existence, but I have in all my life been perhaps handicapped by sympathy for the under dog. From the earliest days when I could acquire any knowledge on these subjects I was taught that every man is presumed to be innocent until he is proven guilty and, that every man charged with crime has a right to his day in court. I found myself surrounded in the House by a body of associates, a large number of whom seemed to me to have forgotten the right of every man to be deemed innocent until he is proven guilty and the right of every man to have his day in court, and I found a populace inflamed by passion and prejudice, ready to crucify this man.

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

Mr. LUCE. I have not the time to yield.

Mr. RANKIN. Mr. Speaker, the gentleman has taken all of the time so far to put the other members of the committee in a wrong light, and he ought to yield in order that we can get the facts of the matter before the House.

Mr. LUCE. I have no strictures to pass upon the members of the committee with whom I have for nearly three weeks been considering this case. I do not purpose to defend this man. He must stand his chances. If he is to be crushed to serve some purpose that I can not conceive, such is his fate, and he must accept it as best he can. I rise for a wider and a broader purpose. I rise to inform those unhappy men who are confined in our hospitals, to inform their parents, relatives, and friends; aye, to inform more than 4,000,000 men who served in the late war, that the facts laid before our committee, which has concerned itself only with the aspects of the case that relate to veterans, do not as yet warrant any judgment condemning this man. He has violated no law. Every act that the law has required him to perform has been approved by the Supreme Court of the District of Columbia.

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

Mr. LUCE. I can not yield. The chief justice of the court has been quoted within a few days as accepting the responsibility. Mark you what I say now and spread it abroad, if you will. Not one veteran has lost one penny through the conduct of this man.

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

Mr. LUCE. I decline to yield.

Mr. RANKIN. There is no evidence to back up the statement of the gentleman from Massachusetts.

Mr. LUCE. No estate has been diminished by one dollar. No law has been broken.

Mr. RANKIN. Mr. Speaker, I rise to a point of order. The gentleman from Massachusetts, who has taken up practically all of the time allotted in favor of this resolution, except five minutes, is not talking for the resolution but against it. I make the point of order that if he is going to take this time that is allotted in favor of the resolution, he ought to confine himself to speaking in favor of it and not against it.

The SPEAKER. The Chair is not informed that any time has been allotted in favor of the resolution. The gentleman from Massachusetts is entirely within his rights.

Mr. LUCE. Mr. Speaker, I am presenting reasons why the 4,000,000 veterans of this country should be told that their rights are not being abused by those here who have in regard to them certain duties and responsibilities in charge. I have not the time, of course, to take up the details, but I want to lay before the House one typical instance of what has deceived the House and what has blinded the people.

I will take up the story as briefly as I may, for my time is limited, to tell you that a clerk in one of the bureaus went into an undertaker's establishment and saw a body on which an autopsy had been performed; later he saw another body on which an autopsy also had been performed. Somebody told him it was the body of a veteran. In cross-examination before our committee he was compelled to disclose that he did not know either body was that of a veteran. He confessed that while on oath he had misinformed another committee in this particular. If not guilty of the crime of perjury, he was at least guilty of falsification or deceit. The original charge had been spread in the newspapers, but, as far as I observed, not one line was printed in the newspapers disclosing the fact that this man was a falsifier, or at least a deceiver.

Let us go on with the story that shows how scandal grows.

A few days later the gentleman from Texas rose on the floor of this House and said:

Mr. BLANTON. I wonder if the gentleman from South Dakota [Mr. JOHNSON] knows, and do you know, that when a veteran dies in St. Elizabeths Hospital the doctors there cut him up? One died some time ago, the case I have in mind, where they split his head wide open, and the undertaker refused to accept him for embalming—said he could not embalm a body like that.

[4] 30 Protestant denominations.

Whereupon there came before our committee the undertaker in question, a decent appearing man of seeming trustworthiness, who said:

I am here of my own accord, without suggestion from anyone, to correct a statement which appeared in last Friday morning's Post to the effect that bodies at St. Elizabeths Hospital were in such mutilated condition after they had finished with them that I refused to accept them to prepare them for burial. I simply come before your committee to say that statement is not correct. I have never made any such statement as that, and, being an ex-service man myself, I do not think I would give such a statement as that to the public to further break the hearts of the loved ones that these men have left behind.

Now, see how the vile odor of scandal spreads. In the report of a meeting of an American Legion post printed in the Washington Post yesterday morning was this paragraph:

Bodies of shell-shocked veterans who died at St. Elizabeths Hospital have been sold to Howard University for scientific experiment, the Texan charged, and he pledged himself to put a stop to the practice——

Mr. BLANTON. Mr. Chairman——

Mr. LUCE. I am going to exonerate the gentleman—

And he pledged himself to put a stop to the practice.

The gentleman from Texas came before our committee this morning, disclaimed such a statement as that, and said he had never made it. But—

The moving finger writes; and having writ,
Moves on; nor all your piety nor wit
Shall lure it back to cancel half a line,
Nor all your tears wash out a word of it.

Mr. BLANTON. Will the gentleman yield?

Mr. LUCE. No, sir; I yield no further. I want to tell the story.

Mr. BLANTON. The gentleman wants to be fair?

Mr. LUCE. I am going to be fair to you——

Mr. BLANTON. Who does the gentleman hold responsible?

The SPEAKER. The gentleman declines to yield.

Mr. LUCE. Mr. Speaker, I have broken the rules of the House by using the word "you," and I apologize. I want to tell the gentleman from Texas what his responsibility is in regard to this matter.

A credulous clerk believed an autopsy had been performed on the body of a veteran. Somewhere between the shop of the undertaker and the floor of the House, passing through the office of the gentleman from Texas, the story was elaborated into one of dreadful mutilation that would outrage the sensibilities of any right-minded man. Other Members of the House began to use the word "horrible." Next the gentleman from Texas makes a speech containing something that a reporter misunderstands, which he distorts into a diabolically ingenious implication, meant to plant in the mind the impression that the bodies of white veterans are sold for the purposes of dissection by colored medical students. The responsibility of the gentleman from Texas lies in the fact that he gave ready ear to the hallucinations of a morbid busybody and spread before the world a slander that he should have known was preposterous, thus furnishing the foundation on which another troublemaker built a still more incredible tale. All the resultant distress brought by this wretched mushroom of calumny to the relatives of the mentally ill now in hospitals or who have died there would have been saved if the gentleman from Texas had taken the time to make even a hasty inquiry by telephone. He would have found that no autopsy is ever performed on the body of a veteran who dies at St. Elizabeths before consent is secured from parents or other relatives. And he would have found that the body of every veteran is buried at Arlington, unless those who have the right to request wish otherwise.

So the story grew and spread over all the land. What is the result? You find it in St. Elizabeths Hospital; the morale distressingly damaged. You find it in Walter Reed Hospital, where thousands of invalid veterans are disquieted by the lamentable tale. You find it in the posts of the American Legion and the Disabled Veterans and the veterans of all wars, who are wondering whether the wards of the Nation are safe in the hands of those now entrusted with the solemn duty of their care.

The responsibility lies with the man who without inquiry, without satisfying himself that some wild delusion of a disordered brain had even a foundation of truth, spread before the House and before the country charges outrageous in their nature, beyond belief, based upon statements now proved to have been false. [Applause.]

Justice to the gentleman from Texas calls upon me to say that in the instance where he was so shamefully misquoted he tells us that what he really said was that doctors lecturing before medical schools exhibit men brought with them from insane hospitals. It does not lie in his mouth to criticize such a practice, even if it exists, when he himself secured the attendance of two mentally ill men before one of our committees, against the protest of the doctors who had these men in charge, and exposed these men to the humiliation of appearance before a throng of avid, morbid spectators, who sought to have their tainted appetites whetted by an appeal to passion and to prejudice. [Applause.]

Nothing of that sort, I am sure, will be allowed in the Committee on the Judiciary. That committee, composed wholly of lawyers, coming to this matter fresh and without prejudice, may be trusted to refuse to listen to hearsay and opinion testimony. Into its presence no insane men will be brought from the hospital and exhibited. There will be none of those extraordinary things that have been going on in the House Office Building, violating every canon of decency and fair play. Because this committee will seek only to find out the truth, the whole truth, and nothing but the truth, I desire it to have the opportunity to tell the country if these charges were false. I am sure the reputation of every citizen will be safe in its hands. Character will not be garrulously and illegitimately attacked. The rights of the man who is charged with offense will be protected. Whether he be guilty or innocent, the committee will give him simple, even-handed justice. And the truth will be at last spread before the people.

Mr. BULWINKLE. Will the gentleman from Pennsylvania yield there for a question?

Mr. GRAHAM. No; I regret I can not. This resolution is simply a resolution of inquiry, and, in my opinion, the merits ought not to be further discussed.

Mr. CARTER of Oklahoma. They have already been discussed.

Mr. BULWINKLE. Will not the gentleman yield to me a moment?

Mr. GRAHAM. I will yield five minutes to the gentleman from Texas [Mr. BLANTON].

Mr. RANKIN. Mr. Speaker, I wish to propound a unanimous-consent request.

The SPEAKER. Does the gentleman from Pennsylvania yield?

Mr. GRAHAM. No; I am under orders. The Committee on Agriculture must proceed, and the time of the House can not be occupied by the discussion of this resolution prematurely.

Mr. RANKIN. Will the gentleman from Texas yield to me?

Mr. BLANTON. Mr. Speaker and gentlemen of the House, now that you have heard Mr. Fenning's defense, it is but fair that I should present the other side, for there are two sides to this question. I present the side of the shell-shocked, helpless, afflicted veterans of our wars who for 25 years have been exploited by Frederick A. Fenning.

ATTITUDE OF A DISTINGUISHED HOUSE LEADER

On March 18, 1926, from this floor I stated that Commissioner Fenning "has no right to have himself appointed guardian for poor soldier boys in St. Elizabeths" and receive several thousand dollars a year. The distinguished gentleman from Illinois [Mr. MADDEN], who is chairman of the great Committee on Appropriations, promptly replied:

If he is doing that, he ought to be put out of office.

WAS FENNING DOING THAT?

Thus the issue was formed. If I could show that Fenning was having himself appointed guardian for soldiers in St. Elizabeths, and collecting from them several thousand dollars each year, then Chairman MADDEN agreed that he should be put out of office.

INDISPUTABLE AND UNDENIABLE PROOF

In the RECORD for April 8, 1926, on page 7128, I produced a certificate from Gen. Frank T. Hines, Director of the United States Veterans' Bureau, dated April 2, 1926, giving 75 cases of veterans of the World War who are wards of said Frederick A. Fenning, with their C number, their home address, their place of incarceration, the amount of their compensation, and the amount of their insurance, which said Veterans' Bureau had paid to said Frederick A. Fenning as their guardian or committee, and certifying that said United States Bureau had up to that date paid to said Frederick A. Fenning, for his said wards, the enormous sum of $733,855.87. And on page 7128 of said RECORD I printed a certificate from Gen. Frank T. Hines, Director of said United States Veterans' Bureau, certifying that Frederick A. Fenning has been allowed in practically every case—

10 per cent of the principal of the personal estate and on the annual income of the estate.

Does anyone say that Director Hines certified falsely? No, they do not! Does anyone say that there is an error in General Hines's certification? No, they do not! And they can not, because the records of General Hines's United States Veterans' Bureau confirm his certification.

FEES OF $109,070.25 IN PENDING CASES

On page 7129 of said RECORD I printed the certificate of Hon. Herbert L. Davis, auditor for the Supreme Court of the District of Columbia, certifying that in 123 lunacy cases pending in said supreme court on May 1, 1925, and concerning which said Frederick A. Fenning was guardian or committee for the lunatic, and was required by law to file his account by May 1, 1925, that said Frederick A. Fenning had been allowed by the court out of the estates of his said 123 wards, the sum of $109,070.25 as fees and commissions to himself, said certificate giving the number and style of each case and the amount paid in each case, and such data was prepared under the order and direction of Hon. Walter I. McCoy, chief justice of said supreme court. Does anyone question its correctness? Certainly not! Has the gentleman from Massachusetts shown that there is an error of even one penny in this certificate? Certainly he has not!

EXTRA 25 PER CENT COMMISSION FROM HIS BONDS

I made Frederick A. Fenning admit under oath that in each one of his lunacy cases he has given a fiduciary bond, and that he had deducted the premium on same from his wards' estates, and that he is agent and solicitor for two bonding companies and two other insurance companies which write all of his business for him, and that they pay him a commission of 25 per cent out of every premium he gives to such companies, and that no court knew of his receiving this 25 per cent of his bond premiums.

FREDERICK FENNING'S 406 OTHER LUNACY CASES

In yesterday's RECORD, on pages 8744, 8745, and 8746, I printed a list of 406 lunacy cases wherein Frederick A. Fenning received fees as guardian, committee, or attorney, duly certified by the clerk of the Supreme Court of the District of Columbia, prepared under the order and direction of Hon. Walter I. McCoy, chief justice of said supreme court, giving the number and style of each case and the amount of fees said Fenning received in each case, and certifying that in same said Frederick A. Fenning had received for himself the sum of $8,412.05 as attorney's fees, the sum of $46,129.60 as his fees for acting as committee for his wards, and that he had been allowed also out of his wards' estates the sum of $7,501.43 for premiums on his fiduciary bonds, of which last sum he received 25 per cent commission from the bonding companies, as testified to by himself under oath. All of the above 406 last-mentioned cases were pending prior to said May 1, 1925.

Has anyone questioned the correctness of the foregoing certificate of the clerk of the Supreme Court of the District of Columbia? Certainly not! No one has even intimated that there is in it an error of even one penny. Chief Justice McCoy had it prepared. And no one questions it.

IS IT BLINDNESS OR PERVERSENESS?

When one refuses to receive and accept the conclusive probative force and effect of such indisputable and overwhelming evidence as I have cited above he must be either blind or perverse.

FREDERICK A. FENNING HAS VIOLATED MANY LAWS

Section 841 of the Code of Law for the District of Columbia (p. 241) makes him guilty of embezzlement as such section has been construed by the courts. It provides:

SEC. 841. Executors and other fiduciaries: Any executor, administrator, guardian, trustee, receiver, collector, or other officer into whose possession money, securities, or other property of the property or estate of any other person may come by virtue of his office or employment, who shall fraudulently convert or appropriate the same to his own use, shall forfeit all right or claim to any commissions, costs, and charges thereon, and shall be deemed guilty of embezzlement of the entire amount or value of the money or other property so coming into his possession and converted or appropriated to his own use, and shall be punished by a fine not exceeding $1,000, or by imprisonment not exceeding 10 years, or both.

Under the rule of law, construing the above code, laid down in the case of the United States versus John B. Kinnear, when Frederick A. Fenning listed in his accounts as a claim against the estates of his wards the premiums he had paid on his fiduciary bonds, and had the court to sign the orders he had prepared for the court's signature authorizing payment to himself of said bond premiums, and he was receiving 25 per cent commission of said bond premiums as agent and solicitor of said bonding companies, he was misappropriating out of the estates of his said wards the said amounts he thus received, and under said code, and the decision of the United States versus John B. Kinnear said Fenning is guilty of embezzlement in each and every one of such cases.

FENNING HAS VIOLATED THE WORLD WAR VETERANS' ACT

An attorney is allowed a fee of only $10 for prosecuting a claim before the United States Veterans' Bureau. You will remember that one of our former colleagues from Ohio was given a sentence of one year in the workhouse for having charged a fee of more than $10. Frederick A. Fenning has received from veterans fees of more than the amount authorized by law, and he has thus violated the provisions of section 500 of Title V of the World War veterans' act of 1924 as amended by the act of March 4, 1925, which provides that respecting compensation and insurance claims filed in said United States Veterans' Bureau for adjudication and not prosecuted in courts no attorney shall receive a fee of more than $10 in any one case, the penalty prescribed for its violation being a fine of not more than $500 and imprisonment at hard labor for not more than two years.

HAS VIOLATED SECTION 5498, REVISED STATUTES

Section 5498 of the Revised Statutes of the United States provides:

Every officer of the United States, or person holding any place of trust or profit, or discharging any official function under, or in connection with, any executive department of the Government of the United States, or under the Senate or House of Representatives of the United States, who acts as an agent or attorney for prosecuting any claim against the United States, or in any manner, or by any means, otherwise than in discharge of his proper official duties, aids or assists in the prosecution or support of any such claims, or receives any gratuity or any share of or interest in any claim from any claimant against the United States, with intent to aid or assist, or in consideration of having aided or assisted, in the prosecution of such claim, shall pay a fine of not more than $5,000 or suffer imprisonment not more than one year, or both.

Frederick A. Fenning was appointed to office by the President of the United States by and with the consent of the Senate. He is a Federal officer. The President can not appoint any kind other than a Federal officer. The Senate can not confirm any kind other than a Federal officer. Both the rulings of the Attorney General and the decisions of the Supreme Court of the United States show that he is a Federal officer.

And, in violation of said statute, said Frederick A. Fenning, since he became commissioner, has prosecuted claims before various departments of Government, which were expressly forbidden by such law. I will mention some of them.

On June 10, 1925, in lunacy case No. 10890, Commissioner Frederick A. Fenning filed a petition to declare Michael Flaherty, of Massachusetts, of unsound mind, the petition recommending that Frederick A. Fenning be appointed committee, and Fenning used the affidavits of Dr. D. C. Main and Dr. John D. Gable, doctors employed in St. Elizabeths. On June 19, 1925, Flaherty was declared unsound, Commissioner Frederick A. Fenning was appointed committee, and the order of court recites that the petitioner appeared by his attorney, Frederick A. Fenning. And on June 20, 1925, Commissioner Frederick A. Fenning reported to the court that he had received from the United States Navy $565.80 as pay due his ward, which he had deposited in the National Savings & Trust Co., and that he expected from the Navy $94.30 each month pay due his ward.

On September 22, 1925, Commissioner Frederick A. Fenning, as attorney for Mrs. Elizan Norris, filed lunacy case No. 11041 seeking to declare Richard M. Norris unsound, using Doctor Silk and Doctor Lind, of St. Elizabeths staff to do the work, the petition reciting that the only relatives of Norris known were his wife, Elizan Norris, and his daughter, Fannie Norris, aged 13, living in Savannah, Ga., and the petition reciting:

That Richard M. Norris is entitled to war risk compensation monthly, amount not yet known.

I want this recitation to be remembered, for it shows that there must be a claim filed against the Government of the United States before his rights can be determined, for the Veterans' Bureau is one of the institutions of the Government.

And the records in the United States Veterans' Bureau show that Frederick A. Fenning immediately thereafter began to prosecute said claim for his client before a department of Government, because on October 16, 1925, he wrote a letter to said Veterans' Bureau transmitting the orders from said court, stating that he was doing it for "my client," and requesting that compensation be awarded.

And again on December 9, 1925, said Frederick A. Fenning as attorney for his client wrote another letter to said United States Veterans' Bureau, forwarding corrected papers, again using the term "my client," and again asking that the "matter go forward as promptly as possible." And again on January 9, 1926, said Fenning wrote another letter to said United States Veterans' Bureau for his client, calling attention to his letter of December 9, and in which he said:

On behalf of my client, Mrs. Elizan Norris, committee of Richard M. Norris, that the matter go forward without delay.

And he was finally notified that the claim had been allowed, and compensation check forwarded to his client. And he presented in court a report by his client showing collection of such compensation from said bureau.

IN THE DARKNESS OF THE NIGHT

And it was concerning the papers in this case, which means so much to him just now, that said Frederick A. Fenning had one of the employees of said United States Veterans' Bureau meet him one night in said bureau, many hours after said department had closed, to let him look over the papers. All of the employees of said bureau had been gone for several hours. The bureau was closed. It was nighttime. No one was present except this one employee and Frederick A. Fenning. If those telltale papers could disappear, there would be no evidence left to convict. Fortunately, I have photostat copies of all of said papers, so if they do disappear there will yet be available proof of them.

But let me mention other cases said Frederick A. Fenning has prosecuted against departments of the Government since he has become commissioner.

In cause No. 11092, on October 20, 1925, Commissioner Frederick A. Fenning, as attorney, filed a petition in the supreme court, alleging that Francis D. Allen is a patient in St. Elizabeths and believed to be of unsound mind, and that he is entitled to retired pay of $150 per month as lieutenant in the United States Navy, and recommending that Frederick A. Fenning be appointed committee for him.

On November 20, 1925, Commissioner Frederick A. Fenning, as attorney, had the matter heard, had Lieut. Francis D. Allen, of Chester, Pa., declared unsound, had himself appointed committee, and the order recites Frederick A. Fenning as attorney for the proceeding.

On December 7, 1925, Commissioner Frederick A. Fenning, as committee, petitioned the court to change the name to Frank D. Allen, so as to correspond with record of the Navy, and to affirm him as committee, which was done by order of Chief Justice McCoy.

On December 9, 1925, Commissioner Frederick A. Fenning reported to the court that he had received from St. Elizabeths the sum of $116.55, personal funds due his ward, and that he expects to receive from the United States Navy $150 per month as the retired pay due his ward, and that he expects to receive certain funds of his ward deposited in a New York bank, and that he expects to receive proceeds from certain lots in New York, and that he expects to recover a refund of a deposit on a house in Pennsylvania.

On February 10, 1926, Commissioner Frederick A. Fenning, as committee, filed petition in the supreme court advising that while his ward lived in Chester, Pa., he purchased from Annie M. Smith the premises at 1824 West Sixth Street, Chester, Pa., for $3,800, and paid her in cash $1,000, and Fenning asked that he be permitted to file suit against her to annul the purchase and recover back the $1,000, and the court granted the order that day without hearing.

In order to collect the retired pay due F. D. Allen it was necessary for Frederick A. Fenning to prosecute this claim before the United States Navy Department, and he did so prosecute it, and he got it allowed, and he thus violated said law last quoted.

This man F. D. Allen is not insane. I went to St. Elizabeths to see him. He told me that he came to Washington to collect some money that was due him by another naval officer at the naval hospital here, and that when he asked for his money it made the officer mad, and such officer had him "shanghaied" into St. Elizabeths, and that when Fenning found out that he was entitled to retired pay and had money and property he promptly had himself made his committee. And I had this young naval officer before our committee, who under oath testified substantially to the above, and he convinced practically the entire audience who heard him that he is perfectly sane and should not be in St. Elizabeths.

FENNING AND ROGERS

Adjoining Fenning's office in the Evans Building, a young lawyer named Paul V. Rogers has an office, with the door open between his office and that of Fenning, and Fenning uses him on occasions to help him collect fees.

On December 2, 1925, Commissioner Frederick A. Fenning and Paul V. Rogers, as attorneys, filed in the Supreme Court of the District of Columbia the case of Lunacy No. 11137, charging Charles L. Cunningham with being of unsound mind. The court's order of December 4, 1924, recites that petitioner appeared by Attorney Frederick A. Fenning, and he was declared insane.

On January 27, 1926, Commissioner Frederick A. Fenning filed with the court a petition stating that petitioner had employed Frederick A. Fenning and Paul V. Rogers as attorneys, and asking permission to pay their fee of $150.

On January 27, 1926, that same day, Chief Justice McCoy granted the order for the $150 to be paid to Frederick A. Fenning and Paul V. Rogers, attorneys.

On January 27, 1926, petitioner reports receipts from Franklin Trust Co., of Philadelphia, of $1,531.83, and $73.30 from the Navy, and statement is made that such sums are deposited in the National Savings & Trust Co., of Washington, D. C.

The above claim was prosecuted against a department of Government, to wit, the Navy, and money was collected, and said Fenning received his part of the $150 fee, which under oath said Fenning testified was one-half, hence he received $75 for prosecuting such claim.

BUILDING STRAW MEN TO KNOCK DOWN

The gentleman from Massachusetts unfairly mentioned an incorrect report in the press which, without warrant, quoted me as having said in my speech before the American Legion Tuesday night that "bodies had been sold to Howard University." He would not yield to me to show his unfairness. He had Doctor White to deny before his committee that bodies were sold. I never made such a statement in my life. The Post is protecting Fenning. Its reporter, Mr. Carlisle Bargeron, is a splendid young fellow and feels about this whole matter just about as I do; but his paper on April 8, 1926, said editorially that the resolution that this House will in a few minutes pass unanimously "ought to be thrown in the wastebasket"; and said further that "Mr. Fenning is entitled to public thanks for rendering his service." Naturally, such a paper would endeavor to break me down, just as the gentleman from Massachusetts is seeking to do, because I am seeking to have Frederick A. Fenning removed from office. Hence, without any warrant whatever, the Post said that I asserted that "bodies had been sold to Howard University." My colleague from Ohio [Mr. McSWEENEY] was present and heard my whole speech. Here is his statement as to what occurred:

I was present at the meeting of Washington Post, No. 1, American Legion, on the night of May 4, 1926, and heard Congressman BLANTON's speech. He made no statement whatever about bodies of veterans being mutilated before or sold to Howard University. He said that an employee of the Veterans' Bureau had testified that he had seen two bodies that had been cut open, and that he had been reliably informed that St. Elizabeths Hospital had allowed its afflicted patients to be exhibited before classes in universities here for scientific purposes, and that some had been exhibited before a class of Howard University, and that if such were the case it ought to be stopped, as these poor, unfortunate patients should not thus be exhibited in public. He said nothing whatever about bodies being sold to Howard University.

JOHN McSWEENEY,
Member of Congress, Sixteenth District of Ohio.

WERE BODIES CUT UP IN ST. ELIZABETHS?

On April 30, 1926, there appeared before our committee hearing Mr. Alva W. Collins, who is the assistant auditor for the United States Veterans' Bureau, having been with it since August, 1921, and whose duty it is to look after paying the funeral expenses of all veterans by auditing the vouchers for same. He was duly sworn, and upon oath testified as follows:

Mr. BLANTON. Now, Mr. Collins, with respect to a body in May or June of last year that you saw, where the head had had an operation on it. Do you remember that body?

Mr. COLLINS. I remember seeing the body lying in the undertaker's morgue.

Mr. BLANTON. What had been done to the head?

Mr. COLLINS. I think the scalp had been cut up here [indicating]——

Mr. BLANTON. At the frontal bone?

Mr. COLLINS. The frontal bone had been cut and the brain, I suppose, removed. I don't know about that. I didn't see that.

Mr. BLANTON. That was a World War veteran?

Mr. COLLINS. Yes.

Mr. BLANTON. Now, in July you saw another body that had been cut up, didn't you?

Mr. COLLINS. I happened in there on an errand taking some transportation for another body that was to be shipped, and I stepped over there after 4.30.

Mr. BLANTON. What did you see about that body with your own eyes?

Mr. COLLINS. That body was cut open from the throat all the way down.

Mr. BLANTON. All the way down?

Mr. COLLINS. Yes.

Mr. BLANTON. What about the backbone? Did you find out anything about the backbone of the deceased?

Mr. COLLINS. Well, I was told that the backbone had been taken out. I couldn't see it. I did not want to get close enough to it.

Mr. BLANTON. Did it have a bad effect on you?

Mr. COLLINS. It had a nauseating effect on me.

CAN NOT WE BELIEVE SWORN TESTIMONY OF A BUREAU OFFICIAL?

I want you to note that I asked Mr. Collins specifically if that was a "World War veteran," and he said it was. He said so under oath. What proof has the gentleman from Massachusetts offered to show that he was not a World War veteran? Absolutely none! The only corpse that Auditor Collins had any business with was that of a World War veteran. He was working for the United States Veterans' Bureau. He had nothing whatever to do with checking up any body that was not the remains of a veteran.

BUT SUPPOSE THE INMATE WAS NOT A VETERAN?

The cut-up remains of this poor unfortunate from St. Elizabeths was after all an American. If the gentleman from Massachusetts had been correct in surmising that the body might not be that of a veteran, does it not concern him any at all that some other unfortunate American who lost his life in St. Elizabeths was cut from his neck downward by doctors in St. Elizabeths? As Representatives in the American Congress are we not concerned with the improper treatment of any American? Why, certainly we are.

CORROBORATING EVIDENCE

But I had the sworn evidence from another bureau official corroborating the testimony of Auditor Collins. Mr. Clarkson E. Grier has been an honored and respected investigator for the United States Veterans' Bureau for over three years and did much work for the bureau in St. Elizabeths. He was duly sworn, and under oath testified before our committee as follows:

Mr. BLANTON. Do you know Mr. Collins, who has charge of looking after these bodies, and so on, for the Veterans' Bureau?

Mr. GRIER. Yes, sir; I know him very well.

Mr. BLANTON. State whether or not Mr. Collins ever told you about one of the patients over there at St. Elizabeths where the doctors cut all the front part of his head off.

Mr. GRIER. Yes, sir. I believe he did tell me something about that.

Mr. BLANTON. Did Mr. Collins ever tell you about another body that they cut all to pieces?

Mr. GRIER. Yes, sir; he did.

Mr. BLANTON. What did he say about the other one that they cut up so bad that Mr. Tabler said something about it? Tell the committee what he said.

Mr. GRIER. I think it was July of last year—it was July—one of our claimants had died in St. Elizabeths, and they had an autopsy and the body was turned over to Mr. Tabler, our contract undertaker. Mr. Collins happened to be at Mr. Tabler's undertaking establishment when the body got there. That is the way I was told, or I believe that is the way.

Mr. BLANTON. Tell us what he told you.

Mr. GRIER. He said he saw a body that had been cut up pretty badly from St. Elizabeths, and that his stomach had been cut open down the front.

Mr. BLANTON. What did he say about the backbone being cut out?

Mr. GRIER. He said he was told that the backbone had been cut out. He didn't tell me that he saw the backbone.

Mr. BLANTON. What did he say about Tabler with regard to the embalming?

Mr. GRIER. He said that Mr. Tabler didn't want to handle a body like that; that he kind of intimated or something like that—I don't know exactly—but it was some remark that Mr. Tabler was not at all satisfied, was reluctant to receive a body in that condition.

Mr. BLANTON. Didn't he tell you that he said the body was cut up so badly that Tabler said he didn't want to embalm it?

Mr. GRIER. He didn't refuse to embalm it; he said he didn't want to.

Mr. BLANTON. He didn't feel that he ought to be given a body in that condition?

Mr. GRIER. I think that is what he said.

WAS NOT THAT SUFFICIENT TO WARRANT AN INQUIRY?

Was not the sworn evidence of these two officials from the United States Veterans' Bureau sufficient to warrant me in asking this Congress to make an investigation? Why should I be hamstrung and quartered by the gentleman from Massachusetts simply because I repeated to this House such charges in asking that this House make an investigation?

CONSPIRING TOGETHER FOR 20 YEARS

The sworn evidence given by Frederick A. Fenning and Dr. William A. White before a congressional committee in 1906 showed that said Fenning was then guardian or committee for 69 inmates of St. Elizabeths; that he was reaping a harvest from their estates; that Doctor White then gave him free access to the files, records, and correspondence concerning the patients and their estates and income; that Doctor White in every petition he filed in court then recommended Fenning as committee, and that in two-thirds of the cases in which said Fenning was guardian or committee he had been recommended by Doctor White as committee; that said Fenning had kept a Civil War veteran named Logue in the asylum when he was sane, and that Logue had forced his release by habeas corpus and trial before a jury, and that he recovered less than half of his estate from said Fenning; that said Fenning kept Miss Cornelia L. Corbett and her widowed mother in St. Elizabeths, charged with insanity, for two years and four months when they were sane, and that he squandered their property, and that when she and her mother forced their release by habeas corpus and court trial before a jury Miss Corbett sued Fenning in the Supreme Court of this District and recovered a judgment against him and made him pay it; that said Fenning admitted under oath that he had gone to Judge Barnard nearly 25 years ago and urged him to appoint him committee in all cases, but that Judge Barnard told him he would appoint only the one recommended in the petition, and that then "he saw that it was up to him to see to it that he was recommended in the petition," and that he had urged many persons to name him as committee.

FENNING'S MANY ASSISTANTS

Our committee has shown by sworn evidence, indisputable, that said Frederick A. Fenning engaged in a partnership business with Dr. William A. White in buying mortgages; that they first ran their joint bank account in a certain big trust company here, of which said Fenning was a director, and when he ceased to be a director of it, and became a director in the National Savings & Trust Co., they transferred their joint bank account to that institution; that said White and Fenning have borrowed money together from said trust company and the Riggs Bank, and when Doctor White admitted that he was a poor man when he came to St. Elizabeths and he was asked to tell what he is now worth, he refused to answer.

Both Doctor White and Commissioner Fenning admitted under oath that said Fenning owns one share of stock in the Laurel Sanitarium and that he is attorney for it, and that said Fenning owns one share of stock in and is attorney for the Gawlers, undertakers, which in 1906 admitted under oath that such company received from 45 to 50 bodies for burial each year from St. Elizabeths, and we showed a receipt this year where said Fenning paid to said Gawler twice as much for a burial as is charged by the bureau's undertaker, and that in another case, where Gawlers buried one of Fenning's wards, said Fenning, as attorney, filed a petition for said Gawlers asking that he, Fenning, be made administrator, and as such he received further large fees from the estate. And in the case of Mrs. Rixford we have shown the court papers proving that said Fenning caused to be paid $100 per month to said Laurel Sanitarium for 14 months, out of her estate, for keeping Mrs. Rixford there, and that he received large fees from such estate.

We produced that portion of the report of Dr. Henry Ladd Stickney, who investigated St. Elizabeths for the Veterans' Bureau, who certified that said Fenning had privileges and concessions given him in St. Elizabeths, and is guardian for over 100 bureau patients, and that he, said Fenning, constantly opposes the transfer of his wards to other jurisdictions, and that Doctor White is very friendly to Fenning.

We proved by the sworn testimony of Frank Finotti, who for 42 years was chief clerk in St. Elizabeths, and also by Mrs. Ellen Finotti, who was record clerk there for eight years, that said Fenning is given free access to the records, files, and correspondence of patients in St. Elizabeths, and that no other attorney had such privilege or concession, and said Frank Finotti testified that he had seen several hundred petitions of Doctor White to adjudge patients lunatics wherein he recommended said Frederick A. Fenning as guardian or committee.

FENNING AFTER $200,000 ESTATE

We produced the court papers showing that when a citizen named Bennett, who owned $200,000 worth of property here, learned that Fenning had filed lunacy papers against him, and

that said Fenning and a lunacy doctor were coming after him, he left his home and went to the house of a friend, and then employed one of the best lawyers in Washington, who appeared with him in court, and that Fenning then dismissed the case rather than face trial with such a lawyer.

HAD HIS LUNATIC WARD MAKE A WILL

We showed that in the case of Philip Berg, that after Fenning had gotten Doctor Main, from St. Elizabeths, to swear his ward into that asylum as a lunatic, and had handled the estate and received commissions for several years, said Fenning then filed a petition into court asking that such lunatic ward be allowed to make a will cutting off his own mother, who had lived with said Berg from his infancy until he went to France during the recent World War, said Fenning alleging in such petition that such mother was an immoral woman, and said Fenning got an order from court permitting such lunatic to make such will, and said Fenning drew it up himself and dated it, not in St. Elizabeths but in "Congress Heights," and that when said Berg died, soon thereafter, said Fenning attempted to probate such will, and we proved by the sworn testimony of Judge Crandall Mackey, a leading lawyer of Washington, that the mother of Philip Berg is not an immoral woman but a good, hard-working, deserving woman, and that the client of said Fenning who represented herself as the sister of said Berg is not his sister but a cousin, and said Mackey is now preparing to fight the matter out in court with said Fenning.

FIVE HUNDRED DOLLAR FEE AND ONE THOUSAND SIX HUNDRED AND SEVENTY-SEVEN DOLLARS EXPENSES

We showed that said Frederick A. Fenning took one of his wards to his home in Denmark, taking with him his wife and a 66-year-old attendant from St. Elizabeths, and after leaving his ward there, they returned by way of London, and Fenning got the court to allow him a fee of $500 and the sum of $1,677 additional for expenses, and this was all in addition to the other fees said Fenning had been drawing from said estate; and, with his ward in Denmark for the past two years, said Fenning has drawn over $200 commissions from his estate each year for the past two years.

REMARKABLE CASE OF ISAAC FELLOWS

We produced the original court papers to show that said Fenning drew fees and commissions from the estate of his lunatic ward, Isaac Fellows, for several years, until he died, and then he spent nearly $300 on his funeral, and had the undertaker petition the court to appoint himself (Fenning) as administrator, and was so appointed, and that he paid $575 for a tombstone, and after paying all of his own fees and commissions there was about $5,000 left of the estate; that after the court had admonished Fenning that he had not filed final account within the time allowed by law, said Fenning asked the court to permit him to spend $40 in making a trip to New York, which the court granted, and said Fenning admitted that while in New York he visited a firm of lawyers who after he came back filed a claim with him for a foster mother of said ward that would have about wiped up the estate; but due to a law here which provides that when one dies without relatives the estate goes to the District of Columbia, the District sent its attorney to New York to see this woman, and he ascertained that her claim was false and fraudulent, and she immediately withdrew it, and all of such money had to be paid over to the District of Columbia. It was simply ridiculous for said Fenning to ask to go to New York to look up relatives when he could have done better in that regard by placing advertisements in papers there and by correspondence.

SUCH CASES WITHOUT NUMBER

If I had the time and space I could cite case after case where said Fenning has gone without the pale that any reputable lawyer would keep within.

BARRATRY

I produced his original correspondence showing that he solicited the business of a lady in Boston, and caused her to discharge her lawyers and to employ him, under circumstances that make him guilty of barratry under the laws of every State in this Union.

USING HIS OFFICE FOR SELFISH PURPOSES

We proved by sworn testimony that said Frederick A. Fenning became commissioner on June 5, 1925; that on June 12, 1925, he parked his car in prohibited area, and when Policeman Gore asked the colored chauffeur to move around the block, he told the policeman he would not do it, as that was Mr. Commissioner Frederick A. Fenning's car, and he would park it right there, and then said officer was lectured by Mrs. Fenning, who was in the car, and that Fenning caused Inspector Albert J. Headley, at the head of traffic, to call Officer Gore before him that day and severely reprimand him, but that when Headley learned the facts from Gore, he merely smiled and said, "Officer Gore consider yourself severely reprimanded," and that on June 19, 1925, said Fenning caused said Albert J. Headley, who is serving his thirtieth year of honorable service on the police force and will soon retire, to be demoted from an inspector to a captain, with a decrease in pay, and the extra loss of $450 per year, and a loss in his retired pay for life.

INJUSTICE TO DOCTOR MURPHY

Doctor Murphy testified under oath that Commissioner Fenning unjustly forced him out as police surgeon in order to appoint his prospective son-in-law to the position.

INJUSTICE TO DOCTOR WILSON

Doctor Wilson testified under oath that Commissioner Fenning without any cause whatever unjustly discharged him as school surgeon and in his place appointed an old doctor, 73 years of age, simply because said old doctor 20 years ago, when White and Fenning were under fire, offered sympathy. And since such action it is interesting to note that the Secretary of the Interior has held that Fenning had no authority to appoint this 73-year-old doctor and has forced him out. And Doctor Wilson is the hero of the Knickerbocker Theater disaster, when 98 people were killed and 300 were wounded, and throughout that bitter, freezing night and most of the next day Doctor Wilson administered to the wounded and dying without one cent pay.

INJUSTICE TO SERGEANT LEE

When Sergeant Lee is only 55, is 6 feet 2 inches tall, weighs 225 pounds, is a physical giant, and had not lost one day through sickness for four years Fenning had him retired on half pay and refused to give me a hearing on the case, when such injustice, cruel and inhuman, will cause Lee to take his son out of college.

INJUSTICE TO OFFICER BLACKMAN

When Officer Blackman and three other policemen whose day off each week comes on Saturday sought to earn some extra money to pay off a debt and got a job with Hecht Department Store and worked four Saturdays at $6 per Saturday, and made $24 each, said Fenning required them to pay the $24 into the police department, and three of them did it, but when under the advice of a lawyer Blackman refused Fenning suspended him for three weeks without pay, caused him to pay back the $24, and then fined him $25 extra.

ATTORNEY FOR MEDICAL SOCIETY

Commissioner Fenning is attorney for the Medical Society and has opposed several bills which his doctor clients have been against, and he has refused to have the city physician enforce a law passed by Congress last year respecting social diseases.

INSURANCE AGENT AND SOLICITOR

The superintendent of insurance has testified under oath that said Frederick A. Fenning has prevented from passing a bill which he and I framed to protect the people from unstable companies, and has prevented him from placing his ideas before Congress. Remember that said Fenning is agent and solicitor for four big companies.

FENNING REFUSED TO ANSWER

Remember that Fenning demanded that he be permitted to come before the Veterans' Committee and testify, and after he put in his own defense members of the committee began to ask him questions on cross-examination, and he refused to answer, and said gentleman from Massachusetts [Mr. LUCE] backed him up in his refusal. And when said Veterans' Committee first endeavored to hold an investigation the said gentleman from Massachusetts blocked same for several days by making a point of no quorum. I can not just understand his position in such a case as this. I feel that he should be helping and assisting me in getting protection for our 4,000,000 veterans of the World War rather than criticizing me and throwing obstacles in my way.

I have hardly been able in this time to mention half of the facts showing absolutely many violations of law by Commissioner Fenning, and acts of moral turpitude, and unethical deportment both as an attorney and an official. But I must stop.

I ask the gentleman from Pennsylvania to please give me two minutes more.

Mr. GRAHAM. I regret exceedingly that I can not.

Mr. BLANTON. I will appear before the Judiciary Committee and give them my facts. [Applause.]

Mr. APPLEBY. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state it.

Mr. APPLEBY. There has been a misstatement made on the floor of the House by the gentleman from Massachusetts. I

heard the gentleman from Texas state his proposition about Howard University and it had nothing whatever to do with the cutting up of bodies or the mutilating of bodies.

Mr. BLANTON. Or the selling of bodies.

Mr. APPLEBY. Or the selling of bodies.

Mr. BLANTON. I thank my colleague from New Jersey. I had forgotten that he was at the American Legion Tuesday night.

The SPEAKER. The Chair does not think that is a question of personal privilege.

Mr. RANKIN. Mr. Speaker——

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

Mr. RANKIN. Mr. Speaker, I rise to ask unanimous consent that we may have 20 minutes more in order that those of us who have gone into this investigation and who are not interested in defending Mr. Fenning against these charges may have time to tell the House what we have learned.

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

Mr. GRAHAM. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

Mr. GRAHAM. Mr. Speaker, I move the previous question on the resolution.

Mr. DYER. Mr. Speaker, I make the point of order that the gentleman's motion is not in order. The resolution, as yet, has not been read.

The SPEAKER. The resolution has been read.

Mr. DYER. Not for amendment.

The SPEAKER. The resolution was read the other day.

Mr. DYER. But there are amendments.

The SPEAKER. And the amendments were also read.

Mr. DYER. I desire to be heard upon the first amendment, Mr. Speaker.

The SPEAKER. The question is on agreeing to the motion of the gentleman from Pennsylvania that the previous question be ordered.

The question was taken; and on a division (demanded by Mr. SCHAFER) there were—ayes 190, noes 22.

So the previous question was ordered.

Mr. DYER. Mr. Speaker, I rise to a question of order.

The SPEAKER. The gentleman will state it.

Mr. DYER. Mr. Speaker, I have been in the Chamber ever since the matter was called up this morning. The resolution has not been read, and there are two amendments. We certainly can not vote upon the resolution without first voting upon the amendments.

The SPEAKER. The Chair is about to put the question on agreeing to the amendments.

Mr. DYER. Mr. Speaker, I ask unanimous consent to be heard for just one minute on the first amendment.

The SPEAKER. The gentleman from Missouri asks unanimous consent to proceed for one minute. Is there objection?

There was no objection.

Mr. DYER. Mr. Speaker, there seems to be a misunderstanding, according to the press and some Members, as to this first amendment, which is to strike out certain words with reference to impeachment. The words which are stricken out are:

And for which he should be impeached.

The impression has gone out that this was done in the belief that Mr. Fenning was not subject to impeachment. That is not the fact so far as any action of the committee is concerned. The words were stricken out on the motion of a member on the ground that it would limit the committee in its investigations. I want it clearly understood that the committee did not by its action eliminate this part of the resolution on the theory that Mr. Fenning could not be impeached. [Applause.]

Mr. BLANTON. I am glad the committee had those words stricken out.

Mr. DYER. I want this made clear for the benefit of the press and Members of the House.

The SPEAKER. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. RANKIN. Mr. Speaker, I ask for the yeas and nays.

Mr. BLANTON. I hope the gentleman will not ask that. It was a unanimous vote.

Mr. RANKIN. I understand, but some have been applauding vociferously in behalf of Mr. Fenning, and I want to know whether they are going to vote like they applaud.

Mr. BLANTON. It was a unanimous vote, and I hope the gentlemen will not ask for the yeas and nays.

Mr. RANKIN. Let us have the yeas and nays.

The SPEAKER. The gentleman from Mississippi demands the yeas and nays. Those in favor of ordering the yeas and nays will rise and stand until counted. [After counting.] Twenty-one gentlemen have risen, not a sufficient number, so the yeas and nays are refused. The question is on agreeing to the resolution.

The resolution was agreed to.

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. 4034. An act granting consent of Congress to Texas-Coahuila Bridge Co. for construction of a bridge across the Rio Grande between Eagle Pass, Tex., and Piedras Negras, Mexico;

H. R. 5691. An act granting the consent of Congress to Charles Moss, A. E. Harris, and T. C. Shattuck, of Duncan, Okla., to construct a bridge across Red River at a point between the States of Texas and Oklahoma where the ninety-eighth meridian crosses said Red River;

H. R. 8264. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1927, and for other purposes;

H. R. 10169. An act granting the consent of Congress to the Gallia County Ohio River Bridge Co. and its successors and assigns to construct a bridge across the Ohio River at or near Gallipolis, Ohio;

H. R. 9511. An act authorizing the Postmaster General to remit or change deductions or fines imposed upon contractors for mail service;

H. R. 10244. An act to extend the time for the construction of a bridge across the Fox River in the State of Illinois on State Road No. 18, connecting the villages of Yorkville and Bristol in said county;

H. R. 10198. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1927, and for other purposes;

H. R. 10470. An act granting the consent of Congress to the city of Little Falls, Minn., to construct a bridge across the Mississippi River at or near the southeast corner of lot 3, section 34, township 41 north, range 32 west;

S. 2298. An act to amend section 3 of the act approved September 14, 1922 (ch. 307, 42 Stat. L. pt. 1, pp. 840–841);

S. 1786. An act to equalize the pay of retired officers of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service;

S. 2733. An act for the relief of the State of North Carolina; and

S. 3037. An act to provide retirement for the Nurse Corps of the Army and Navy.

NIGHT SESSION

Mr. TILSON. Mr. Speaker, at the request of the chairman of the Committee on Agriculture and others, I ask unanimous consent that, unless the House shall have sooner adjourned, at 5.15 p. m. it take a recess until 8 o'clock p. m. and continue in session not later than 11 o'clock p. m. Members will understand that the time is to be devoted to debate on the agricultural relief bill, and that, of course, there will be no vote, and can be no vote taken.

Mr. CRAMTON. And no unanimous-consent request on any other matters will come up and no other business will be transacted.

Mr. TILSON. No other business will be transacted except debate on the agricultural bill.

The SPEAKER. The gentleman from Connecticut asks unanimous consent that, unless the House adjourns before 5.15 this afternoon, general debate on the agricultural bill shall continue between the hours of 8 and 11 o'clock, and nothing else but general debate on that bill. Is there objection?

There was no objection.

Mr. TILSON. Mr. Speaker, I should like to make the same request for to-morrow night.

The SPEAKER. The gentleman from Connecticut makes the same request for to-morrow night.

Mr. GARRETT of Tennessee. Mr. Speaker, I will reserve the right to object to that, while, of course, I do not object at the present time. Does not the gentleman think it would be better to wait until to-morrow to make that request? This situation is one that has to be studied out hour by hour and day by day.

Mr. TILSON. All right. I was simply complying with the request of gentlemen on the Agriculture Committee, who seem to think that they will need the time. I shall renew the request to-morrow if it is desired.

PROPOSED APPALACHIAN, SMOKY MOUNTAIN, AND MAMMOTH CAVE NATIONAL PARKS

Mr. TAYLOR of Tennessee. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an address delivered over the radio last night by my colleague the gentleman from Kentucky [Mr. THATCHER] on the subject of proposed national parks.

The SPEAKER. Is there objection?

There was no objection.

Mr. TAYLOR of Tennessee. Mr. Speaker, under the leave to extend my remarks in the RECORD I include a speech delivered over the radio last night by my distinguished colleague from Kentucky, Hon. MAURICE H. THATCHER, on the proposed Appalachian, Smoky Mountain, and Mammoth Cave National Parks.

This address abounds in valuable and interesting information relative to these three great projects, and I trust each Member of the Congress will take the time to carefully read it:

NATIONAL PARKS EAST OF THE MISSISSIPPI

Radio address by Congressman MAURICE H. THATCHER, of Kentucky, station WCAP, Washington, D. C., evening of May 5, 1926

Unseen, but none the less appreciated, friends of the invisible world of radio, first, I must thank you for honoring me with your attention this evening. I am sure that I shall never address a more respectful and attentive audience; and I trust that I may be able, measurably, to repay your kindness by furnishing you some information concerning a very important subject.

When I was asked to talk to you on this occasion it was rather expected, I believe, that I should speak along political lines. I have preferred, however, to choose for my theme a nonpolitical subject—that of "National parks east of the Mississippi." I believe that in speaking on this subject I can accomplish much more of good than I might be able to accomplish were I to discuss any question of a controversial character. However much you may differ among yourselves on political matters, I am sure that you will all agree touching the all-important value of there being provided and maintained ample recreational grounds for our people.

A city is largely measured by its system of parks. The same is true of the State and of the Nation. In the United States and its possessions there has been created a great system of national parks, 19 in number. With a single exception—that of Lafayette National Park, a small park lying on the coast of Maine—all of our national parks lie west of the Mississippi River, and practically all of them west of the eastern rim of the Rocky Mountain. Two of them are situated in distant territorial possessions of the United States—Mount McKinley National Park in the frigid regions of Alaska and the Hawaii National Park in the tropic isles of Hawaii.

Our smallest national parks are: Sullys Hill, in North Dakota, with an area of 774 acres; Platt, in Oklahoma, with an area of 851 acres; and Hot Springs, in Arkansas, with an area of a little more than 900 acres. Our largest national parks are: Yellowstone, in Montana, Idaho, and Wyoming, with the stupendous area or 3,348 square miles, or 2,142,720 acres; Glacier, in Montana, with an area of 1,534 square miles, or 981,760 acres; Yosemite, in California, with an area of 1,512 square miles, or 967,980 acres; and Grand Canyon, in Arizona, with an area of 958 square miles, or 609,120 acres.

Also, with the exception of Lafayette National Park, the lands of which were donated to the United States Government for national park purposes, all of the national parks have been carved out of the national domain. However, the public lands thus converted into national parks were assets of the Federal Government just the same as are funds in the United States Treasury.

Our oldest national park is that located at Hot Springs, Ark., which was established in 1832. The next oldest, and the largest of them all, is Yellowstone National Park, established in 1872. Three were established as late as 1919—Grand Canyon and Lafayette National Parks, already mentioned, and Zion National Park, in Utah.

While it is true that all of our national park areas—with the exception of the donated lands of the Lafayette National Park—were public lands of the United States, it is also true that the Federal Government has expended, in the improvement and maintenance of our national parks, a very large total of public funds. In fact, up to and including the 30th day of June, 1925, the total expended by the National Government for their improvement and maintenance was about $13,400,000, while the total of revenues derived from their operation was about $4,514,000. In other words, we have expended on our national parks, from their establishment up to June 30, 1925, about $8,886,000 more than the total receipts derived through their operation. Yet, because of the great value of national parks to our people, we have believed such expenditures to be of the wisest character.

The great national parks of the Rocky Mountain and Western regions and in Alaska and Hawaii are very wonderful. They contain a marvelous variety of mountain, valley, canyon, and forest scenery. Each in a particular way stands first among the world's scenic wonders. In the Grand Canyon National Park is to be seen the most stupendous, the most colorful, the most awe-inspiring system of canyons and gorges in all the world; Yosemite stands unrivaled in its sentinel peaks, waterfalls, and blooming valleys; Mount Rainier, with its great height, its tremendous glaciers, and flower-carpeted slopes, constitutes an unanswered challenge of mountain dignity and beauty; Sequoia, with its groves of the oldest and most majestic forest growths to be found anywhere on the earth's surface, is without a peer; Glacier, Rocky Mountain, and Mount McKinley National Parks, through all-compelling grandeur, make their everlasting appeal; the Hawaii National Park, containing, as it does, the earth's greatest extinct crater and the largest active volcano in the world, and set, as it is, in the loveliest imaginable frame of tropical verdure and rainbow seas, has no rival of its kind; and the Great Yellowstone National Park, with its great geyser systems, with its mammoth hot springs and terraces, with its high peaks, its wide forests, its vast tablelands, its jeweled canyons, its noble lakes, and its vast area, stands forth as a park unit of the first magnitude, and in many ways is absolutely unapproached. Then there are the other and smaller national parks with their distinctive features of commanding interest.

These various national parks are of such diverse character that they can hardly be said to be rivals, but rather like the stars of the heavens they only differ from each other in glory. Roadways and trails have been constructed within them; hotels and camps have been erected and are maintained within their bounds; and they constitute the great recreational grounds of the Nation. Yet, because practically all of them lie so far away in the West or so far off in our territorial possessions, it is unfortunately true that, compared with our Nation's total population, only a small percentage of our people ever visit them or ever see a national park throughout the course of their lives.

In the year 1924 the total number of visitors to all of our national parks was about 1,422,000. Only 62 visitors went to Mount McKinley National Park, in Alaska, in that year, though the Federal Government has already expended more than $35,000 in its improvement and maintenance. The great bulk of our American population is to be found east of the Mississippi; the great preponderance of our Federal taxes is paid by those living east of the Mississippi River; but to the greater number of these the national parks of the country are, for all practical purposes, altogether inaccessible. The need for recreational parks between the Mississippi and the Atlantic seaboard is manifest and paramount. If national parks in the West are worth while, they will certainly prove to be worth while in the East. This great need has been finally recognized by the legislative and executive branches of our Federal Government. Three great national park projects are now before the Congress of the United States for consideration. One is the Shenandoah project, covering about 521,000 acres, lying in the Blue Ridge-Shenandoah section of Virginia, and almost within sight of the Nation's Capitol. The second is the Great Smoky Mountains project, covering about 704,000 acres, in the rugged mountains of that name, lying in North Carolina and Tennessee. The third is the Mammoth Cave project, covering about 71,000 acres, situated in Kentucky, and containing Mammoth Cave and all of the other cave systems of that unrivaled underground world.

These three projects are eminently eligible for national parkhood. They measure up to the high standard of excellence prescribed by former Secretary of the Interior, Franklin K. Lane, who declared that in the establishment of national parks the effort should be made to find "scenery of supreme and distinctive quality, or some natural feature so extraordinary or unique as to be of national interest and importance," and to seek "distinguished examples of typical forms of world architecture, such, for instance, as the Grand Canyon, as exemplifying the highest accomplishment of stream erosion."

In the proposed Shenandoah National Park area there rise in softest beauty the noble Blue Ridge Mountains, supporting a wonderful variety of forest growths and plant life, flanked by lovely valleys, and situated in a section of our country nobly rich in historic interest. This park would especially serve the people of the North and Middle Atlantic and Appalachian States.

In the proposed Great Smoky Mountains National Park area are to be found the great mountains for which this range is noted, the loftiest and most rugged of all within the limits of continental United States except those west of the Mississippi. The location would especially serve the people of the Middle and South Atlantic and Southeastern States.

In the proposed Mammoth Cave National Park are to be found the greatest cave systems of the entire earth, one of which, Mammoth Cave, with its unrivaled heights, depths, and ramifications, is known to every intelligent school child around the globe, and for more than a

century has been called one of the "seven wonders of the world." Yet this much-famed cave is but one of many great caverns in this immediate section, and it is now proposed to include all of them in the proposed national park, together with contiguous areas containing great hills and rugged scenery, and some of the finest virgin forests in America. In addition this park will have flowing through it for miles Green River, a very deep and lovely stream, navigable for steamboats throughout the year. This region is accessible every day of the year by river, by rail, and by roadway, and its underground realm may be visited throughout the 12 months. This park will be near the center of our American population, and would especially serve those living in the southern and mid-central sections of our country. Its attractions are already "sold" nationally and internationally, and with its great accessibility and its all-year appeal it would in all probability prove to be the most frequented and popular of all our national parks and the one which would probably yield, through the usual rents, fees, and concessions, the greatest income of all our national parks.

In addition these three parks would be visited by people from every section of our country, and by hosts from foreign lands. Under an act of Congress, approved at the last session and in accordance with its direction, these three regions were visited and examined during the past year by the Southern Appalachian National Park Commission touching their work as national-park projects, and recently all three of them received the unequivocal approval of this commission, which is composed of the following members: Hon. H. W. TEMPLE, Member of Congress from Pennsylvania, chairman; Maj. W. A. Welch, chief engineer and general manager of the Palisades Interstate Park of New York and New Jersey; Mr. Harlan P. Kelsey, former president of the Appalachian Mountain Club of Boston, and well-known landscape architect; Mr. William C. Gregg, of the National Arts Club of New York, and a student of recreational agencies; and Col. Glenn S. Smith, acting chief topographic engineer of the United States Geological Survey, and representative of the Interior Department on the commission.

The commission on the 8th of last month made its unanimous report to the Secretary of the Interior, declaring all three projects eminently worthy of inclusion in our national-park system, and recommending that such inclusion be made upon the condition that the necessary lands be conveyed to the United States free of cost. The commission also in its report set forth the boundaries and areas which should be so acquired for national-park purposes as to the three projects. This report was transmitted to the Congress by the Secretary of the Interior on April 14, 1926. These commissioners served without charge, and have rendered a splendid and unselfish service.

From the report of this commission it appears that through State and private enterprise there has been subscribed and appropriated a total of $1,200,000 for the purchase of the required lands for the proposed Shenandoah National Park; that there has been similarly subscribed and pledged something more than $1,000,000 for the purchase of needed lands for the proposed Great Smoky Mountain National Park; and that there have been tendered several thousand acres of cave and surface lands in the Mammoth Cave region for the purposes of the proposed Mammoth Cave national park. The estimated value of the cave lands thus far offered is $500,000.

In Virginia, Tennessee, North Carolina, and Kentucky there have been created corporate bodies which have in charge the matter of raising funds and the securing of lands for these park projects; and it is proposed by the friends of the three projects that all the needed lands, as set forth in the report of the commission referred to, shall be secured and conveyed to the United States Government free of cost for the purpose of creating these parks. This work must continue until all the needed funds and lands are secured. The total estimated cost of the three projects is about $8,000,000. The bills now pending in Congress are based on this report and provide for the establishment of these parks when the needed areas are thus donated to such purposes. The Federal Government will, therefore, be subjected to no outlay unless or until the required areas are conveyed to it free of cost for national-park purposes. Thereupon Federal funds will be used in the building of roads and in the improvement of these parks. Too much praise can not be given to those who have undertaken the great task of raising these funds and securing donations of needed lands.

In 1924 those constituting the membership of the Southern Appalachian National Park Commission, then serving under informal appointment made by the Secretary of the Interior as members of the Southern Appalachian National Park Committee, made a study of the Shenandoah and Smoky Mountains National Park projects and reported favorably thereon. Their recent report, made agreeably to the act of Congress, was confirmatory of the previous report made by the committee thus named. The Mammoth Cave National Park project also has had the amplest official approval. In addition to that just given it by the commission referred to, in 1918, 1919, and 1920 Mr. Stephen T. Mather, then, as now, Director of the National Park Service, in his annual reports, gave his approval to the project, and went so far as to suggest the appropriation of public funds for the purposes of buying the needed lands therefor. Also, in June, 1924, the present Secretary of the Interior, Hon. Hubert Work, in an official statement declared that Mammoth Cave is one of the most widely known natural features of America and that unquestionably it is worthy of national-park status.

The time is therefore ripe for the creation of an adequate system of national parks east of the Mississippi River, and in the three projects now under discussion this great need will be fully met. By their creation the present and all future generations will be blessed. In nature's touch there is everlasting healing, and in the mad rush of our American life there is the ever-present need for turning away from the seething thoroughfares into the great quiet spaces where solitude and the unsullied beauty of mountain, valley, and forest may steal away the cares that ever beset us. If these proposed national parks are established, then in the Blue Ridge fastnesses of Shenandoah, in the rugged altitudes of the great Smoky Mountains, and in the awe-inspiring depths and reaches of the Mammoth Cave region of Kentucky, and in the sylvan loveliness of that region unnamed millions of our people, now and in the days to follow, may come to know in fuller, better measure the lessons of truth and beauty and restfulness which nature in her best and most interesting moods may teach us.

Let us hope that the present session of Congress may not adjourn until the measures providing for the establishment of these great national parks east of the "Father of Waters" may be enacted into law.

I thank you and bid you good night.

THE MORO PROBLEM IN THE PHILIPPINE ISLANDS

Mr. BACON. Mr. Speaker, I have to-day introduced a bill, H. R. 12772, which would remove the Moro or Mohammedan provinces of the Philippine Islands from the jurisdiction of the present Philippine Government and confer upon them a separate and distinct form of administration under the direct authority of the United States.

Action along these lines by the American Congress would go far toward clearing the American people of the one black page in their Philippine administration. It would redeem our sacred pledge of protection to these Moros which was given them by General Bates on behalf of the United States when the Moros accepted American sovereignty in 1899. They then recognized the sovereignty of the American Nation, not the sovereignty of the Filipino people. The Moro problem is an American responsibility, not a Filipino responsibility. Their loyalty is to us and not to the Filipinos. And ours is the solution of their problem.

This measure would retrace our steps to 1913. It would again provide for a separate jurisdiction and government for the Moro people under strictly American and Moro administration. Provision is made for appointment by the President of a governor and legislative council, including three Moro members, over the Moro territory, comprising about 35 per cent of the land area of the Philippines and about 870,000 people, with full legislative powers, subject only to the limitations specified in the bill. The government thus created would function without interference by the existing Philippine Legislature, which retains administration over the Christian Provinces of the archipelago.

The political state of the Moros is nothing short of pitiful and its solution should commend itself to the natural instincts of fair play held by every American. Their so-called representation in the Philippine Legislature is a farce and a mockery. They are deliberately denied any share or participation in the government. They have no elective representatives in the legislature and no American governors. They have no magistrates, no judges, no public prosecutors drawn from their own people. And the guardians of law and order in their region—the constabulary—are practically all drawn from the ranks of their hereditary enemies—the Filipinos. The Filipinos are their lawmakers, their governors, their judges, their prosecutors, and their policemen. To these conditions the Moros respond by giving nothing but hate and unwilling submission.

Present conditions are in sharp contrast with those obtaining under the beneficent administrations of the Moro Provinces by Generals Wood, Bliss, and Pershing in the decade between 1903 and 1913. During that period the then Philippine Commission set up a successful government for the Moros, which was practically self-supporting. The governing authority was responsible to the President through the commission.

The Moro people gave willing obedience and loyalty to this authority. Material progress was made and the people prospered. America protected them. Toward 1914 the Philippine Commission was given a Filipino majority. And that was the beginning of the great "Filipinization" drive and the end of direct American rule. In 1916, with the establishment of the present Philippine Legislature, the general law of the islands was applied to the Moro Provinces. Notwithstanding the age-long hostility between Moros and Christian Filipinos, and that the Moros are totally distinct from the Christian Filipinos in language, religion, physical type, and mental outlook, the "Filipinization" process uprooted the American administration

in the Moro Islands; provincial administration, the schools (Moros object strongly to Filipino men teachers for their girls), the civil service, the judges, the constabulary were rapidly Filipinized. The Filipino policy was fostered at Manila to neutralize and tear down the rigid social and religious barriers existing between the Moros and Christian Filipinos and to assimilate the Moro with the Filipino people, an abortive undertaking from its inception. And a policy that has renewed age-long racial antipathies, religious animosities fraught with dangerous consequences to near-by nations with their millions of Mohammedan peoples, and great unrest, trouble, and bloodshed. Peace under the American governor has been followed by strife and bloodshed, 124 conflicts between the Philippine constabulary and the Moros occurring in a period of seven years following the withdrawal of the American governors. These conflicts resulted in the killing of 499 Moros and 22 soldiers. Since that time these conflicts have continued and are at present continuing.

As matters now stand the Governor General of the Philippines, representing the power, dignity, and prestige of the American people, is powerless to remedy this situation. By the act of Congress of August, 1916, practically no official appointments can be made by him without confirmation by the Philippine Senate. The Moros desire American governors but the Governor General is powerless to appoint them because the Philippine Senate refuses to confirm other than Filipinos to office. The result is that the present tragic situation of the Moro peoples will be perpetuated unless and until relieved by the American Congress. It is hopeless to expect any remedy at the hands of the Philippine Legislature. Filipino political leaders at Manila purpose establishing their authority, if possible, over the ultimate limits of the territory ceded the United States by Spain. Claiming the right of "self-determination" themselves, they have no hesitation whatsoever in forcibly imposing their will upon these defenseless Moros who kept their promise to us to give up all their arms on the assurance by American authority of permanent American protection.

> The Moros are a unit against independence and are united for continuance of American control and, in case of separation of the Philippines from the United States, desire their portion of the islands to be retained as American territory under American control. * * * They want peace and security. These the Americans have given them.

This is the language of one of the specific findings of the Wood-Forbes mission to the Philippines. Moro antipathy and hatred for Filipino rule has been emphasized a number of times by the present Governor General of the Philippines, Leonard Wood. In 1923, in an official report to Washington concerning outbreaks in the Moro country, General Wood cabled that—

> At the basis lies old antipathy between Moros and Christian Filipinos and the objection of the former to being governed by the latter. This is the principal basic cause of unrest in the Moro Province.

The proposed measure is manifestly in the interests of justice and fair play. It is imperatively necessary if the United States is to fulfill its pledge to the Moro people and preserve the good repute of the American people.

MOROS A MOHAMMEDAN PEOPLE—DISTINCT FROM FILIPINOS

The Philippine Islands are divided into two very distinct areas—the Christian provinces (Luzon and Visayan Islands), and the Mohammedan territory (Mindanao, Basilan, Palawan, and the Sulu Archipelago). These two regions belong to different and opposed civilizations—the Christian world and Islam. The Filipino peoples, who inhabit the northern islands of the Philippines, by reason of their conversion to Christianity under Spanish rule, happily face toward the Western World, although remaining essentially oriental or Malayan in their characteristics. The Moro, or Mohammedan peoples of the Philippines (the great bulk of whom never came within Spanish control or influence) face toward the ancient East and are a part of that widespread civilization which finds its spiritual center in Arabia. The social and commercial ties of the Moro people are with Singapore, the Malay States of Borneo, the Malay Peninsula, and the Netherlands East Indies. It is from this direction that they received their Mohammedan trend of civilization even before the Filipino peoples received a diluted form of European civilization.

The Moros, in fact, constitute an altogether distinct people from the Christian Filipinos—this not only in language and religion but in physical type and mental outlook. Their spoken language descends from the Arabian with but a small mixture of Malayan words. Their written language has an alphabet of 27 letters, which shows a mingling of Sanscrit and Indian Arabic, and continues primitive and crude just as when imported by their ancestors. It still retains the Arabic formation of sentence, beginning at the right-hand side of a page and continuing to the left, with consonants placed upon a horizontal line and the vowels above or below.

AREA AND POPULATION OF MORO PROVINCES

The total area of the Moro provinces is about 40,000 square miles. This is about 35.3 per cent of the total land area of the Philippine Islands, which is approximately 114,400 square miles. The Sulu group, in which the principal islands are those of Jolo and Tawi Tawi, contains 448 islands, of which 92 are larger than 1 square mile in area. In addition, there are adjacent to the larger Moro Islands some hundred more islands greater than 1 square mile in area. The Moro Provinces, therefore, contain nearly 200 islands with area exceeding 1 square mile and extending approximately 700 miles east and west and 475 miles in a north and south direction. As above stated, only four island areas are of real consequence, to wit:

	Square miles
Islands of Mindanao and Basilan	38,012
Sulu Archipelago	1,082
Island of Palawan	4,500
Contiguous small islands, approximately	500
Total	44,094

This territory is inhabited by approximately 870,000 people, or about 7.7 per cent of the total population of the Philippine Islands. Of this number approximately 75 per cent is Mohammedan or belong to non-Christian tribes.

MORO PROVINCES NEVER SUBDUED BY SPANISH

The fundamental antipathy between Christianity and Islam was provoked by the Spanish conquest of the Philippines. The Spanish soldier was able to subdue the islands now Christian. He failed to conquer the Moro country. From the end of the sixteenth century to the middle of the nineteenth military advantage was with the Moros, who subjected the Christian islands to continuous wars and piratical raids which form the most terrible and dramatic feature of Philippine history. After the introduction of steam gunboats about 1848, and the destruction of the Samal pirates on the islands south of Basilan, the Spaniard gained the advantage, and by the end of his régime had established a nominal sovereignty over the Sulu Group, had attacked the Moro power in the Cotabato Valley of Mindanao, and was preparing for the conquest of the Lanao region in the interior of Mindanao. Then came the end of his efforts in the Philippines in 1898. The United States took up the incomplete task of the Spaniard in the Moro Islands and still carries the responsibility for a just and happy solution of the problem.

MORO PROBLEM AN AMERICAN RESPONSIBILITY

It must be insisted at the start that the Moro problem is primarily an American responsibility, not primarily a responsibility of the Filipino people. Spain transferred her responsibility in this regard to the United States by the treaty of Paris, and the American people can not avoid responsibility for its just and fortunate solution. The region was brought into order after 1903 not by the Filipino people, or primarily at the cost of the insular treasury, but by the United States Army, and, except for local revenue, was paid for out of the appropriations of Congress for the support of the Army. Exceptions to this general statement are relatively unimportant and do not prejudice its general truth.

RESPONSIBILITY OF UNITED STATES AND HISTORY OF AMERICAN RULE IN MORO PROVINCES

The special responsibility of the United States for the Moro people, and the special jurisdiction mentioned in the preceding paragraph, were maintained by the Government for the United States down to 1913, when Francis Burton Harrison was appointed Governor General of the Philippines and a majority representation given to Filipinos upon the Philippine Commission. Successive acts of the Philippine Commission assimilated the government of the Moro Province to that of the rest of the Archipelago and have complicated the Moro problem by uniting it with the fortunes of the American experiment in self-government in the Philippines. The Congress, by the organic act for the Philippines of 1916, sought to transfer its own responsibility for the Moro situation to the government at Manila. It is this action of 1916 and its consequences which it is the duty of Congress at this time to examine, and, if necessary, to correct.

The history of American jurisdiction in the Moro country since 1898 may be briefly stated. It has three phases. In 1898 small detachments of the American Army relieved the Spanish garrisons at Jolo and Zamboanga. The limited forces at the disposal of the military governor and the crisis in relations between the Americans and Filipinos made it impracticable for the American Army to garrison the Moro country as effectively as it had been held by the Spaniards.

AMERICA'S TREATY WITH MORO PEOPLE

Under these circumstances, General Bates was dispatched on a mission to the Sultan of Sulu and in 1899 concluded a treaty known as the Bates agreement, a copy of which is attached hereto as Appendix No. 1. As will be noted therefrom, the Sultan recognized for himself and his subjects the sovereignty of the United States and the protection of this Government. Certain rights were accorded to the Moro people.

In general, they amounted to a promise of protection by the American Government, and an agreement not to transfer this responsibility to any foreign nation without Moro consent. The Bates agreement, while approved by the President of the United States, was, of course, not subject to ratification by the Senate. It can not be challenged, however, that the promise made to the Moros that in recognizing American sovereignty and jurisdiction they would not be forced to recognize any other, constitutes a binding obligation. The representatives of the American Government in the Philippines fulfilled this obligation until 1913.

THEY ACCEPTED AMERICAN SOVEREIGNTY ON AMERICA'S PROMISE OF PROTECTION

The sovereignty which the Moro sultans, datos, and other leaders in 1899 were asked to recognize, and did recognize, was the sovereignty of the American Nation—not the sovereignty of the Filipino people. They accepted the one and have not ceased to protest the other. The right of the Christianized Filipinos to share in the local government of the northern islands has been recognized by the Executive and by the Congress of the United States. These Christian Filipinos have no corresponding right, however, to determine the government of the Moro people nor to shape the solution of the Moro problem according to their particular interests. This right was not given them by the treaty of Paris, is in violation of the conditions whereby the Moro leaders gave submission and obedience to American authority, and should never have been conceded by the Congress of the United States. If a reversionary right to these southern islands of the Philippines exists in anyone, it is the Moro and not the Christian Filipino who is entitled thereto, and it is the plain duty of the United States to shape its policies accordingly.

AMERICA SETS UP SPECIAL GOVERNMENT FOR MOROS

For the purpose of protecting the peoples of this area and preserving the good repute of the United States, it became necessary to create a special political jurisdiction over the Moro country. The situation imperatively demanded action. The authority of the sultanate had broken down. Strife and intrigues between subordinate datos were incessant. Irritation and discontent were finding expression in the constant repetition of the fanatical act of self-immolation known locally as "juramentado." Acts of piracy were being resumed. Slave raiding was uncontrolled, and the pagan tribes, or hill people, were suffering terrible acts of brutality in more than one area of Mindanao.

The result of these conditions, united with the judicious efforts and recommendations of General Davis, commanding American forces in this region, was the passage in June, 1903, by the Philippine Commission of an organic act for the government of the Moro country. This act established a special jurisdiction differing fundamentally from the provincial governments organized elsewhere in the archipelago, and created a special governing authority responsible to the Philippine Commission and through this commission to the President of the United States. Civil and military authority were combined in the governor. A separate budget was authorized, in which was included the customs revenues collected in Moro ports, as also all taxes levied on the Moro people.

Maj. Gen. Leonard Wood was selected as governor. He was followed and his work continued by two other distinguished officers of the United States Army, General Bliss and General Pershing. This régime lasted 10 years—from 1903 to 1913. Its results were satisfactory. Material progress was made. The government was practically self-supporting.

MOROS GIVE UP THEIR ARMS ON OUR PLEDGE OF PROTECTION

During this régime the Moro inhabitants were requested by the American administration to completely disarm by turning in to the American Government all of their weapons. In making this request the American Government called attention to the Bates agreement, in which a definite promise of protection was made by the American Government, and in which it was specifically agreed not to transfer this responsibility of protection to any other source. It was in reliance upon this promise of protection, and on the pledge given them that they would never be governed by any other authority than the American Government, that the Moro chiefs willingly came forward and disarmed.

SUCCESSFUL ADMINISTRATION UNDER AMERICAN GOVERNORS

From that time until 1914 the public peace was preserved by one of the most efficient bodies of men ever maintained in the Philippines, namely, the Moro constabulary. This body was officered entirely by Americans and was recruited wholly from the Moro people themselves. In other words, the police work in the Moro country was conducted by their own people under American direction.

FILIPINO ATTEMPTS TO ASSIMILATE MOROS

Since 1914 Filipino politicians at Manila, in control of legislation, have attempted to break down the religious and social barriers between the Filipino people and the Moro people and to assimilate the latter with Filipino ambitions, plans, and policies. Administration has been shaped with this end in view. The civil service in the Moro country has been "Filipinized." Efforts have been made to establish colonies of Christian people in the Moro country, and large sums have been expended from the insular treasury for that purpose. The one question to be examined is, Have the methods employed been wise, humane, and financially sound? The Congress of the United States has the responsibility of determining this question.

FILIPINIZATION DRIVE DICTATED FROM MANILA

In fact, by 1913 the situation appeared so fortunate and stable that the Filipino leaders at Manila believed they could successfully take over this Government and join the problems of the Moros to the problems with which they were themselves contending. This change was commenced by the acts above referred to, and was completed when the Philippine Government was accorded complete authority in the premises by the act of Congress of 1916. One of the first steps taken was to replace the efficient Moro constabulary with a hostile Filipino constabulary.

UNREST AND BLOODSHED FOLLOW—KILLINGS OF MOROS

As stated above, it is the results obtained by the experiment from 1913 down to the present date—a period of nearly 13 years—which it is the imperative duty of the American people and of the Congress to now examine, together with the consequences involved.

Details need not be given here, but it may be asserted, and it is asserted, that the administration of the Moro country under a Filipinized service has proven wholly unsatisfactory as compared to that developed between 1903 and 1913; that it has simply served to arouse age-long antagonisms and precipitate unrest, trouble, and bloodshed; that it has been costly to the insular treasury; that, finally—and this is the most important consideration—the rights of the Moro people have been made subordinate to Filipino politics and policies formulated at Manila; that the Moros have never ceased to express dissatisfaction at this change of authority over them; that promises given them have been disregarded, and that the general situation has steadily become more difficult and dangerous. The peaceful era under the American governors has been succeeded by an era of constant friction, resulting in repeated and bloody clashes between the Philippine constabulary and the native Moro inhabitants.

The records show that during this period there were 124 conflicts between the Philippine constabulary and the Moros, resulting in the killing of at least 499 Moros, 22 constabulary soldiers, and with many wounded on both sides. The era of peace under the American governors was succeeded by an era of strife under Filipino rule. The police work in the Moro Province was and is conducted by the inherent enemies of the Moro people, and this after the latter had surrendered their arms under a specific promise by American authorities that the responsibility for their protection would not be transferred to others.

NO MORO PARTICIPATION IN "FILIPINIZED" GOVERNMENT

All the justices of the peace and all the judges of other courts in the Moro territory are now composed of Filipinos. The public prosecutors are Filipinos. Thus, administration of justice over a hostile people is placed in the hands of their hereditary enemies. When it is realized that practically all the police officers and constabulary are Filipinos, it can be readily appreciated how difficult it is for a Moro to get justice in any of the courts having jurisdiction over him.

Under the act of Congress of 1916 the Moros were not accorded, nor have they now, any elective representatives in the Philippine Legislature. While the Governor General is authorized to appoint two senators and nine representatives from non-Christian territory of the archipelago, and it was doubtless contemplated by the Congress they should be non-Christians, it has not been possible in the majority of instances to secure such representation. Moreover, these representatives appointed by the Governor General, whether Filipino or non-

Christian, are deliberately denied any real participation in the counsels or activities of the legislature, with the result that the Moros and other non-Christians have no actual share in the Philippine government as now constituted.

FILIPINOS DENY AMERICAN GOVERNORS FOR MOROS—AMERICAN GOVERNOR GENERAL POWERLESS TO HELP

The Governor General is also precluded from naming American governors or other officials of his own choosing for the Moro country inasmuch as all appointments made by him must be confirmed by the Philippine Senate, which body insists that all such nominees be Filipinos. It is an altogether anomalous situation, the consequences of which could hardly have been in the mind of Congress when it created an elective Philippine Legislature with full legislative powers and with authority to control official appointments throughout the archipelago.

And there is the picture of the Governor General of the Philippines, appointed by the President of the United States and representing the power, dignity, and prestige of the American people, absolutely powerless to remedy the situation. The Moros desire American governors, but the Governor General is powerless to appoint them because the Philippine Senate refuses to confirm other than Filipinos to office.

RETURN TO EARLIER POLICY IMPERATIVE

A return to the earlier policy is desirable and necessary. The Moro country requires and should have a special government administered by Americans and Moros, and be subject to a jurisdiction different from that applicable to the Filipino Provinces. It is only in this manner that the material interests and the good name of the United States will be protected, that justice will be done, and that the Moro people will be given a form of government to which they will render loyalty and obedience, and under which they can attain happiness.

MOHAMMEDANISM IN THE FAR EAST—PRESERVING INFLUENCE OF CHRISTENDOM

Furthermore, it is not to the advantage of the Filipino people, nor just to the Moro people, to place upon the Filipinos and the government at Manila the solution of so delicate a problem as that which Mohammedanism in the Philippines presents. The Filipino people have yet to learn the art of successful government of themselves. They are totally unprepared to justly rule another and a hostile people. In fact, more is involved than the easily understood desire of the Filipino political leaders to establish their authority over the ultimate limits of the territory ceded to the United States by Spain, and more is involved than the responsibility of the Congress to protect the good faith of the United States and the rights of the Moros. There is involved in this problem a factor of deep concern to other nations who carry, as does the United States, the responsibility of governing dependent peoples and preserving the influence of Christendom. The Moro Islands constitute the extreme eastern frontier of Islam, just as Morocco is the extreme western frontier. Rather curiously, it is at these two horns of the Islamic world that the fanaticism, inherent in Mohammedanism generally, finds its most violent expression, but between Morocco on the west and the Moro country on the extreme east lie many lands and peoples subject to the Mohammedan faith and law. Modern systems of communication introduced by the west have served to bind together and unify the far-scattered peoples professing Mohammedanism.

Thousands to-day make the sacred pilgrimage to Mecca, where hundreds of devotees were able to perform this solemn obligation 50 years ago. It is generally recognized that the future relations between the Christian nations and the Mohammedan peoples will be seriously prejudiced by mistakes that are made at any of the vital points of contact between Islam and Christianity. A universal sense of suspense and concern attends the outcome of the present situation in northern Morocco. The Moro problem in the Philippines, representing as it does the interest of an important fraction of the more than 50,000,000 Mohammedan Malays, is an issue no less important than that in Morocco.

Unless the American people are prepared, in all heedlessness, to create difficulties for themselves and other Christian nations, and to remain entirely indifferent to a reconciliation of the hostilities between Christian and Mohammedan civilizations, they must keep the Moro problem in the Philippines under American control. This can only be done by maintaining in the Moro Province of the Philippines a quite different political régime than that accorded to the people of the Christion provinces of the archipelago.

SUCCESSFUL AMERICAN ADMINISTRATION ASSURED

That the difficulty of providing an administration for a Mohammedan people is not insurmountable is strikingly shown by the success of the Dutch in the Netherlands East Indies, which lies only a short distance from the Moro Province, by due regard to the religion and the social customs of the inhabitants based on religion. The Dutch have successfully maintained a peaceful and economical form of government over the extensive territory administered by them without strife or friction with the local peoples and without the necessity of maintaining a large police force or a large army.

It would therefore seem that an American administration of the Moro provinces should be at least as successful as the Dutch administration in the Netherlands East Indies over a similar people. This is in striking contrast with the conditions that have existed and now exist in the Philippine Islands between the Moros and the Christian Filipinos, who have been hereditary enemies and have fought each other for several hundreds of years.

MORO PROVINCES WOULD BE SELF-SUPPORTING

As to the economic phases of a separate jurisdiction for the Moro provinces, it is believed such provinces would be altogether self-supporting. The insular taxes collected in the Moro provinces for the year 1924 were as follows:

Internal revenue	₱1,554,950.49
Customs duties	561,147.00
Total	2,116,097.49

Of the ₱1,554,950.49 collected as internal-revenue taxes the following distribution was made:

Insular treasury	₱1,075,790.02
Provincial government, Moro Province	285,369.45
Municipal government, Moro Province	193,791.02
Total	1,554,950.49

Of the customs duties of ₱561,147 the entire amount went into the insular treasury.

It is very difficult to segregate from the appropriation bills passed by the Philippine Legislature the amount spent for government activities in the Moro Province. As indicated above, however, the provincial governments and the municipal governments were taken care of out of internal revenue collected in the Moro Province itself. It has not been possible to ascertain with any accuracy what other amounts for governmental activities in the Moro Province were appropriated by the Philippine Legislature.

Insular funds used for municipal and school buildings in the Moro Province for 1924 are shown to be ₱992,380. It must be noted, however, that these were capital expenditures. In the same year funds for educational purposes and enrollment in schools in the Moro Province amounted to ₱1,288,254.40. It is strongly felt that the tax from internal revenue and customs duties, as indicated above, is sufficient to support a separate form of government in the Moro Province, in addition to which local revenues collected on account of the land tax and other forms of provincial and municipal taxation are not taken into account in the above figures.

EIGHTY-FIVE PER CENT OF MORO TERRITORY UNITED STATES PUBLIC DOMAIN

The great bulk of the lands, nearly 85 per cent, in the Moro Province are still a part of the public domain of the United States. In fact, over 60 per cent of the entire public domain in the Philippine Islands lies within the Moro Province.

RICH NATURAL RESOURCES

The agricultural, forest, and mineral wealth in this uninhabited and undeveloped region is exceptional. The finest coal bodies in the Philippine Islands are in Mindanao. One of the greatest undeveloped bodies of iron ore in the world is situated in the island of Mindanao. Competent engineers have estimated that there are in sight over 500,000,000 tons of high-grade iron ore. Revenues from forestry taxes already amount to ₱131,255 annually. The ports of Davao, Zamboanga, and Jolo are growing by leaps and bounds, and customs revenues are increasing faster in these southern ports than in any other port of the Philippine Islands.

With the Moro Province once opened for the development of iron ore and for the growing of copra, sugar, rubber, hemp, and other tropical products and the investment of capital under careful governmental regulations, encouraged rather than discouraged, as at present, there is no question but that in a very short time the revenues of the Moro Province would not only take care of all governmental expenditures but would far exceed, per capita of population, that of the entire remaining portion of the Philippine Archipelago.

This is further borne out by the following cable recently received from the insular auditor in response to an inquiry on the subject:

It is believed by old timers and former officials familiar with the situation that present revenues from non-Christian territories would be

sufficient for maintaining from the start a separate government, and that under competent American control government revenues could be made ample to meet every need for full development. Former department of Sulu and Mindanao under Army was fully self-supporting, and many permanent improvements were effected. Auditor's record of disbursements and receipts confirm above.

It is further suggested that a just proportion of the internal-revenue taxes collected in the United States on Philippine products and now returned by the United States to the insular treasury should be allocated to the treasury of the Moro Province. All who have given this matter careful thought agree that there is no doubt but that an independent government for the Moro Province would be entirely self-supporting.

SUCCESSFUL FILIPINO RULE HOPELESS

As an illustration of the fact that Filipino rule of the Moros is hopeless, even to-day the watchful care of Gen. Leonard Wood is unable to prevent constant friction between the Moros and their Filipino rulers. Only recently the newspapers carried accounts of constant clashes between the Filipino constabulary and the defenseless, unarmed Moros. Cable reports have shown that 140 Moros have been killed and an unknown number wounded. These clashes have occurred because of the constant goading and deliberate irritating of the defenseless Moro inhabitants by the Filipinos. The Moros being a proud and unconquered race naturally resist, but are soon overwhelmed by the well-armed Filipino constabulary.

This constant friction has existed ever since 1914 when the Moro Provinces were taken out from under direct American control and placed under direct Filipino control. As evidence of this constant friction, Governor General Wood, in a cable to Washington, dealing with a series of Moro outbreaks, stated, November, 1923, that:

Killing of constabulary grew out of alleged grievances against constabulary and local supervising teacher, all Filipinos. At the basis lies old antipathy between Moros and Christian Filipinos, and the objection of the former to being governed by the latter. This is the principal basic cause of unrest in Moro Province."

And again, in his report for the year 1924, the Governor General states:

There was and is some unrest among the Moro population in the Province of Lanao, due to the belief among the Moros that a number of their leaders were killed by the constabulary without sufficient justification, and also to the natural antipathy which exists between the Mohammedan Moro and the Christian Filipino. Those charged by the Moros with the unjustifiable killing of certain of their leaders are now being brought to trial before the insular courts.

There will be, for years to come, occasional disturbances in the Moro regions, due in the last analysis to the centuries-old antagonism between the Moro and Christian Filipino, which has been accentuated by the too rapid Filipinization of these regions.

The Filipinos will never be able to successfully govern the Moro people, who for centuries have defeated them in battle. The antagonism between the two peoples is of too long standing to be overcome. The Moros will never adopt Filipino customs and will never be happy under Filipino rule. It is unreasonable to expect that they would ever willingly remain a subject people under Filipino rule.

To protect these defenseless and unarmed, though proud and self-respecting Moros, the administration of these Provinces should be taken away from their age-long enemies, the Filipinos. The administration of their affairs should be restored to a sane, humane, and forward-looking American administration.

MOROS AGAINST INDEPENDENCE

Another fact deserving consideration is the different attitude of the two peoples—Christians and Moros—toward Philippine independence. It is argued that the inhabitants of Luzon and the Visayan islands desire separation from the United States; or, at least, this is the expression of their political leaders. Any realization of this desire, however, must be postponed indefinitely if the Moro country is to form a part of any independent Philippine government. Aside from their hostility to the Christian Filipinos—which it is doubtful that generations will overcome—the Moros are not yet remotely prepared to intelligently participate in a self-governing democracy. Hon. J. M. Dickinson, Secretary of War, in a special report to the President (November 23, 1910), rendered after an extended tour of the Philippines, stated in part as follows:

The Moros are Mohammedans, and are firmly fixed in their religious belief. They are war like, manly, independent, and have a strong hostility for the Filipinos. They have no conception of a republican form of government. The only government which they know is autocratic. They are peaceful now, because they have been subjected to military power and are controlled with firmness and justice, which they appreciate. The main province of our army among the Moros is simply to keep the peace among them. They would have to be essentially recreated to make of them an integral governing part of a republican government uniting them with the Filipinos. If Filipino independence is to be postponed until such a condition can be brought about, then its realization is so remote as to make it not worth while now being contemplated. If, on the other hand, a separate government for and by the Moros be erected, it is certain that it would be but a short time before they would be taken by some other nation unless the United States should extend its protectorate over them.

In the report rendered to the Secretary of War by Maj. Gen. Leonard Wood and ex-Gov. Gen. W. Cameron Forbes—October 8, 1921—being their findings as a Special Mission on Investigation to the Philippine Islands it is said:

The Moros are a unit against independence and are united for continuance of American control, and, in case of separation of the Philippines from the United States, desire their portion of the islands to be retained as American territory under American control. The Pagans and non-Christians, constituting about 10 per cent of the population of the islands, are for continued American control. They want peace and security. These the Americans have given them.

D. R. Williams, author of The United States and the Philippines, who spent over 20 years in the Philippines, states as follows (p. 174):

A fact which can not be ignored in any eventual disposition of the Philippines is that the Moros are unalterably opposed to being governed by Christian Filipinos, and any possibility of their submitting to such a government, either now or later, unless backed by American authority, is about as hopeless as attempting to square the circle.

(Page 249)

Outbreaks in Moro territory have recently become acute and will continue and spread so long as Christian Filipinos are maintained in authority there. At this time the Philippine government imposes its will upon this Mohammedan element through an insular constabulary of 6,000 men, a body of Philippine Scouts of 5,000 men (supported by the United States), and also a considerable force of American troops should occasion require. The anomalous situation now exists of the United States lending its officers to kill and destroy these unarmed Moros favorable to American sovereignty, because they resent the control and maladministration of Filipino officials saddled upon them by the Harrison administration.

Mr. Nicholas Roosevelt, an associate editor of the New York Times, in a cable dispatch to that paper (January 24, 1926), referring to an interview just had by him with Dato Piang—outstanding Moro leader in the Cotobato Valley, Mindanao—said:

The old man wanted to know why American capital did not come to Mindanao, saying Americans could rest assured that as long as he lived he would do everything to help them develop the country.

Incidentally, his views on Philippine politicians were freely expressed, but could not be printed without exposing him to possible violent vengeance at their hands. Moro scorn for Filipinos is outmatched by the Filipinos, who war on the Moros.

As of special significance there is attached hereto, as Appendix No. 2, copy of "A declaration of rights and purposes, addressed to the Congress of the United States of America," being a statement prepared by Moro leaders "in representation of nearly half a million Mohammedan residents of Mindanao and Sulu."

The unanimous verdict of the above quoted authorities—all of whom are disinterested and speak from personal knowledge of the Moro situation—can not be disregarded without continuing prejudice to the good faith and the good repute of the American Government and people.

GRANT OF INDEPENDENCE TO FILIPINOS SHOULD NEVER INCLUDE MOROS

It is inconceivable that the United States, under the facts disclosed herein, would ever include these Mohammedan peoples in any grant of independence to the Christian Filipinos—their hereditary enemies. It would seem altogether in the interest of the latter, therefore—if they hope to realize independence within any period at all proximate—to favor rather than oppose a removal of the Moro territory from the equation. This can be accomplished as here proposed; that is, through the segregation of the Moro country and its government from that of the so-called Christian provinces.

It is hopeless to expect any solution from the Filipino Legislature. Filipino political leaders at Manila purpose establishing their authority, if possible, over the ultimate limits of the territory ceded the United States by Spain. Claiming the right of "self-determination" themselves, they have no hesitation whatsoever in forcibly imposing their will upon these defense-

less Moros who kept their promise to us to give up all their arms on the assurance by American authority of permanent American protection.

THEIR SEGREGATION AMERICA'S SOLEMN DUTY

The segregation of the Moro country from the rest of the Philippines would not only prove an unqualified blessing to the Moro peoples and go far toward clearing the American people of the one black page of their Philippine occupation, but it would, as stated, eliminate what must otherwise continue to be an insurmountable obstacle to any pretensions of the Christian Filipinos to self-rule.

EXHIBIT I

Agreement between Brig. Gen. John C. Bates, representing the United States, of the one part, and his highness the Sultan of Jolo, the Dato of Rajah Muda, the Dato Attik, the Dato Calbi, and the Dato Joakanain, of the other part, it being understood that this agreement will be in full force only when approved by the Governor General of the Philippine Islands and confirmed by the President of the United States, and will be subject to future modifications by the mutual consent of the parties in interest.

ARTICLE 1. The sovereignty of the United States over the whole archipelago of Jolo and its dependencies is declared and acknowledged.

ART. 2. The United States flag will be used in the archipelago of Jolo and its dependencies on land and sea.

ART. 3. The rights and dignities of his highness the Sultan, and his datos, shall be fully respected; the Moros shall not be interfered with on account of their religion; all their religious customs shall be respected, and no one shall be persecuted on account of his religion.

ART. 4. While the United States may occupy and control such points in the archipelago of Jolo as public interests seem to demand, encroachment will not be made upon the lands immediately about the residence of His Highness the Sultan, unless military necessity requires such occupation in case of war with a foreign power; and where the property of individuals is taken, due compensation will be made in each case.

Any person can purchase land in the Archipelago of Jolo and hold the same by obtaining the consent of the Sultan and coming to a satisfactory agreement with the owner of the land, and such purchase shall immediately be registered in the proper office of the United States Government.

ART. 5. All trade in domestic products of the Archipelago of Jolo, when carried on by the Sultan and his people with any part of the Philippine Islands, and when conducted under the American flag, shall be free, unlimited, and undutiable.

ART. 6. The Sultan of Jolo shall be allowed to communicate direct with the Governor General of the Philippine Islands in making complaint against the commanding officer of Jolo or against any naval commander.

ART. 7. The introduction of firearms and war material is forbidden, except under specific authority of the Governor General of the Philippine Islands.

ART. 8. Piracy must be suppressed, and the Sultan and his datos agree to heartily cooperate with the United States authorities to that end, and to make every possible effort to arrest and bring to justice all persons engaged in piracy.

ART. 9. Where crimes and offenses are committed by Moros against Moros, the government of the Sultan will bring to trial and punishment the criminals and offenders, who will be delivered to the government of the Sultan by the United States authorities if in their possession. In all other cases persons charged with crimes and offenses will be delivered to the United States authorities for trial and punishment.

ART. 10. Any slave in the archipelago of Jolo shall have the right to purchase freedom by paying to the master the usual market price.

ART. 11. In case of any trouble with the subjects of the Sultan, the American authorities in the islands will be instructed to make careful investigation before resorting to harsh measures, as in most cases serious trouble can thus be avoided.

ART. 12. At present Americans or foreigners wishing to go into the country should state their wishes to the Moro authorities and ask for an escort, but it is hoped that this will become unnecessary as we know each other better.

ART. 13. The United States will give full protection to the Sultan and his subjects in case any foreign nation should attempt to impose upon them.

ART. 14. The United States will not sell the Island of Jolo or any other island of the Jolo Archipelago to any foreign nation without the consent of the Sultan of Jolo.

ART. 15. The United States Government will pay the following monthly salaries:

	Mexican dollars
To the Sultan	250
To Dato Rajah Muda	75
To Dato Attik	60
To Dato Calbi	75
To Dato Joakanain	75
To Dato Puyo	60
To Dato Amir Hussin	60
To Hadji Butu	50
To Habib Mura	40
To Serif Saguir	15

Signed in triplicate, in English and Sulu, at Jolo, this 20th day of August, A. D. 1899 (13th Arabuil Ahil 1317).

J. C. BATES,
Brigadier General, United States Volunteers.
The SULTAN,
Dato RAJAH MUDA,
Dato ATTIK,
Dato CALBI,
Dato JOAKANAIN,
S. E. SMILEY,
Captain, Fifteenth Infantry.

True copy.

* * * * * * *

(S. Doc. No. 136, 56th Cong., 1st sess, pp. 80–82.)

Approved by the President of the United States as per letter of Hon. Elihu Root, Secretary of War, to Major General Otis, Manila, dated October 27, 1899, appearing in Senate Document No. 136, Fifty-sixth Congress, first session, page 109.

EXHIBIT II

A DECLARATION OF RIGHTS AND PURPOSES ADDRESSED TO THE CONGRESS OF THE UNITED STATES OF AMERICA

Whereas a group of politicians, leading blindly certain elements of the population who have a faith and culture different from our own, as well as widely different political aspirations, have raised a clamor and outcry against the continuation of American sovereignty in the Philippine Islands, thereby jeopardizing our hope of prosperity, liberty, and economic security, through the possibility that the Congress of the United States of America might inopportunely withdraw its sovereignty from these islands, permitting thereby to be created an independent government under which the Mohammedan or Moro Nation would be destroyed or placed under a galling yoke, we, the following representatives of the Moro Nation, do, in the name of the same Creator, worshipped by Christian and Mohammedan alike, set forth the following solemn declaration of our rights, principles, and intentions, for which we pledge our lives and fortunes:

Assuming that in the course of time the United States of America will grant complete independence, or a larger measure of autonomy to the Philippine Islands, and due to the fact that the insecurity of political tenure of the United States and the threat of political domination of our people by the Christian Filipino majority in the Islands of Luzon and the Visayas is holding back the economic development of our country, and causing no little unrest and unhappiness to our people, we hereby submit the following suggestion for the solution of our present difficulties to the consideration of the Congress of the United States of America.

First. We are not seeking temporary or palliative measures. We ask for a solution which will be permanent and lasting in its effects. Therefore, we propose that the Islands of Mindanao and Sulu, and the Island of Palawan be made an unorganized territory of the United States of America.

In order that we may be fair to the Filipinos and in order that they may not raise an outcry to the effect that we wish to dismember the Philippine Islands, we propose that 50 years after independence may have been granted the rest of the Philippine Islands, a plebiscite be held in the proposed unorganized territory to decide by vote whether the proposed territory will be incorporated in the government of the Islands of Luzon and Visayas, remain a territory, or become independent.

This would apply the principles of justice and equity to all elements of the population and imply a government through the consent of the governed.

Second. That a simple form of government be designed for the new territory, taking into consideration that through lack of education in English or Spanish our people can not hope to exercise suffrage for at least two generations, and with the following objects in view:

(1) Justice and equity for Christian, Mohammedan, pagan, and foreigners alike. In order to attain this we must have Americans in high places to act as referees between our tribal and religious demarcations.

(2) No domination of one element over another.

(3) Freedom of speech and religion.

(4) Every opportunity for American capital to develop the natural resources of our country, thereby affording our people the opportunity to progress in the arts and sciences and in agriculture, as well as to use the lessons of the schoolroom after leaving school. At present, there is no outlet for the talents and energies of our youths, owing to the economic prostration of our country.

(5) That the school system be reformed under American teachers and made suitable to the needs and prejudices of the Mohammedan population.

(6) That we do not vote in elections for President of the United States, for the reason that we do not wish to do otherwise than trust to the mercy and justice of the United States.

Whereas we enjoy none of the above benefits in their fullest measure, and

Whereas we do not even enjoy the right of petition and redress of wrongs which the Constitution of the United States insures to its citizens, owing to the fact that we have addressed petitions without number to the Governor General of the Philippine Islands asking for the amelioration of our condition, and that even when he has been disposed to grant our desires he has found himself helpless to aid us, owing to the provisions of the organic act known as the Jones law:

Therefore we, in representation of nearly half a million Mohammedan residents of Mindanao and Sulu, do solemnly affirm and declare—

That we are loyal unto death to the United States.

That in proof of this loyalty we have pledged ourselves by the most solemn oath known to Mohammedans, to die rather than submit to domination by Christian Filipinos from the north, and, if necessary, to die in order that the United States Congress, which heretofore has lent a deaf ear to our petitions, may now hear us.

That in the event that the United States grants independence to the Philippine Islands without provision for our retention under the American flag, it is our firm intention and resolve to declare ourselves an independent constitutional sultanate to be known to the world as the Moro Nation. It is the duty of the Congress of the United States to make provision at once for the security and protection promised to us when we surrendered our arms to the United States Army. This promise is just as sacred as any alleged promises you may have made to the Christian Filipinos. You have left us defenseless, and it is your duty to protect us or return to us the weapons you took from us and which we freely gave you, relying on your promises.

That while it is not our desire to do so, by disregarding our rights and wishes while at the same time conceding political and economic favors to the Christian Filipinos, favors which are in turn used against us, you are forcing us surely and steadily to recourse to desperate and bloody measures, which are abhorrent to us, in view of our loyalty to the American flag, our Governor General, and our gratitude to the United States for the liberty and security of life which we enjoyed until you delegated your power and authority to the Christian Filipinos.

We complain that we have not one representative in the Philippine Legislature elected by direct vote of the people. Our meager representation is through representatives appointed by the Governor General, who must have the approval of a senate controlled by Filipinos. Hence such representation is a farce.

We complain that the Philippine Legislature appropriates 1,000,000 pesos per annum for proindependence propaganda, thereby forcing us to contribute through taxation without representation to the efforts of certain Christian Filipinos to sever the bonds between us and the United States, all of which is not in accordance with our wishes.

We complain that when our people, including women and children, have been shot down by the constabulary or otherwise maltreated investigations have been conducted in such a manner as to gloss over the truth.

We complain that in spite of the large volume of evidence of misgovernment of our people presented to the Wood-Forbes Commission and subsequently to the Governor General, nothing whatever has been done to assure our people that reforms meeting with our approval would be undertaken, for the reason that the power to institute reforms lies in yourselves and not in the Governor General, the hands of the latter being tied by the provisions of the Jones law.

We complain that petitions are being circulated which our people by means of pressure from official sources are obliged to sign. These petitions are for the purpose of leading the people of the United States to believe that we are disloyal to the United States and to our Governor General, when such is not the case. Even provincial governors and other high officials prostitute their offices for this purpose. Therefore, we are forced to take concerted and violent action in order to avoid being misrepresented. Even Americans who sympathize with our aspirations and loyalty to the United States are forced to discuss the situation in whispers, if they dare discuss it at all, for fear of reprisals. Surely this is not in accordance with ideals of American justice and fair play.

We complain that the effort is being made to submerge our civilization and culture through the assimilation of our people by the Christian Filipinos. As a means to this end colonies or Christian Filipinos financed by the Government are being injected into our midst to later cause such complications as have caused untold misery in the Balkan States and European Turkey. (Moros returning from pilgrimages to Mecca or from visits to Borneo bring in a fairly steady stream of information as to affairs in the other East), and which constitute a problem to-day which again threatens the peace of the world.

Had we the machinery of government and taxation in our hands, as have the Christian Filipinos, we could also send missions to Washington to present our side of the question, but having neither we can only offer our lives in order that you may understand and act accordingly.

Therefore, we hereby solemnly and respectfully petition the Congress of the United States for redress and amelioration of our present economic and political situation, and ask you, in the name of your God and our God, who is one and the same, that you promptly grant us our request in order that this, the land of our forefathers, may not be again drenched in the blood of Mohammedans and Christians who should be dwelling together in peace and amity in the shelter of the American flag.

FARM RELIEF

Mr. HAUGEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 11603) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11603, with Mr. MAPES in the chair.

The Clerk read the title of the bill.

Mr. ASWELL. Mr. Chairman and gentlemen of the committee, you have heard two speeches on this proposed agricultural legislation, one by the chairman of the committee, the gentleman from Iowa [Mr. HAUGEN], who told you in detail that the Tincher bill was of no account and meant nothing and would accomplish nothing. Whereupon the gentleman from New Jersey [Mr. FORT] told you in logical sequence that the Haugen bill was uneconomic, unsound, and dangerous. The gentleman left the Haugen bill more prostrate and more of a wreck than VOIGT, of Wisconsin, left it two years ago. I agree with both of the gentlemen in what they have said about each other's bill. [Laughter.] I have come to present a bill that contains none of the bad features presented by the other two. [Applause.]

Three years ago for 12 days as a visitor I sat in the British Parliament. I heard that body, at the request of the Minister of Agriculture, without debate and practically by unanimous vote, repeal the law guaranteeing the price of agricultural commodities after it had been in force for exactly six months, at a cost of more than $100,000,000 to the treasury. At that time they tried to repeal the government dole, but too many people were interested; they could not. They have not yet repealed that subsidy. It is the cause of the tragedy of England to-day. The moment the Congress of the United States enacts the Haugen bill, we take the first step in the direction that has brought England her tragic disaster at this hour. God forbid that America should go that way!

Last Monday at 11 o'clock two of the principal lobbyists for the Haugen bill came to my office door. They said, with great eagerness and earnestness, that I should cooperate and that the South should make an alliance with the Corn Belt region of the country and pass the Haugen bill, put it up to Coolidge and put him in a hole, and that that section of the country then would go Democratic in the coming elections. One of these lobbyists is the master mind of the Corn Belt lobby here, Mr. Murphy. The other one, I do not remember his name, but I think you can identify him. He said he was a Democrat from Minnesota, and I think there is no other one there. [Laughter.]

Gentlemen, I am a party man. I believe in party government, and I am a Democrat 102 per cent strong all the time. [Applause.] I would be happy to see the next elections restore the Government of this Republic to the Democratic Party in the interest of the liberties and happiness of the American people. [Applause.] But, gentlemen, I will not play politics with the life-blood of the American farmer. [Applause.] I will not be a party to any scheme, whether its source be Democratic, Republican, or hybrid, that will endanger the stability and perpetuity of American institutions by placing upon the statute books uneconomic, unsound, and socialistic legislation. [Applause.]

The other day the Louisiana delegation was called in a body to meet some gentlemen from our section of the country, and the mastermind of the alliance that he proposes, Mr. Murphy, was with the boys from my part of the country. He brought in the cotton representatives, elegant gentlemen, and I speak of them with affection. They were from all of the cotton States, employed by their organizations at good salaries and expenses. They came to advise us under the direction of Mr. Murphy to vote for the Haugen bill. I made some remarks to my delegation and to them. There is not a single Member from my State who was in favor of it so far as I know.

Some of these men later said rather freely that they would put a fire under me and bring me around by Saturday. That was Thursday. They started the fire according to time on

Saturday morning, with me and all the Members from the South. Some of my southern colleagues were stampeded. I replied as follows to the farm representative ordered by the lobby here to start the fire, who had been writing me, cheering me on in my fight against the Haugen bill.

This is my telegram:

Your wire, calling upon me to support Haugen bill, received. But your letter of March 20 stating: "We believe that the contemplated equalization fee is impracticable; we also believe that the proposed means of collecting this fee is impossible, judging from the comments I have heard made, if it were attempted to collect 3 cents per pound, or some $15, on each bale of cotton at the gin, my suggestion would be that the bill should be so amended as to authorize a sufficient sum over and above the $250,000,000 to send a detachment of the Marine Corps to every gin in the South to enforce this collection."

That is what he had written me. I replied further:

Is sound and patriotic in interest of Louisiana farmers and of record here—

I had put his letter denouncing the fee or Federal tax on cotton in the record of the hearings—

Scheme claiming to defer collection of equalization fee two years and substitute subsidy from Federal Treasury in meantime is dishonest and unworthy. If Haugen bill were passed equalization fee on cotton estimated from $3 to $15 a bale at gin would be put into operation in the December session. No doubt of this fact. Haugen bill purely sectional, too vicious, visionary, impracticable, and against Louisiana farmers for me to support. You represent 7 per cent of cotton growers. What about other 93 per cent who would also have to pay equalization fee or direct Federal tax at gin on every bale of cotton produced? I will not support measure creating political price-fixing Federal board with only 3 members from cotton section out of 12 members to assess equalization fee or Federal tax on cotton whether operative in 2 years or 20 years. I shall make best fight I can to substitute sound and constructive measure for Haugen bill in interest of both producer and consumer, and if I fail in this effort, I shall vote against passage of political and sectional Haugen bill.

I propose to present a substitute for the Haugen bill. My substitute, embodying the Yoakum plan, is not a political bill and should not be. The Republican leader of the Senate has introduced it in the Senate and I in the House. It was reported by the Senate committee unanimously in the last session. There has been some misunderstanding about these three bills that have come to the floor of this Chamber. This bill that I shall present has been before the Committee on Agriculture for three years, rewritten recently, however, and I have not been able, until recently, to get consideration by the committee, because for three long years the Haugen bill has monopolized the time of that committee. Of course I am in the minority and could not get consideration, but I want you to remember this: That the moment that we agreed to consider this Curtis-Aswell bill in the committee it was read for amendment, accepted as written, and is the only measure of any consequence that comes out of the Committee on Agriculture with a unanimous favorable report. None of the others did. This bill has been reported by both committees unanimously.

Every pending bill on agriculture before the Congress proposes to use the commodity cooperative associations as the basis of operation. And yet none of them have devoted their interest or their proposals to the expansion and building up of the cooperatives themselves.

Mr. HAUGEN's bill proposes to deal with the surplus, and you have heard so much about surpluses in the press and in the Congress and by the lobbyists that the American people have become amazed, astounded, and frightened at the word "surplus." What are surpluses in American agriculture? It is worthy of note that 65 per cent of the food products of the soil are perishable. Only 35 per cent of the food products of the soil are nonperishable, and less than 25 per cent of the 35 per cent is surplus. So you are dealing in the Haugen bill with only 8.9 per cent surplus of food products and nothing for the American people.

This bill proposes to deal economically and profitably with the 91.1 per cent used in domestic consumption as well as the 8.9 per cent surplus, and it is the only measure presented to the Congress that deals with the American producer in the interest of the American citizen. [Applause.]

The farm organizations, you will remember, came to the Congress in 1920 and asked for complete authorization and equipment for cooperative marketing of their commodities. Congress readily responded for the purpose, so the Congress enacted the Capper-Volstead, the farm warehouse, the intermediate credit laws, the amendment to the Federal farm loan act and the Federal reserve act in the interest of agriculture, as requested in 1920 by the farm organizations.

Now I shall offer a bill that will give full authority in common selling agencies and the needed funds to secure the facilities and operate the same. This bill will complete the system and make available the farmers' bargaining power, so he may do as others—sell when the price is profitable and refuse to sell when unsatisfactory. While awaiting a market he will have at all times both the commodities and the facilities for handling them under his own control.

I beg you to note that this Curtis-Aswell bill makes some very definite proposals. It proposes, first, to create a permanent marketing association. It proposes to create a *national* marketing association, large enough in scope, adequately financed, for the farmer to reach both foreign and domestic markets. It proposes a system reaching out beyond the small cooperative organizations and establish connection between the ultimate consumer in this country and foreign countries with the producer in the humblest community. It creates in addition interstate zone organizations and local associations, and the operation of it is simple.

The State will create from among the cooperative organizations now in existence a board of directors of seven members, and the board will send a delegate to the interstate zone convention, and this interstate zone convention will have a directorate, and they will work up through the national organizations. The first board to be appointed from the three great organizations of the country, the Grange, the Farmers' Union, and the Farm Bureau Federation—they are to be the first national board of 12 members, and after that the interstate zone organizations, created by the State organization, will select the national association. The only place where the Federal Government touches the organization will be the fiduciary agent who will serve until the money borrowed is returned with interest to the Treasury of the United States.

The important point in this proposed bill is that it provides for a separate commodity organization for each commodity—not one great union, as the Industrial Workers of the World and the communists tried to inaugurate in the American Federation of Labor. Here is the parallel. The American Federation of Labor is organized, successfully all of you will grant, and in the American Federation of Labor there are 107 crafts, 107 little units of organization. They are all federated into the great American Federation of Labor. The Industrial Workers of the World crowd and the communists are constantly trying to make one big union of everything without individual organizations. Hear me on this point.

The Curtis-Aswell bill follows along the line of the American Federation of Labor in recognizing the individual commodities. The Haugen bill follows the idea of the Industrial Workers of the World, not with intention, but it is true, nevertheless. The Curtis-Aswell bill proposes a loan of $10,000,000 for organization purposes only, to expand, to enlarge, to encourage, to get back of the cooperatives in the country. It proposes a commodity assessment made by the farmers themselves to repay this loan. It does not assess a fee by a political Federal board. It has no connection with the Federal Government except the fiduciary agent to look after the funds until they have been repaid to the Government.

This board, this organization, with this loan proposes to expand, to enlarge, and to build the cooperatives of the country, not to 7 per cent only, as now, but we hope and pray to 70 per cent of the farmers of America. That being done, there is no question of the future, of its success. You say, why will they come in? It has been said in the other bill that if you charge an equalization fee to everybody, what inducement is there to come in? It is not so with this bill of mine. It proposes to loan to organizations, with men whose specific business it is to keep in touch with the commodities of that particular zone, and to handle shipments from that zone, to control the direction of those shipments, and to encourage the farmer to come in; and when he gets in to a farmer-controlled organization he can not very well get out without losing his reputation and becoming a "scab." Briefly stated, the bill will operate as follows:

Operating organization board: Each State to elect a board of directors of seven persons to be chosen from the present farm organizations in each State. The board to elect its own chairman.

Interstate zone directories: Each interstate zone board of directors to be composed of the chairman of each State board in the respective zone. The board to elect its own chairman and also elect from its members a manager for its zone.

General executive committee: To be composed of the chairmen of each of the zone boards—with headquarters in the West at point best adapted—and to devote their entire time to the business of the organization, this committee to elect its own chairman, compensation to be

fixed by the seven interstate zone directors. It would have a full staff, including sales, operating, accounting, traffic, and transportation departments.

This plan for marketing farm products would be promulgated through an enabling law, under which farmers would work out their own problems of distributing and marketing.

The Curtis-Aswell bill does not come under nor should it be classed with other so-called farm relief bills. It is a national farm marketing plan, under which farmers, through a national organization of their own, can stabilize and control their products.

That in substance is an outline of the Curtis-Aswell bill. I shall yield to questions when I finish my statement and gladly try to answer anything that may be asked, but I desire to finish my statement first. I want now to turn to the history of this legislation which is before this Congress. I shall try to recite the exact story to those who have not been able to attend the hearings. The gentlemen will remember that some time before Christmas there was great agitation in the Northwest, especially in the State of Iowa, for some legislation that would bring them immediate relief. This agitation resulted in the great convention at Des Moines. In that convention the Dickinson bill was indorsed. Let us see for a moment what the Dickinson bill was, for it is not now. They eliminated it long ago and have forgotten it. The old McNary-Haugen bill, facetiously called "Mary Haugen," was repudiated by the House twice and was sent away in disrepute. But the Dickinson bill was the same old "Mary Haugen," with short skirts and bobbed hair and rouge and lipstick, and they brought her down with indorsement of the Des Moines mass meeting. When the witnesses came they came only after having us wait for two months.

Our distinguished chairman is a lovable man, and he lives in Iowa. We sympathize with him, and out of respect for him we did not hold any meeting of the committee until these witnesses got here. We waited two months. Meanwhile the papers kept lambasting the Committee on Agriculture for not doing something. Finally we were told that this great delegation would arrive on a Monday, and we promptly assembled in faithful and humble obedience to hear them. But when that day came we found that they were not ready to give us that opportunity. We waited until the next day, and they did not come then. It developed that these gentlemen from Iowa and the Corn Belt had prepared their little speeches—oh, they are good ones, and they are in a little pamphlet now well labeled—but before coming to the Committee on Agriculture, while they made us wait, they went over and practiced on Secretary Jardine for a day. Then they went up to the White House and practiced on President Coolidge for a day. Then they came to us, and we made an agreement, out of respect for our distinguished and lovable chairman, that nobody would be so rude as to ask any of them a question on that day. They then said their little pieces, and they said them well. It took me back to my boyhood days, when I taught a country school, on a Friday afternoon. The governors were there—at least one of them was—and a number of the others had their secretaries and clerks read their pieces, and when they finished some one in the committee said, "These are all glittering generalities that you have given us. In plain United States, what do you want?" They had closed their speeches by intimating, with some grandiloquent eloquence, that before they abolished the Congress they would give us one more chance to vote for what they wanted. Then we asked them what they wanted, and the committee asked them to put it in United States English. They did.

The first witness testified, and everyone united in harmony with him, that the Dickinson bill would not help corn, and so they went off to write a bill of their own. They ignored Brother DICKINSON, and they wrote a bill clamoring for an equalization fee all of the time. Mr. DICKINSON has been consistent on that point. They clamored for an equalization fee, but the Corn Belt advertised body of gentlemen wrote a bill and left the corn out, and provided a subsidy of $100,000,000 from the Federal Treasury, and the more they testified the weaker the bill grew, and then they decided it was useless to try to pass it with corn out of the fee.

Then the Corn Belt master mind, along with some other lesser lights and less worthy lights, conceived the idea that they could not pass the bill out of the committee or through the Congress in that shape. Mr. Murphy said to me—he is a fine chap; I like him——

Mr. MADDEN. Who is Murphy?

Mr. ASWELL. He is the master lobbyist of America from the Corn Belt of Minnesota. He is all right; he is a fine man; and he came to me and said, "Now, here, old fellow, do not go too strong. We are going to put up a proposition which you can not help but accept." I thought he was joking, but the next day they came, the Corn Belt crowd, and said, "Now, boys, let us form an alliance with the South, and we will put you in not with the equalization fee but we will defer that on you, because we love you, say for three years, and we will take the money out of the Federal Treasury just for you." And so they put the bill in. They said, "We will stand it ourselves to get you boys." So they put it back on corn and took it off cotton.

That is the history of the case. So they went to work to dangle $250,000,000 before the eyes of the cotton men and some of our southern boys fell for it. They then decided that this Congress would not pass such an idiotic bill as that, and they met by night, and they took our dear beloved chairman and he seemed to obey them. We are sorry, for he has been working for the equalization fee through all these years past. He has made a heroic fight and lost every time, and always will on that kind of legislation. But they got hold of our chairman and they sent him into our committee, and they compelled him to take back all he had said and done. He asked the equalization fee be suspended on everything for two years. He said, "The southern boys will not vote for it." These men from the Corn Belt said not secretly but publicly, "You can not get these boys from the South to vote for this equalization fee now. Let us put it on and suspend it for two years, reaching into the Treasury during that time, and that will be a fine incentive."

That is what happened. That is the history of the bill. We were told that if we did not support the Haugen bill that we would be abolished. We had a gentleman who is a very distinguished man. He lives in the district of Mr. RUBEY. His name is Mr. Hirth. I am doing this because I feel very kindly to Mr. RUBEY. He came before us and he told us a lot of things we had better do.

He wrote an article right up to date. It is in the Minneapolis Farm Market Guide of April 20, and this is his article. This is written by Mr. William Hirth, chairman of the Corn Belt Federation. This is what he said:

And what certain of the political leaders in both parties would like to do is to take the teeth out of the Dickinson bill and thus give us its shadow without the substance, and at the same time save their faces in the coming congressional elections.

But the Corn Belt committee has already served notice on these leaders that no side-stepping will be tolerated.

This gentleman is in a position to speak with authority to the leaders of both parties because he testified before our committee that he wrote the platform of the Democratic campaign in the State of Missouri, and his neighbors say he supported the Republican ticket. [Laughter.] Now, it would seem that he is in a position to speak to the leaders of the two parties, because he is both of them. [Laughter and applause.]

Gentlemen, I want to call attention a little further to this history of this bill. After they had presented all of these various changes in their bill they decided to try to tie the southern boys with a $100,000,000 subsidy by putting off the application of the equalization fee for two years. Until they forget about it. However, I want to speak for a moment to my neighbors and friends of the South.

The proposal is to put into this Haugen bill all the machinery for the equalization fee or a direct Federal tax and then suspend its operation for two years. But I, for one, would not dare face an audience of cotton growers and tell them that while I got it postponed for two years, I voted that a Federal agent, selected by a political board, would come to the cotton gin and assess a Federal tax upon every bale of cotton, however humble the producer of that bale. [Applause.]

My friends, it is a question involving morals. The cotton men of the South are not purchasable.

I will say to Mr. Murphy and his coworkers in establishing an alliance that the cotton men of the South, in Congress and out of it, are not purchasable. [Applause.] And, gentlemen, I want to say further that this Haugen bill is a wicked measure. It is full of wickedness and evil, and I will show you, I think, in a line why. It is the representative of the big business of America. It would operate in the name of agriculture. What sins are committed in that name!

One of the chief results of the Haugen bill would be to develop a powerful political machine to control the supporting industry of the country, thereby creating a central and powerful government of bureaucracy, destroying the government of democracy.

Section 8, subsection e, provides that—

if the board is of the opinion that there is no such cooperative association capable of carrying out any such agreement, the board may enter into such agreements with other agencies.

This pretense of first offering to favor existing cooperative farm organizations is insincere in an effort to cover up the intent and purpose of the Haugen bill.

Within the last 10 days, and unquestionably in anticipation that the Haugen bill would be forced through Congress, there have been two strong mergers and combinations organized for engaging in and carrying on a flour-milling business.

One of these is the Flour Mills of America (Inc.), with a capital of $60,500,000.

This is designated as a flour-milling corporation, but the incorporation papers of this big million operation reserve the right to engage in import and export trade in foodstuffs and general agricultural pursuits.

Coincident with this flour-milling organization, there was a $15,000,000 corporation organized in the West under the same name, the Flour Mills of America (Inc.), making a total of $75,000,000 in the two propositions.

The latter owns and controls 150 grain elevators with 7,000,000 bushels grain storage space.

The intent of these strong capitalistic corporations for the control of wheat and bread, with the authority to engage in general agricultural pursuits, needs no further explanation.

Such monopolistic corporations, with unbounded wealth, would pursue their business under a Federal law, enacted by Congress, should the Haugen bill be enacted.

These powerful corporations would be placed in a position to monopolize and make the prices for the farmers' wheat and make prices for flour in the kitchen with no regard for anti-trust laws.

The only present, organized, combined capital that can be regarded as "capable of carrying out any such agreements" with the Federal board, as provided in the Haugen bill, are the large packers that are now the controlling factors in the trade of this Nation and largely of Europe. Not a word of opposition to the Haugen bill has come from that source.

Under the enactment of the Haugen bill the large packers would, naturally, remain supreme with the advantages given them through the enactment of a favorable Federal law, fixing prices to stock growers, who would have to pay equalization fees on marketing their beef cattle, and the same interest would fix prices to consumers with added fees.

The bill provides three things, and only three: First, a Federal political board, and 48 members of a council, to ride, to travel, to spend the taxpayers' money. The board is the first evil of the bill. The second is that it proposes nothing short of a direct subsidy from the Federal Treasury, exactly of the same kind that is wrecking the British Government to-day. The third provision is that it specifically and without equivocation establishes a Federal price-fixing political board to control the agriculture of America.

It proposes, when it goes into operation, to tax all the cotton. In other commodities the board decides what part of the crop shall pay the fee or tax. The cotton boys have not, perhaps, noticed that yet. It proposes to tax cotton, and promises to help in orderly marketing, but not to increase the price any. There is no tariff on cotton. I wonder what they think the cotton man's grade of intellect is when they believe that he can be induced to want to pay a tax on the promise that his price shall not be increased? It is a most extraordinary proposal.

To illustrate, I remember when I was a "one-gallus" boy on the farm I went to town one Saturday afternoon with a good horse, and I fell into the company of a very expert horse trader, and he dazzled before me the largest sum of money I had seen. He offered me $50 to boot, and I traded right on the spot. [Laughter.] When I went home I discovered my horse had staggers and spavin, and I had to go to my merchant to buy from him a horse to finish the crop. There was no dishonor on my part in that transaction, but it was an idiotic performance. [Laughter.]

Now, they dazzle before us this proposition to see if we would trade. It would be foolish to do it. I have not time to go into full details. But the Haugen bill would increase the price of corn and wheat and foodstuffs and meats, no doubt, to the purchaser, while the cost of operation and losses on the surplus would give the producers of feed and food no advantage in prices.

Taking one State of the South as an example, in the great State of Mississippi, a neighbor of mine, the people of that State devote their endeavors and fine abilities to the growing of cotton practically exclusively, and they buy from Iowa and the Northwest their feedstuffs and much of their food. The Haugen bill proposes to increase the price of wheat to the purchaser 54 cents a bushel on the average, and other feedstuffs the same. The State of Mississippi last year imported into her borders nearly $8,000,000 of feed and food. Increase that on the average of 50 per cent, and the Haugen bill would cost the people of Mississippi more than 3 million dollars more to buy the same food and feed that they bought last year without increasing the price of cotton and without passing this profit back to the producers of feed and food because of the cost of operation and the losses on the surplus.

Can you get a Mississippi farmer to approve such a proposal as that?

Take the State of North Carolina, which imported last year about 8,000,000 bushels of wheat for bread alone. Increase the price 50 cents a bushel, and the Haugen bill will add to the cost of the bread of North Carolina the sum of $4,000,000 a year and will not increase the price of cotton to the North Carolina farmer. It claims only to help orderly marketing of cotton. That is all it proposes. There is no tariff on cotton. The two above examples are solely from the standpoint of the southern farmer.

It has been whispered around—not dishonorably; I do not mean that, because I illustrated that one could make a fool trade without being dishonest—that—

we will vote for the Haugen bill and the subsidy for two years, and then about the time the subsidy is all gone we will repeal it.

That has been said openly. I wonder who would consider that a statesmanlike position and an honorable one? The equalization fee, effective in two years, is dishonest and unworthy of consideration, because I think I speak truthfully when I say that if you pass the Haugen bill with an authorization of $375,000,000 you will be stranded for two years or else you will put the fee on in the next Congress, because I believe every thinking Member of this Congress knows that there is no chance of getting $375,000,000 now from the Federal Treasury.

You will remember that Mr. Herbert Hoover came to the Congress and recommended the price fixing of all products during the war. He requested, as members of the committee here will remember, that they fix the price of all products. I remember that I did everything in my power to have the committee cut out cotton, and it did. Then the steel men made a fight, and they had the committee cut steel out; then the coal people raised a row, and they cut coal out of the bill; but at that time the poor wheat fellow was in the minority, and it concluded by passing legislation fixing the price on wheat, and nothing else, at $2.20 in Chicago when the market that day was $3.07.

To illustrate, I give you this: You will have a board made up of one member from each land-bank district; you will have three cotton members on that board; you will have not more than three wheat members, and each member of the board will look after his own commodity. It would be the most damnably sectional organization ever created by the American Congress. I am not willing to be a party to that kind of sectionalism in America.

If the farmers are the most dependable defenders of American institutions, as you have been saying and as you will say in the campaign, if the farmers of America can be relied upon in every hour of sorrow or distress, in peace or in war, and if they are the fearless supporters of American institutions, why not give them control of their own affairs? Why not get behind them, as I propose in this legislation, with Federal authority and with funds enough to encourage and guide them and tell them to go? Why tell them to come and be mediums of service for a political administration? If the farmers are the character of people in which you believe and of whom you have spoken time after time and of whom you will speak again, why not recognize that they have a right to organize, select their own officers, and run their own business in their own way with Federal authority to guide them, support them, and give them latitude?

Before this legislation ends I expect to support an appropriation of $100,000,000 additional to what I have in this bill now to make loans to the farmers, to be repaid with interest to the Federal Treasury. I propose to make this bill and whatever else follows it a bill that will take care of the cotton farmer, the wheat farmer, and all, so that he will not be a sycophant or considered a mendicant or ward of this Nation.

Let me call your attention to a picture—and I am speaking to my friends on this point. A great storm swept the Boston Harbor and the next morning after the storm had raged through the night the beach was strewn with the wreckage of destroyed vessels, but out away from the shore floated majestically one vessel unscathed, unharmed. When the captain was asked how he escaped, he said:

When the storm approached I turned the prow of my ship and all night long I struggled and battled against the wild waves of the sea,

and when the storm subsided I had preserved myself in a struggle against the storm.

Men of Congress, a storm of agitation and socialism is sweeping down from certain sections of this country upon the Congress to-day. There is more agitation and lobbying in that section than in all the other sections of the country combined. A great storm of radicalism and unsound governmental theories is sweeping down upon us. In the future the record of these hours, my friends, will be told in the story of the wreckage of political lives of those who falter and drift supinely with the storm, but I hope a majority will have the courage and economic characteristics to face the storm, and when the record is told in the years to come I hope to find a majority of this Congress on both sides of the Chamber unscathed and unharmed because you stood for the immortal principles of American Government and for the stability and perpetuity of American institutions, which make us great and glorious as a Nation, as a people. [Applause.]

Mr. CANNON. Will the gentleman yield?

Mr. ASWELL. Yes.

Mr. CANNON. The gentleman has made a very effective and very eloquent presentation of his bill.

Mr. ASWELL. Thank you. I hope it is effective. I do not care about the eloquent part of it.

Mr. CANNON. I hope the gentleman will understand I am asking this question with a sincere desire to secure some light on the subject. The gentleman has repeatedly referred to the board proposed by the Haugen bill as a political board.

Mr. ASWELL. And, of course, it is.

Mr. CANNON. I am at a loss to understand upon what the gentleman bases that conclusion. The board is selected from 48 men nominated by nonpartisan and nonpolitical farm organizations.

Mr. ASWELL. I will answer that. The gentleman has asked why this board is to be political. Why, gentlemen, if the Haugen bill were to pass this Congress and become a law, which it will never do—it may pass but it will never become a law—I mean it will never pass both Houses. I believe the President will sign it if it goes to him. I think he would sign it and put it up to you and take the wind out of your sails, so that you could not put him in a hole, as you are trying to do.

Mr. CARTER of Oklahoma. I believe the gentleman said he would not play politics with the farmer, and now he says he would tell the President to sign a bill which he says is a bad bill.

Mr. ASWELL. I said if I were one of his advisers I would tell him to sign it, because the Congress wanted to do that, in order to keep politics out of farm legislation.

Mr. WEFALD. Will the gentleman yield?

Mr. ASWELL. No; I have not finished with this statement yet. I will first answer the gentleman from Missouri.

If this bill were to pass and become a law there would be immediately in political campaigns candidates for membership on this board, and especially for the chairmanship of it, and the 48 candidates would open up political campaigns in their sections with the idea of the board in mind.

It would be the most powerful political organization that has been created in this country in a generation, and the result would be a political board, pure and simple, under the guise of being selected by restrictive suffrage of a council. Hear me! I will say to the gentleman from Missouri, you do not need this council anyway. Why, just recently the Congress, upon the recommendation of the Secretary of Agriculture, created a new division in the Department of Agriculture and provided $50,000 for the specific purpose of bringing men to Washington to advise with him. That is the council. However, these fellows are going to be given $20 a day, whereas the others only get $10 a day out of the Federal taxes. That bill has already passed the House. It is a chiropractic bill. [Laughter and applause.] To give chiropractic treatment means to smooth out and rub and adjust the dislocated joints of the spinal column [laughter]; and when the political organization in power finds a group in Iowa, we will say, for example, dislocated and out of joint, the Secretary of Agriculture has $50,000 in cash to order that little group down to Washington at Government expense, with $10 a day for subsistence, and to keep them here a few days or a few weeks or a few months, at his will, until he smoothes out the dislocated joints and sends them back to the Corn Belt voting the Republican ticket. [Laughter and applause.]

Mr. CANNON. If the gentleman will yield further, I note that he has devoted most of his time to a discussion of the Haugen bill. Evidently the gentleman does not take the Tincher bill seriously or does not think the House will seriously consider it.

Mr. ASWELL. I do not consider it as vicious as the Haugen bill.

Mr. CANNON. The gentleman says that the board created under the Haugen bill would be a political board——

Mr. ASWELL. The one under the Tincher bill would be, too. I include them both.

Mr. CANNON. I was just going to ask if the gentleman intended to intimate that the supporters of the Tincher bill would play politics.

Mr. ASWELL. Certainly; so would you.

Mr. CANNON. If the gentleman will permit further, I notice that he provides for such a board in the bill which he himself advocates.

Mr. ASWELL. Yes; but the Government does not have anything to do with it. It is farmer-controlled.

Mr. CANNON. That board would be elected by the very organizations which would nominate these 48 men to the President. I would like the gentleman to differentiate and to show us——

Mr. ASWELL. That is easy. I see what is in the gentleman's mind, and I am ready to answer it.

Mr. CANNON. I would like for the gentleman to show why the board created under the Haugen bill would be any more of a political board than the board created under the bill which he has introduced and is now advocating.

Mr. ASWELL. That is easy to answer if the gentleman will give me a chance.

Under the Curtis-Aswell bill there is no pork or patronage. It does not offer any political appointments. It does not offer any graft or preference. It is a cold, honest-to-God organization in the hands of the farmers themselves.

Mr. YATES. Is it a good bill?

Mr. ASWELL. It is the best bill on the subject that has been introduced since I have been in Congress. [Applause.]

Mr. BLACK of Texas. Will the gentleman yield?

Mr. ASWELL. Yes.

Mr. BLACK of Texas. The gentleman in his statement cited the American Federation of Labor with its federated crafts as an example that should be followed by the farmers, and I very largely agree with the gentleman, but I want to call the gentleman's attention to the fact that the great American Federation of Labor, with its federated crafts, has organized itself without Government interference or without paternalistic aid.

Now, why should we undertake to set up a Government corporation with a Government subsidy of $10,000,000 to undertake this organization. If we should undertake to organize labor in that way, through the Department of Labor, and give $10,000,000 to them to do it, I dare say labor would thank us, but would say they did not need it and did not want it. Now, why should we do it for the farmers?

Mr. ASWELL. In the first place, I will say to the gentleman from Texas, the $10,000,000 is in no sense a subsidy. That is an answer to the first part of it. It is a direct loan to be repaid with interest.

Mr. BLACK of Texas. The presumption is it would be paid; that is, it says they shall pay it by levying commodity assessments.

Mr. ASWELL. It will be guaranteed by the best security in the world, namely, commodity assessments.

Mr. BLACK of Texas. Why should we even do that. I do not know of any demand for it.

Mr. ASWELL. I think every gentleman in this committee who is personally familiar with agricultural conditions to-day will note that the farmer has not the money to attend organization meetings. He does not have it. This proposal is to enable him to have a fund to organize and get his cooperative association in such size as to be of value. The American Federation of Labor, of course, would not need any such fund.

The CHAIRMAN. The gentleman has consumed one hour.

Mr. ASWELL. I will yield to myself 10 minutes more.

Mr. SCHAFER. Will the gentleman yield?

Mr. ASWELL. Yes.

Mr. SCHAFER. The gentleman has made a study of the agricultural problem. Can the gentleman give the House some enlightenment as to whether or not a modification of the Volstead Act would help the farmer? I have received a voluminous petition from dirt farmers setting forth the reasons, which appear to me to be good, in favor of a modification of the Volstead Act to assist the farmers. It is a fact that since the Volstead law was enacted the farmers have had more trouble than they did prior to the enactment of the act.

Mr. ASWELL. I will say that the Committee on Agriculture has devoted all of its time to hearings from the Corn

Belt lobbyists, and they have not given any attention to that question.

Mr. AYRES. Will the gentleman yield?

Mr. ASWELL. I will.

Mr. AYRES. The gentleman has made a statement—I do not want to put him in the position of advocating the Haugen bill, but I understood him to say that notwithstanding it would be a detriment to cotton, it would increase the price of wheat and corn.

Mr. ASWELL. It would to the purchaser, but not to the producer.

Mr. AYRES. I am from a wheat district, and that is interesting; and would the gentleman explain why it will raise the price of wheat?

Mr. ASWELL. I should be glad to. It will increase the price of wheat, in my judgment, to the American consumer, but at a heavy cost to the wheat producer, because he will pay all the losses in the foreign market, the cost of operation, and anything else the board that has plenary powers wishes to put on it, and the man who produces wheat will come out lucky if he comes out even. The man who buys the wheat will pay a high price.

Mr. COLTON. Will the gentleman yield?

Mr. ASWELL. I shall be glad to.

Mr. COLTON. In looking over the gentleman's bill I find that it is a cooperative marketing bill. There are cooperative marketing associations in the country at work now. Would not your bill create new boards that would not be of any benefit to organization work already accomplished?

Mr. ASWELL. That is a sound question, and I will be glad to answer it. This bill provides that the present cooperative organization will select the first board. The first board will be taken from those cooperative associations. The present cooperative organizations are too small in scope to function effectively and finally. This Curtis-Aswell bill is nothing but a request for a Federal charter to create a national system of cooperative marketing, not a Federal organization as the gentleman from New Jersey [Mr. FORT] said the other day—he is mistaken about that—it proposes a similar line to that of the national banks organized under Federal charter, operated by private stockholders.

This bill proposes to extend the scope of the cooperatives into both foreign and domestic markets and bring in a larger unit.

Let me illustrate it in this way: Under the Yoakum plan, we investigated last year a carload of watermelons sold in the State of Alabama. The farmer received 6 cents a piece on the average. The freight to New York City was 19 cents on the average melon in that carload lot. We had our agents follow that carload of watermelons to the ultimate consumer, through the wholesaler, retailer, the large and small shops on the street corners. The two experts that we had on trail of the melons reported that the average price paid by the consumer in New York City was $1.25 a melon.

Now, this was all from a cooperative association in Alabama, but it was so small in its scope of operation, so limited in financial ability, that it could not reach beyond the local railroad station.

This plan proposes a warehouse in New York City where the melons will be consigned with a certainty that this dollar spread between the producer and the consumer will give more to the producer and reduce the cost to the consumer. [Applause.]

Mr. McLAUGHLIN of Nebraska. Will the gentleman yield?

Mr. ASWELL. I will.

Mr. McLAUGHLIN of Nebraska. If I understood the gentleman a while ago, he criticized the provisions of the Haugen bill and said it followed the line of thought of the Industrial Workers of the World and the American Federation of Labor. All I want to ask the gentleman is whether he really intended to mention that great patriotic body of men forming the American Federation of Labor in the same breath with the Industrial Workers of the World.

Mr. ASWELL. I did not say that, to start with. I said that the Curtis-Aswell bill proposes a separate organization for each commodity, exactly as the American Federation of Labor has in its 107 crafts in smaller organizations. The Curtis-Aswell bill, embodying the Yoakum plan, does this. The Haugen bill proposes one great board to run the business. The Industrial Workers of the World have been the greatest enemies to the American Federation of Labor and to the American people, trying to get one big union, to get the American Federation of Labor to adopt their plan of abolishing the craft organizations and having one big union, and I denounced the Industrial Workers of the World plan with all of the earnestness that I possess.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. ASWELL. Yes.

Mr. MOORE of Virginia. I may have misunderstood the gentleman, but toward the conclusion of his remarks I did understand him to say that if his bill should receive approval he would agree to a loan fund to the farmers of $100,000,000 to be appropriated by the Government.

Mr. ASWELL. As a loan fund strictly.

Mr. MOORE of Virginia. If that was the case, leaving aside the machinery of the gentleman's bill, which is less governmental than the machinery of the Tincher bill, would not the gentleman's general proposition be almost equivalent to the Tincher proposition?

Mr. ASWELL. I do not have any political or Federal board connected with it.

Mr. MOORE of Virginia. I say except for the machinery.

Mr. ASWELL. And if you get $100,000,000 loan fund for the farmer, I am for it.

Mr. MOORE of Virginia. I do not say that I am not for it.

Mr. ASWELL. It would be a loan and not a subsidy.

Mr. MOORE of Virginia. The Tincher bill, as I understand it, is a loan; it is designated as a loan, while the Haugen bill——

Mr. ASWELL. Is a gift, a subsidy.

Mr. MOORE of Virginia. As the gentleman and I think, it is a subsidy. The point I make is that, laying aside the machinery, there is not very much difference between the Tincher bill and the Curtis-Aswell bill?

Mr. ASWELL. Omitting the machinery.

Mr. KINCHELOE. But does not the gentleman's bill also differ in this way, aside from the question of the machinery: The gentleman's bill undertakes to bring into one great body the national cooperative associations of every commodity.

Mr. ASWELL. Yes; and that is a vast difference.

Mr. KINCHELOE. Is not that the main purpose of the gentleman's bill?

Mr. ASWELL. Yes. Let me say this to the gentleman from Virginia. This bill that I present especially proposes two things in addition to the matters that the gentleman has discussed—to influence a large proportion of farmers into the organization and the organizing of a national system. I think I can show the gentleman why the farmers will come in. In the first place, the interstate zone organizations will have immediate control of these zones, under a board of seven. They will control the shipments from that particular zone through cooperation with the national board, and let me illustrate how it will influence the men who come in to it.

The CHAIRMAN. The gentleman's additional 10 minutes has expired.

Mr. ASWELL. Then I yield myself 20 minutes more.

This zone organization will be familiar with all the commodities grown in that particular zone. It will have control of the shipments. Suppose that I am a farmer in that zone and that I am raising cabbage. Let us say that they have 10 cars of cabbage to be shipped through that zone organization to Chicago. We will say that I am on the outside. The chairman of that zone will be the man who will determine whether I can get my shipment in with his, and if I am not he will not take my shipment until he places all of the cooperative cabbage on the market, and he has the advantage also of established standards and grades. That gives him a great advantage over me. If I come in, it is a farmer organization, and if I get out of it, then I am a scab, and I will not get out and stay in that country. That is the main difference which the gentleman describes.

Mr. DAVEY. Mr. Chairman, will the gentleman yield?

Mr. ASWELL. Yes.

Mr. DAVEY. Does the gentleman intend under his bill that the cooperative farmers' organizations will have control over the wholesale marketing of their products?

Mr. ASWELL. Absolutely; completely.

Mr. DAVEY. Does that bill tend to eliminate the so-called middlemen?

Mr. ASWELL. The unnecessary ones; yes. I want to make that clear.

Mr. DAVEY. How far will it go?

Mr. ASWELL. I can give the gentleman an example. In one of our investigations we found on one block five merchants selling the same thing. Of course, they had telephones and overhead expenses, so that the farmers were taking care of five families. Under this system I would say that certainly

from two to three of them are not needed in the interest of agriculture, in the interest of the farmer, so that we reduce the unnecessary ones. That is all.

Mr. DAVEY. What I had in mind particularly was the so-called commission houses and so forth.

Mr. ASWELL. Yes; and do away with a good deal of speculation and gambling, too.

Mr. McMILLAN. Will the gentleman yield?

Mr. ASWELL. I will.

Mr. McMILLAN. I wish to compliment the gentleman on his very splendid presentation; but there is one question I would like to ask the gentleman on which I desire a little further light. This Haugen bill here, as far as the cotton proposition is concerned, I understood the gentleman to say that this equalization fee is deferred two years, without any promise of returning anything on the part of the cotton farmer.

Mr. ASWELL. Absolutely.

Mr. McMILLAN. I would like to hear the gentleman a little more on that question.

Mr. ASWELL. If the gentleman will read the bill—the gentleman from North Carolina started to ask me the same question—the bill proposes to appropriate $100,000,000 for the purpose of stabilizing and establishing an orderly marketing of cotton. Now the whole bill is based upon the proposition that the increase shall be the amount of the tariff plus freight. There is no tariff on cotton. There is not a single suggestion in the bill of ever increasing the price of cotton a single penny; not one.

Mr. DOUGHTON. Will the gentleman yield?

Mr. ASWELL. I will.

Mr. DOUGHTON. I understood the gentleman to make the statement that the bill does not guarantee to increase the price——

Mr. ASWELL. I am safe in saying that, for it does not mention it and does not promise to do it.

Mr. DOUGHTON. But if it produces an orderly marketing of cotton, would not that have a tendency to put up the price?

Mr. ASWELL. It might have something to do with it.

Mr. DOUGHTON. I have not made up my mind yet.

Mr. ASWELL. It might not and it might, but the gentleman could not face a cotton audience and say he voted to put a tax on cotton at the gin and get away with it.

Mr. DOUGHTON. I am not asserting it. I have faith in the gentleman——

Mr. ASWELL. I will say I could not do it.

Mr. DOUGHTON. I know the gentleman has been a member of the Committee on Agriculture for a long time and has given deep study to this question, and I am asking the gentleman in the desire to get information, not with any desire to embarrass the gentleman.

Mr. ASWELL. The gentleman could not embarrass me.

Mr. DOUGHTON. Of course not.

Mr. ASWELL. I would not permit the gentleman.

Mr. DOUGHTON. Of course not, but I am simply desiring to get information.

Mr. ASWELL. I will answer any question.

Mr. DOUGHTON. I am through.

Mr. RAGON. Will the gentleman yield?

Mr. ASWELL. I will.

Mr. RAGON. In the course of the gentleman's remarks a while ago he suggested propounding a question to the gentleman from Illinois, and I would like——

Mr. ASWELL. He is not in the room.

Mr. RAGON. What I want to know is, under this bill we make available $375,000,000, and $100,000,000 of that is for the cotton farmer. When is that to be made available, and how much is to be made available; and if it is made available, who handles such a situation?

Mr. ASWELL. That will become available when the appropriation is made and the President signs the appropriation bill.

Mr. RAGON. And, carrying it on logically, this bill takes effect at what particular date?

Mr. ASWELL. Upon the passage of the authority for it. It is only made an authorization; it is not an appropriation.

Mr. RAGON. As I understand, when would the equalization fee become operative?

Mr. ASWELL. Two years from the date of the passage.

Mr. RAGON. Say the bill passes to-morrow, and two years from to-morrow? All right. Suppose there is no $375,000,000—or if we are to believe the reports, there are scarcely any surplus funds in the Treasury at this time—how are you going to do between now and at the end of the two years?

Mr. ASWELL. Have to suspend operations of the bill entirely or apply the fee in the December session of Congress, which is the most likely thing.

Mr. RAGON. If we have not the money to put it in operation, then there will be another deferment of the equalization fee, and the first time the bill becomes operative at all it will be under an equalization fee?

Mr. ASWELL. For the reason stated.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. ASWELL. I will.

Mr. GARRETT of Tennessee. Can the gentleman inform me if there is any provision in the bill that the $375,000,000, or $350,000,000 in fact, will be repaid out of the equalization fund?

Mr. ASWELL. I can. It is specifically provided in the bill that none of it shall be paid to the Treasury; none will be returned to the Government. May I answer further the gentleman from Tennessee that the Haugen bill provides that when the fee is collected it shall not go to refund the Treasury?

Mr. GARRETT of Tennessee. Absolutely and purely a gift?

Mr. ASWELL. Absolutely and specifically so stated in the bill itself.

Mr. WILLIAMSON. Will the gentleman yield?

Mr. ASWELL. I will.

Mr. WILLIAMSON. Just now I think I might say the question in the Middle West is how to deal with the products of which there is an exportable surplus. Now, just how would your bill deal with the exportable surplus?

Mr. ASWELL. There would be branch offices in foreign countries to handle it.

Mr. WILLIAMSON. In other words, the purpose of the bill would be to solve the problem of finding markets rather than in making any special effort to increase the domestic price in our own market?

Mr. ASWELL. To stabilize it; yes.

Mr. SUMMERS of Washington. Mr. Chairman, will the gentleman yield there?

Mr. ASWELL. Yes; I will have to yield to the gentleman.

Mr. SUMMERS of Washington. The gentleman does not have to.

Mr. ASWELL. Then I will not yield.

Mr. KINCHELOE. Mr. Chairman, will the gentleman yield?

Mr. ASWELL. Yes.

Mr. KINCHELOE. The purpose is to cut down the middlemen so as to have a better market in the country for the consumer, which of course could be done, and that would be a benefit both to the consumer and the producer?

Mr. ASWELL. Yes. That is what I illustrated in the case of watermelons.

Mr. JACOBSTEIN. Mr. Chairman, will the gentleman yield?

Mr. ASWELL. Yes.

Mr. JACOBSTEIN. Under your bill how would you enable the farmer to regulate production?

Mr. ASWELL. It is specifically provided. The interstate zone organization, which would be in touch with the farmers of that zone, would establish a standard of production, taking the agricultural reports of the last five years as a basis, and indicate to the farmers of that community how much of a commodity should be planted, and those farmers will know that the interstate zone organization would control. This is the only bill that I have ever seen in my humble judgment that will do anything toward the regulation and control of overproduction.

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. ASWELL. Yes.

Mr. KVALE. Could not the Curtis-Aswell bill be passed with the Haugen bill? They are not antagonistic, are they?

Mr. ASWELL. They are as opposite as the poles.

Mr. KVALE. There is nothing in the Curtis-Aswell bill that would relieve the present condition?

Mr. ASWELL. Yes. If we established, for example, a commodity organization on potatoes to-day, the price would advance to-morrow night.

Mr. KVALE. But there is nothing in that to bring immediate relief, is there?

Mr. ASWELL. I think there is something to that.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman from Louisiana yield to me a moment, just in connection with that?

Mr. ASWELL. Certainly.

Mr. GARRETT of Tennessee. Is there anything in the Haugen bill that will relieve the conditions growing out of the present situation?

Mr. ASWELL. Well, the Corn Belt witnesses testified that it would not do them any good this year.

Mr. WILLIAMSON. Mr. Chairman, will the gentleman yield for a question?

Mr. ASWELL. Yes; I yield.

Mr. WILLIAMSON. For a series of years the figures would indicate that there is no actual surplus. Under the provisions of your bill, would it mean the storing of crops in fat years over to the lean years?

Mr. ASWELL. Yes; it would.

Mr. WILLIAMSON. Does the bill contemplate building up a great storage establishment?

Mr. ASWELL. Yes. It is specifically provided.

Mr. LOWREY. The gentleman from Washington, Doctor SUMMERS, is the only man in the House that I know of that is an old Mississippi cotton farmer and a western wheat farmer. I was very much interested to hear what he had to ask.

Mr. ASWELL. Well, I will yield to him.

Mr. SUMMERS of Washington. I think it is a fair question. I am greatly interested in it.

Mr. ASWELL. I will be glad if you will ask the question.

Mr. SUMMERS of Washington. The gentleman was indicating how watermelons would be handled under his bill. I was interested to know how it would operate with wheat, considering we had a large surplus. I wanted a little detail as to that.

Mr. ASWELL. Very well. The gentleman from Washington has asked how the Curtis-Aswell bill will operate in the shipment of wheat when there is a surplus. I will touch the high points. Suppose from St. Paul, we will say, a carload of wheat, or 20,000 bushels, were directed by the national board and sold in Bremen, Germany. The agreement by the interstate zone board and the national board as to the commodity assessment will probably be a quarter of a cent a bushel. We will say a quarter of a cent. When that shipment is started there will be revenue stamps printed for the purpose, and there would be attached to that bill of lading revenue stamps to cover the quarter of a cent on 20,000 bushels, which would be $50, and those revenue stamps will give it standing before the banks of the world, as you know, because they would show that there has been a transaction; and in the shipment of that 20,000 bushels of wheat the Government is refunded $50 of the loan and interest. There will be no Federal agents and no Federal board, but simply an act that will eliminate and liquidate that $50 of loan and interest. That is the practical operation of it. Does that answer the gentleman's question?

Mr. SUMMERS of Washington. You were talking about the exportable surplus, and, of course, I am considering it with the whole amount of wheat produced and the price of the farmer. I said considering a surplus. That was only a side question.

Mr. WILLIAMSON. Mr. Chairman, will the gentleman yield?

Mr. ASWELL. Yes.

Mr. WILLIAMSON. The gentleman said that if the bill was considered he would agree to amend by increasing the amount of the loan from $10,000,000 to $110,000,000. What would that be used for?

Mr. ASWELL. The $10,000,000 would be used for loans to cooperatives for organization purposes.

Mr. WILLIAMSON. Under the Federal reserve system and the Federal land bank the amount available for loans at 4 per cent might be unlimited.

Mr. ASWELL. If I had my way, I would make those loans to the farmer organizations, and the rate of interest would be at cost, which would be 2 per cent. The cost of operation of the Federal reserve system is 2 per cent.

Mr. BLACK of Texas. Mr. Chairman, will the gentleman yield?

Mr. ASWELL. Yes.

Mr. BLACK of Texas. But there is no money to be loaned in this country at 2 per cent that I know of, even to the Government.

Mr. ASWELL. I said, if I had my way.

Mr. BARKLEY. Mr. Chairman, will the gentleman yield?

Mr. ASWELL. Yes.

Mr. BARKLEY. Are there operative marketing associations now in existence among the wheat and corn growers that are sufficiently extensive to avail of the appropriations, or would it be necessary before any assistance were obtained for a particular branch of agriculture to organize such an organization for corn and wheat and other products?

Mr. ASWELL. Absolutely; and enlarge existing cooperatives to where they would be successful.

Mr. BARKLEY. Let me ask the gentleman this question: Does the gentleman, from his experience and observation, believe that a cooperative marketing association can be made a success over as broad an area as that occupied by wheat and corn in the United States?

Mr. ASWELL. Absolutely; in the whole Nation. I would like to explain that under the proposed system the commodity organization will be confined to that commodity from the smallest producer to the final consumer. There would be one national board, and it only becomes effective when it reaches from the smallest producer to the final consumer.

Mr. BARKLEY. I am very much in favor of cooperative marketing associations and I have had some part in helping to organize them in Kentucky, but I have had a little fear that it might not be practicable to organize them over the whole country so as to include all the territory involved in wheat and corn production.

Mr. ASWELL. I will say to the gentleman from Kentucky that in my earnest and honest opinion the cooperatives will never be ultimately successful until they are organized to reach to the ultimate consumer.

Mr. BARKLEY. That would be a very desirable thing, but there is a question as to whether that many farmers would be willing to go together in one organization.

Mr. ASWELL. We will make it embarrassing when they do not come in.

Mr. COLTON. Will the gentleman yield?

Mr. ASWELL. Yes.

Mr. COLTON. I understood the gentleman, in answer to a question asked by the gentleman from Kentucky [Mr. KINCHELOE], to say that the present cooperative marketing associations could be brought into this organization, and I now understand from the question asked by the gentleman from Kentucky [Mr. BARKLEY] that the gentleman takes the position that it would take a new organization from the top to the bottom.

Mr. ASWELL. No. The gentleman from Kentucky did not ask me that, did he?

Mr. BARKLEY. No. I asked whether at this time there is an organization among the corn and wheat growers of sufficient extent to make the organization successful.

Mr. ASWELL. And my reply was that you should enlarge those that are in existence under my bill until they become large enough.

Mr. BARKLEY. And I understood the gentleman's reply to be that it would be necessary to organize the corn or wheat cooperatives so as to take in the whole territory?

Mr. ASWELL. I meant to extend those already in existence.

Mr. COLTON. I will say that I have been much interested in what the gentleman has said. It seems to me there has been so much experience gained already by the cooperatives that it would be better if some plan could be worked out to use that experience and to use the organizations that are already in existence.

Mr. ASWELL. And that is exactly our intention, and the bill so provides.

Mr. HAUGEN rose.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. ASWELL. Mr. Chairman, I yield myself an additional minute in order to answer a question which the chairman of the committee desires to ask me.

Mr. HAUGEN. I understood the gentleman to say that he was opposed to the Haugen bill because it would increase the cost or the price of agricultural commodities?

Mr. ASWELL. I made no such statement.

Mr. HAUGEN. I understood the gentleman to say that the people of the South would object to it because it would cost more?

Mr. ASWELL. No; the gentleman misunderstood me altogether. I made no such statement. I made this statement: That your bill would increase the sale of the feed products without increasing the cotton products.

Mr. HAUGEN. I now recall what the gentleman stated, that it would increase the cost to the southern planters of corn and other things which they have to buy.

Mr. ASWELL. Yes. I want to answer the gentleman exactly. I said that the Haugen bill would increase the price to the consumer, but I stated that the producers of wheat, by the time they paid the losses on foreign sales and the cost of operation, would get no more than they get now and that the consumer would have to pay more. And, further, that your bill proposes to help the orderly marketing of cotton, but in no place do you recommend a single increase in the price of cotton. [Applause.]

Mr. HAUGEN. Mr. Chairman, I yield 15 minutes to the gentleman from Illinois [Mr. ADKINS].

Mr. ADKINS. Mr. Chairman and members of the committee, because of the limited time that is assigned to me I shall have to decline to yield for questions, not because of any discourtesy but because of the limited time. However, I shall be glad to answer any questions that any Member may want to ask in his

own time when I am through. I want to apologize for reading my remarks, because what I am about to say, perhaps, will receive a great deal of criticism on both sides of the House, and I do not want to be misunderstood or misquoted in what I have to say.

Mr. ADKINS. I do not expect to devote very much time to the details of this bill, because they will be taken care of by other men perhaps more able to do that than myself. I find, however, a large number of men who seem to wonder by what justification the farmers, especially of the Middle West, come to Congress to ask any assistance.

They wonder what the Government has done to them that it becomes necessary to come to the Government for aid to help them out of their trouble. That feature of it is what I expect to devote most of my time to.

When we became involved in the World War, it was apparent to all that the boys could not win it on an empty stomach, and we would have to produce food by the wholesale. The one-man farms with small surpluses could not meet the situation. The eyes of this country, as well as our allies, naturally turned to the part of the country where cattle and hogs were produced and marketed in large droves; wheat and corn produced in millions of bushels. Every stimulent was used to increase the droves of livestock in number and grain in bushels. That part of the country responded and a distressed people always found a supply to meet the situation in the great bread and meat basket of the world.

In June, 1917, wheat reached $3.07 on the Chicago market. In July, 1917, the American wheat farmer commenced to market a total of 636,655,000 bushels of wheat, but his market was stabilized by the Government at $2.17 per bushel the whole year on the Chicago market. The consumer was benefited, not subsidized, 90 cents per bushel, or in round figures more than $590,999,000 in one year.

It is thought by many if the Government had not interfered the price would have gone to $4 or $5 per bushel, which would have added at least $2,500,000,000 to the farmer's income that year to have liquidated some of his obligations he had contracted at inflated values. There was no "whining" by the farmer that he was subsidizing the consumer, yet most of his home consumers were furnishing war material, charging all "the traffic would bear," some of them getting cost plus, and the more cost the more plus. The farmer recognized his country was in trouble; his sons were helping fight its battles, and he did his bit without complaint.

As director of agriculture for the State of Illinois, I gave out a statement on October 1, 1917, in which I quoted Mr. Hoover as stating:

> We are sending abroad more hog products at the present time than we produce. Three times as much grain and meat is being exported now as was the case before the war and the demand is increasing. Our supply of grain is the lowest in our history.

In my appeal to the farmers of my State I used the following language:

> Not only does the farmer need to maintain a good system of rotation, but a good, stable market must be maintained as well.
>
> The abnormal prices of our farm crops threaten our economic equilibrium. Our Government should assure us that the equitable price of foods and livestock be preserved in order to encourage production. Under present conditions the livestock farmer has a great opportunity. Every farmer can afford for several years to come to devote greater efforts in raising more sheep, more hogs, and more cattle as befits his inclination.

They responded with a minimum price fixed, which proved a maximum, met the situation, and the great "bread-and-meat basket" of this country saved the day for our boys in the trenches, as well as our allies, so far as food was concerned.

When the armistice was signed and the Government had no excuse for fixing the price for the farmer, and the law of supply and demand began to function, again prices were such it looked like he had a good future before him and he would be able to meet most of his obligations. The boys began to come home from the war, the old men, who had got back into the "harness" on the farms during the war gave way to the boy, backed him at the bank for money to start, with a hungry world to feed at good prices, and things looked good.

Then the consumer began to complain at the cost of living. The farmer was not fixing the price, yet a great noise was made, politicians harangued the consumer—oh, no, they were not demagogues. The farmer did not call him that "naughty" name. The country seemed to be alarmed. I am wondering if some gentlemen who so glibly cry "demagogue" to the western farmer now was fair enough to the consumer to tell him the situation, that he must pay the bill or have the Government step in and overturn our economic laws to reduce the price to the farmer.

As director of agriculture for the State of Illinois, I gave out to the public the following statement May 14, 1920:

> THE COST OF LIVING
>
> The public press, public speakers, and people generally complain about the cost of living; some assail the profiteer; others the low production of labor, but no one offers a concrete remedy that will reduce the cost of living.
>
> Some politicians tell the people that prices for all commodities are fixed by corrupt combines of speculators, etc., and if they get in power they will reduce the cost of living.
>
> People might just as well reconcile themselves to the inevitable fact that they will pay high prices for food for some time.
>
> No country in the world will harvest a normal wheat crop this year. In the United States the condition on May 1 is estimated at 79.1 per cent of the normal. The old stock of wheat will be used up when the new crop comes on. If the Hessian fly should damage the present growing crop, or some other disaster befall it before harvest time, to further reduce it it might be necessary to put us on a bread-ticket basis to make the bread go around; if not that, there is no hope at best for bread to be any cheaper in the near future. Our great consuming masses should be so advised instead of being harangued by some demagogue into the belief that by waving some unknown magic economic wand he can reduce the cost of living.
>
> The mortality of all classes of livestock during the winter was higher than usual, because of the scarcity and high prices of feed. The spring pig crop will be greatly reduced on account of so much cold, wet weather. Money lost feeding livestock recently will not have a tendency to stimulate feeders. While we have a more liberal supply of meat than bread, yet if the meat is produced for less money it means a greater loss to the producer.
>
> The same thing is true of dairy products. There is no substitute for dairy products for babies and young animals. If substitutes are used it is at the expense of the babies' development. The demagogue hits a popular chord when he advocates cheaper milk for the babies, yet when it goes below cost of production that means decreased production, and the poor man's baby suffers first, and the demagogue through whose agitation such conditions are brought about escapes the penitentiary. If the dairy farmer were to insist upon the same hours of labor per day and the same rate of pay as the city worker, dairy products would cost the city consumer about three times their present cost. The hope of cheaper dairy products, under present conditions, is remote, indeed.
>
> A panic in the country is the only thing that will make a material reduction in the cost of living, and that none of us want to see.
>
> In many lines the cost of distribution is too high. We have in many cases too many unnecessary agencies to pay between the producer and consumer. The politician will never remedy that. The people themselves will have to take that in hand.
>
> The great cities, by reason of their cosmopolitan population, as yet can not hope to solve the problem. The farmer has waked up to the importance of cooperative effort, to eliminate unnecessary costly service in distributing staple products of the farm. He is learning the lessons and benefits of cooperative effort and its economic value to both the producer and consumer. He will not bring about the millennium in one day or one year, but has already made a substantial start in many lines, through cooperative effort, which is being stimulated through the farm bureaus and State associations.

When the director of agriculture gave out this statement he did not think the Federal Government would step in and interfere with the functioning of the law of "supply and demand" and reduce the price of the farmers' product.

Evidently the director of agriculture of the State of Illinois and the President of the United States were not thinking along the same lines economically. You will notice the director of agriculture was thinking along what he considered at that time sound economics for both the producer and consumer. The President evidently was thinking about the consumer—and the farmer incidentally.

Let me call your particular attention to the President's reference to the American farmer in his address delivered at a joint meeting of the two Houses of Congress, August 8, 1919, Sixty-sixth Congress, first session, page 3718 of the CONGRESSIONAL RECORD, which reads as follows:

> GENTLEMEN OF THE CONGRESS: I have sought this opportunity to address you because it is clearly my duty to call your attention to the present cost of living and to urge upon you with all the persuasive force of which I am capable the legislative measures which would be most effective in controlling it and bringing it down.

Continuing his statement on the high cost of living, he further stated:

> But what we can do we should do, and should do at once. And there is a great deal that we can do, provisional though it be. Wheat

shipments and credits to facilitate the purchase of our wheat can and will be limited and controlled in such a way as not to raise but rather to lower the price of flour here. The Government has the power, within certain limits, to regulate that. We can not deny wheat to foreign peoples who are in dire need of it, and we do not wish to do so; but, fortunately, though the wheat crop is not what we hoped it would be, it is abundant if handled with provident care. The price of wheat is lower in the United States than in Europe, and can with proper management be kept so.

This suggestion was soon put into effect.

In December, 1919, the Federal Reserve Board put into effect an increase in rates on advances and rediscounts. On January 23, 1920, the Federal reserve banks again raised their rediscount rates to 6 per cent.

May 18, 1920, the Federal Reserve Board held a meeting attended by representatives of member banks from all Federal reserve districts. At that meeting it was decided to take further steps to bring about a restriction of credits. At the conclusion of the meeting the governor of the Federal Reserve Board said:

I would suggest, gentlemen, that you be careful not to give out anything about any discussion of discount rates. That is one thing there ought not to be any previous discussion about, because it disturbs everybody, and if people think rates are going to be advanced there will be an immediate rush to get into the banks before the rates are put up, and the policy of the reserve board is that that is one thing we never discuss with the newspaper man. If he comes in and wants to know if the board has considered any rates, or is likely to do anything about any rates, some remark is made about the weather, or something else, and we tell him we can not discuss rates at all, and I think we are all agreed it would be very ill advised to give out any impression that any general overruling of rates was discussed at this conference.

We have discussed the general credit situation, and your committee, which has been appointed with plenary powers, will prepare a statement which will be given out to the press to-morrow morning, and we will all see what it is. You can go back to your banks and, of course, tell your fellow directors as frankly as you choose what happened here to-day, but caution them to avoid any premature discussion of rates as such.

We have had an exceedingly interesting day, gentlemen. The suggestions which have been made have been valuable and we have profited by your visit here. I wish to express on behalf of the board our appreciation of your coming here and to thank you for the unselfish and loyal interest you have taken in the Federal reserve bank situation throughout the country in giving this matter the careful thought and consideration that you have, and I am sure that the spirit which has manifested itself at this meeting here to-day will spread throughout all the country to the member and nonmember banks; and if it does, we can look the future in the face with courage and confidence.

The western farmer is enduring that future Mr. Harding, governor Federal Reserve Board, looked to with "courage and confidence." When the Federal Reserve Board began to get the President's suggestion to Congress to operating on the farmer, he was called in to pay his notes he owed; he had to liquidate; prices began to fall; the railroads were crippled so they could not move his products as fast as was necessary to meet the demands of the banks; he sold his Liberty bonds, and in many cases he owed the bank for the cost of the bonds, as the policy of the Federal Reserve Board was such that the banks in many cases urged their customers to borrow. Many of these bonds, to my personal knowledge, were sold for 85 cents on the dollar to pay the notes given to purchase them. If the great banking interests of our country had any conscience they certainly would blush with shame for allowing "Uncle Sam's" obligations to be discounted in such a shameful manner, and cause people to suffer who not only gave their noble sons but their obligations and pledged their property to their country's cause. Many men became concerned about the distress that had been brought to the American farmer.

The Manufacturers' Record, printed at Baltimore Md., under date of December 23, 1920, at page 79, where William G. McAdoo, the war Secretary of the Treasury, issued a statement in which he repudiates and opposes the entire Houston program.

Mr. McAdoo says:

The point I wish to impress is that deflation has been carried so far and with such rapidity that we must now reconsider the situation, make an effort to prevent further distress and suffering, and bring about a revival of industry and confidence.

Mr. McAdoo further says:

We can not excuse inaction nor dismiss the matter with a mere observation that deflation is necessary and that farmers must take their medicine along with the rest of the country. * * * When colossal losses like those the farmers are now sustaining overtake them, every line of industry suffers, factories close, business shrinks, labor is thrown out of employment, and confidence is seriously shaken. * * *

It is the imperative duty of those in civil authority and of those who control credit to exercise their powers so as to prevent needless distress and preserve confidence.

Mr. McAdoo certainly saw the disaster this policy was bringing to the farmers of the Middle West.

In July, 1920, No. 3 corn sold in Chicago for $1.53 per bushel. When Mr. McAdoo made this statement this same grade of corn was selling on the Chicago market for 73 cents per bushel, and the following June sold for 60 cents per bushel.

No. 2 red winter wheat sold on the Chicago market at $2.80 per bushel in July, 1920, and in December, when Mr. McAdoo made the above statement, it was sold for $2.01, and the following June sold for $1.43 per bushel.

Good choice steers sold in July, 1920, on the Chicago market for $15.98 per hundredweight, and in December, when Mr. McAdoo made the above statement, this same class of cattle sold for $12.09 per hundredweight, and the following June for $8.09 per hundredweight.

Light hogs sold on the Chicago market in July, 1920, for $15.88 per hundredweight, and in December, when Mr. McAdoo made the above statement, they sold for $9.66, and the following June they were sold for $8.45 per hundredweight.

In July, 1921, we began to market 600,316,000 bushels of winter wheat; a little later 214,589,000 bushels of spring wheat; making a total of 814,905,000. This crop was started to market at about an average of $1.37 per bushel, less money than the crop started to market in July, 1920, which meant the American wheat farmer lost in round figures more than $1,300,000,000 in the interest of the consumer, who was making so much noise in 1919 about the high cost of living.

We do not use the "naughty" term that the American wheat grower "subsidized" the consumer's bread basket to the "tune" of $1,300,000,000. It might "grind" on his fine sensibilities and we do not wish to do that, so we just say we were deflated.

In 1921 the corn farmer produced 2,684,637,000 bushels of merchantable corn (total, 3,068,000,000), which was deflated 93 cents per bushel from July, 1920, or nearly $2,500,000,000.

In 12 months the farmer was deflated about $3,800,000,000 on wheat and corn in the interest of the American consumer.

In 1921 we installed another President of the United States. We passed a tariff law and other laws, and the business of the country has been improved. The farmer had received such an "awful jolt" that he failed to respond.

President Coolidge observing that, in his message to Congress, December 6, 1923 (68th Cong., 1st sess., CONGRESSIONAL RECORD, p. 100), he used the following language:

The distress is most acute among those wholly dependent upon one crop. Wheat acreage was greatly expanded and has not yet been sufficiently reduced. A large amount is raised for export, which has to meet the competition in the world market of large amounts raised on land much cheaper and much more productive.

No complicated scheme of relief, no plan for Government fixing of prices, no resort to the Public Treasury will be of any permanent value in establishing agriculture. [Applause.] Simple and direct methods put into operation by the farmer himself are the only real sources for restoration.

He further stated:

The remaining difficulty is the disposition of exportable wheat. I do not favor the permanent interference of the Government in this problem. That probably would increase the trouble by increasing production. But it seems feasible to provide Government assistance to exports, and authority should be given the War Finance Corporation to grant, in its discretion, the most liberal terms of payment for fats and grains exported for the direct benefit of the farm.

That Congress failed to pass any law to meet the situation referred to in the President's message. I understand the President has stated to farm leaders that there is a farm problem to solve. Another Congress is here and more banks have failed in the Corn Belt, three having failed in my district since this Congress convened. More than 750,000 farmers have left the farms in the United States in the last 12 months.

From the above message of the President there does not seem to be much doubt in my mind but what the President stands ready to suggest some way of financing, temporarily, our exportable surplus of farm products if Congress will pass a law to meet the situation as outlined above. Congress has never sent to the President such a law for his consideration.

The representatives of the farm organizations of the Middle West, who appeared before the Committee on Agriculture—and I am not giving any consideration to any organization now who was not interested enough to appear before that committee and put their views in the record on farm relief legislation—pro-

posed a plan for taking care of the surplus and stabilizing the market with a loan of $250,000,000 as a revolving fund to start this stabilization scheme, to be paid back by levying an equalization fee on their own products and handle this exportable surplus in such a way that it would bring the price of our basic agricultural commodities to the consumer at home at the world price plus the tariff. No doubt they thought that the Republican leaders in Congress would very willingly, in compliance with the suggestion of the Chief Executive of the Nation in his message, join in with them to bring about such an arrangement, but instead of that it would seem that the representatives from the great consuming centers in the East, and other places as well, are unfriendly to the thought of putting the American farmer on the same economic basis as the American manufacturer. [Applause.]

Finding that unfriendly spirit among some leaders from great consuming centers, especially on the Republican side of the House, the representatives of farm organizations who have come here representing the farmer, recommended the "subsidy" for two years, then the farmer to take care of it himself, believing that that method might get votes enough to pass the bill, without the votes from the great consuming center who think there is no "farm problem" and seem to think it should be "root, hog, or die," with the farmer. Oh, yes; he can do that, but enough will quit "rooting" finally to put production below domestic consumption in the Corn Belt. Those that are left producing will no doubt combine and not ask farm relief laws and prices will no doubt reach cost of production plus the tariff. If some sane, sensible means is not provided to stop this unfortunate situation by the same Federal agency that brought this about, as outlined above, we might reach that condition in the next five years or so. Then we will see prices soar, not enough food produced in this country for the great consuming centers. Then the agitation in these great consuming centers about the "high cost of living" that prevailed in 1919 and 1920 will look like a "pink tea" compared to what we will have when your brother asks you for bread and you offer him a stone.

This is a national problem and I am thinking it is not taken seriously as such. The psychological effect of the passage of the Haugen bill on the country, in my opinion, would be to increase the prosperity of the country many millions of dollars and be the most just and profitable investment the Government ever made, and will be an inspiration to the rest of the world of the efficiency of a modern republican form of government, in meeting an economic crisis and solving it in a practical, sane way. [Applause.]

Mr. HAUGEN. Mr. Chairman, I yield two hours to the gentleman from Oklahoma [Mr. SWANK].

Mr. SWANK. Mr. Chairman, I yield 30 minutes to the gentleman from Missouri [Mr. RUBEY].

Mr. RUBEY. Mr. Chairman, before I begin my remarks I want to correct a mistake made by my distinguished friend from Louisiana [Mr. ASWELL] when he quoted a statement made by Mr. Hirth, of Missouri. I am sure the gentleman did not do it intentionally. Mr. Hirth did make the statement that he wrote the last Democratic platform, but I am going to quote you exactly what he said. We have not had a real old-fashioned Democratic convention in Missouri for the last 15 or 16 years, for the reason that we are now under the primary system. Mr. Hirth made this statement in connection with the time back yonder when we were under the old plan. He was asked in the committee where he stood politically. As a rule, such questions are not asked. We do not care how a man stands politically; we only want to know how he stands agriculturally. [Applause.] These are the words of Mr. Hirth:

> As a matter of fact, I wrote the last Democratic platform adopted in Missouri under the old convention system, and it contains a severe arraignment of the protective principle.

I simply make this statement to put Mr. Hirth in the right place, where he really belongs as a Democrat.

Under the rules adopted for the consideration of these bills the Haugen bill is somewhat between the devil and the deep blue sea, and I make that statement with apologies to the two leaders, Mr. TINCHER, of Kansas, and my friend from Louisiana, Mr. ASWELL. I am not saying which is which. [Laughter and applause.] In fact, this rule provides that there shall be a division of the time into thirds, and one-third is to be controlled by Mr. HAUGEN, one-third is to be controlled by Mr. TINCHER, and the other one-third is controlled by the gentleman from Louisiana [Mr. ASWELL]. Now, what is the result? Those who are representing Mr. HAUGEN come here and talk about this bill. The gentlemen who come here representing Mr. TINCHER do not talk about the Tincher bill; they talk against the Haugen bill [applause], and the gentlemen who come here representing Mr. ASWELL's one-third of the time—I am inclined to believe he did this himself—will talk against the Haugen bill. So, as I say, gentlemen, we are between the devil and the deep blue sea. It is like the old coon trap—they are getting us "comin' and gwine."

On Tuesday we began the discussion of this measure, and Mr. HAUGEN spoke on his bill for nearly one hour. He was followed not by Mr. TINCHER but by his representative. He designated the gentleman from New Jersey to speak for one hour, and we all settled back in our places and thought we would listen to a discussion of the Tincher bill, as the gentleman came forward in Mr. TINCHER's time. The gentleman talked for a solid hour and never mentioned the Tincher bill. Then when he got through that time and the gavel fell, Mr. TINCHER, possibly following out what he had agreed to beforehand, said, "I yield the gentleman another hour," and there was applause. The gentleman talked for another hour against the Haugen bill and never said a word about the bill he was supposed to represent. Then he was granted 10 minutes more time and then 15 minutes more time, and just before he got through he told us just in a few words something about the bill that he was supposed to talk for.

Now, that is the situation with respect to my distinguished friend, who comes to the Committee on Agriculture from the great State of New Jersey, and he comes, my friends, well recommended by the farmers of his district. He has not got a single one in his district.

I doubt if he knows what a farmer looks like. He does not see one more than once in a while—just once in a while he will see one when he is back home. He is a distinguished gentleman, of course. I am pleased to say he is a graduate of Princeton, one of the great colleges of the country. He is a great lawyer and he is a big insurance man. Why, he controls companies and managers of companies clear over yonder in Copenhagen, if you know where that is. [Laughter and applause.]

Let me tell you something else, and I do not want to offend the gentleman, of course. He learned all the agriculture he knows since he came to this Congress, and he got it by reason of the fact that he was on the Committee on Agriculture and listened to the people who came before that committee. I can prove to you by quotations from the speech he made back in March that there are things he did not know a single, solitary thing about when he came to Congress, facts that any man on the Committee on Agriculture ought to have known about before he was put on that committee.

I am not a lawyer, but I am just as well prepared to be a member of the Judiciary Committee as my friend from New Jersey is to be a member of the Agricultural Committee. [Laughter.] He has been going to school ever since Congress met in December. He has been sitting every day in that school—the Agricultural Committee—and when a man comes in and testifies he takes more of his time than any other member of the committee. There is not a man within the hearing of my voice to-day that could read everything he has said in the Agricultural Committee and the questions he has asked in three days.

Mr. FUNK. Will the gentleman yield?

Mr. RUBEY. I can not yield; I want to get through my preliminary statement, then I will be glad to yield. He has been a great student in the Agricultural Committee. He began, however, a little before that; he came here during the war; he was a volunteer and was with Hon. Herbert Hoover on the food administration, and he probably learned something about food products then. So with that and a few months' experience on the Committee on Agriculture he has learned all he knows about agriculture.

I think I can prove to you gentlemen this afternoon by taking up the speech he made on the 25th of March, that there are a lot of things a man ought to know in order to qualify himself to become a member of the Agricultural Committee that the gentleman from New Jersey does not know.

It was a good speech. I want you to read it. I would rather you men would read the speech that he made in March than the one he made on Tuesday. The one he made in March is a good speech for agriculture. Here is what he says:

> Now, what are the actual causes of the farmer's problem? The cleverest diagnosis that I have heard before our committee, of one of the fundamentals, was presented to us by the chairman of the committee of farmers who are now appealing to us for relief legislation, Mr. Murphy, of Minnesota; and this is what he thinks is the chief trouble. At first I thought it was just clever, but I have come to the conclusion that it is sound. He says it is the American protective system. By that he means not the American protective tariff alone, but the immigration law, which has dammed up the flow of labor to this country, so that the cost of labor in what the farmer has to

buy has been largely increased; the interstate commerce act, which regulates rates, and the transportation act, which fixes a fair return to the railroads; the Federal reserve act, which hedges around with its protection the capital of this country; the 8-hour laws, and the Adamson law, which lifted the wages on the railroads and sensibly affected all other labor wages in the United States.

Mr. Murphy says, and, I think, truly, that this Government has stepped in and helped in some measurable degree capital, transportation, manufacturing, and labor—by legislation directed solely to the benefit of the various groups—but has left the farmer out. He does not ask that we tear down that protecting wall, but he asks for a new tier of bricks where the farmer comes into the picture.

Mr. FORT said, "At first I thought it was just clever." He talks here like he never heard of those facts before, while there is hardly a man within the sound of my voice that did not know those facts and has not had them pounded into his head for the last three or four years. Mr. Murphy's "clever diagnosis" was known and believed in by nearly all of us; we have read it in the newspapers; we have seen it in the farm magazines; we have known that these things caused the hard situation in which agriculture is placed to-day. My friend said he at first doubted it. It seems like he had never heard of it before. So I am bringing this statement from his own speech to you as proof positive that he began his career as a farmer in the Committee on Agriculture. [Laughter.]

His speech is so good that I want to quote some more of it:

Now, there is a second trouble with the farmer, which is that the farmer has not become organized. There are six and one-half million farmers in America. There are 150,000,000, probably, in the world. And those six and one-half million, as individuals, are competing with each other and with the other 150,000,000 farmers, to sell products to organized buyers, and they have not a chance on earth in that kind of a competition and no other man and no other industry could live under it.

That is what we are asking here to-day. That is what he asked back yonder in March. He wrote a bill and introduced it in Congress and then changed his mind about the bill and said he made a mistake when he wrote the bill. He made a mistake the other day. He wrote a minority report on the Haugen bill, and later he said that he made a mistake in the minority report. He is either making a mistake or changing his mind all the time. Then he goes on and talks about the necessity for farm organization. We do not disagree with him in this; we are all for a thorough organization of the farmers. I am not going to take any more time in the reading of this speech, except to call your attention to one other paragraph which occurred toward the very last, and as I read it you will see that he knows something about the Bible, especially the Old Testament, which he has evidently been reading. He is like my friend from Missouri [Mr. NELSON], who talked to us the other day about the things that happened away back yonder in Egyptian times.

Here is what Mr. FORT said:

Having determined what is our normal consumption and our normal yield, then let us take a lesson from Joseph in Egypt and proceed to acquire in our years of plenty a surplus to carry us across the years of shortage.

He has gone back thousands of years to get an illustration and yet that is what we are doing to-day, or trying to do, in the passage of the Haugen bill. We are going to try to take care of the farmer and not let him have those awful slumps that come from year to year, when one year the prices are away up and in another year they are away down. We are trying by legislation to cure that defect.

I want to say just a few more words about the speech that the gentleman delivered on the floor of the House last Tuesday. It is very much different from the one he made in March. He argued against the bill from the standpoint of the consumer. He made a magnificent speech and it must have been pleasing to the people in his district in New Jersey. Of course they liked it. He said, in substance, in closing his speech that he believed we would just simply have to let the farmer take care of himself, because that is what he meant in the few words in which he indorsed the Tincher bill. He spoke from the standpoint of the consumer.

You know there is not a man who lives and spends his entire life in a city like St. Louis, or Chicago, or New York, or any great city, who knows anything about the condition of the farmer or that can in any way sympathize with the farmer. I do not blame the gentleman himself because he has not had the chance you and I and those men who came before our committee have had with the farmer's situation. Naturally he can not help but talk about those things which call attention to the fact that in this bill we are going to increase the prices for the farmer, if we can. He spoke along that line. The laboring men who are located in the gentleman's district, represented by organized labor, came before our committee not only this year, but they came before it when we had the McNary-Haugen bill under consideration in the last Congress, and they said that they wanted to indorse any legislation that would bring the farmer a better return for his products. [Applause.] The laboring men in his district want to do the fair thing to the farmer and put him on an equality with labor and with the manufacturing industries of the country.

Every banker, every merchant, every factory owner wants the farmer to get more money for his products. They want him to get more money so as to increase his ability to buy. In other words, to increase his purchasing power. [Applause.]

The gentleman from New Jersey was interrupted yesterday by a distinguished Member of this House from New York. I refer to Mr. MILLS. Mr. MILLS interrupted him and put some tables into his speech, and the very fact that Mr. MILLS is opposed to this bill is the very best argument for this bill which we are now considering. [Applause.] From beginning to end of that great speech of 2 hours and 25 minutes the gentleman from New Jersey put up straw men and then proceeded to demolish them. The gentleman from Iowa [Mr. RAMSEYER] interrupted him upon one occasion when Mr. FORT had made the statement that if we passed the Haugen bill we would decrease the prices of commodities to the laboring men who live in foreign lands. Mr. RAMSEYER said: "That is purely speculation," and Mr. FORT replied:

Perhaps it is, but I would be willing to sell wheat short in Liverpool if this bill passes.

A little later he objects to our bill as bringing a profit to the farmer. I never heard him say anything about his being opposed to guaranteeing the stockholders of the railroad companies a profit; that is what we did when we passed the Esch-Cummins railroad act. The Government has guaranteed the railroads a profit and the Government has aided labor. The Government has aided every industry of every kind in the United States, except agriculture. The gentleman from New Jersey [Mr. FORT] is willing to help everybody else, but is not willing to help the farmer.

Here is another piece of his speculation. He says in substance that the passage of this bill will sound the death knell to cooperative organization.

This bill is based on farm organizations, managed by a board selected by farm organizations. The gentleman from New Jersey comes from a great city near New York City. Almost every man in New York City and in New York State is opposed to this kind of legislation. Two years ago we had the McNary-Haugen bill under consideration. They used to call it the Mary Haugen bill, and I have gotten used to the name; I like it, and I am willing to have you call me Mary if you want to, because I am for this legislation and I am not ashamed of it. As I stand here to-day my thought goes back to the time of the vote on the McNary-Haugen bill. There is a gentleman within the sound of my voice, who is not now a Member of the House, but who was at that time, Mr. Stengle, who lived in New York who voted for the Haugen bill, and over on the rock-ribbed shores of old Massachusetts there was another gentleman, who has since passed to the great beyond, Mr. Greene of Massachusetts, who voted for the McNary-Haugen bill.

I have always remembered him. I can not help remembering these distinguished men from the East willing to help the American farmer. [Applause.] Are you going to follow this gentleman [Mr. FORT]? Will you follow him or will you follow the men who have given their lives to this great industry, such as those who represent great cotton organizations of the South, who came here before our committee and before the Senate? Will you follow him or will you follow these stalwart, true, and tried men of the Central and great Northwest and others who have come here and advocated legislation that will put agriculture in every section of this Republic on a more firm foundation and upon an absolutely sound basis? I do not think there is any question about which you are going to follow when you come to vote upon the pending bill.

Now, let us go back just a little. How much time have I remaining?

The CHAIRMAN. Twenty-eight minutes.

Mr. RUBEY. May I have a little more time? I believe I can appeal to my friend the white-haired, splendid gentleman from Louisiana. Will the gentleman pay attention; I have consumed 28 of my 30 minutes, and could not the gentleman give me a little time?

Mr. ASWELL. How much time?

Mr. RUBEY. About 30 minutes.

Mr. ASWELL. The gentleman is such a good man I shall have to yield as much time to him.

The CHAIRMAN. How much time does the gentleman yield?

Mr. ASWELL. Twenty-eight minutes.

Mr. RUBEY. That is all right, I appreciate it. I want to go back and talk about other things just a little while. I am going back to war times, but I am not going to stay there very long. You know when we entered the war we called upon the farmers of this country to produce in order that we might have the means whereby we could feed our soldier boys, and have enough to help feed our allies. We passed legislation in that Congress. I was here at that time. We passed bill after bill to regulate almost everything. We urged the farmers to produce and they responded nobly.

As was said by one gentleman here on the floor of the House to-day, we fixed the price they should get on wheat, the minimum price, but it became a maximum price. The farmers throughout the country, while they got a fairly good price for their farm products, they did not get what they ought to have had.

Mr. CROWTHER. Will the gentleman yield?

Mr. RUBEY. I prefer not until I have concluded. Congress established a corporation to handle the wheat. It was headed by Julius Barnes. He took control of wheat and some other products, and when the war was over, through this corporation he had made $51,000,000 in the handling of wheat. Did that go to the American farmer? No. It went into the Treasury of the United States and the farmer did not get anything out of it. The farmer had lost all the profit, of course, and we have been told that through the methods used in handling wheat and other farm products the farmers lost over a billion dollars during the war.

Mr. SCHAFER. Will the gentleman yield?

Mr. RUBEY. I prefer not. I can not yield to one without yielding to others. I want to finish my statement, please. What was the situation when the war was over? These men worked night and day. They increased their acreage, enlarged their feed lots, fed more cattle. They cultivated land never cultivated before. They produced more than the farmers of America ever thought of producing before. And let me tell you something, outside of the soldier boys, I have always given the farmers credit for winning the war. There is no class of people in this country that did as much to win the war as the farmers of America. When the war was over, what happened? Soon then after came the deflation, that unjust, cruel, and unnecessary deflation that brought ruin and bankruptcy in its wake. In every farm community the value of livestock, of farm lands, went down, and the farmers found themselves in the most critical condition they had ever before faced.

Banks failed everywhere, especially out in the agricultural districts where they had behind them agricultural securities. The farmers have been trying to get ahead; they have been keeping up production; they have been plodding along and working hard and doing everything they possibly could to get on their feet again. They have increased production and sent abroad their surplus. Those surpluses have come back to bring down prices at home. They have had to sell their surplus shipped to foreign lands at a low price. They have had to sell in competition with farm products from all over the world, and those prices have come back to America and fixed the prices of their products that were sold in the domestic market here at home. We are offering here a measure to handle that situation and to give the farmers of America an opportunity to control the prices of that surplus.

The farmers came here two years ago and asked for legislation. They did not get it. Congress made an effort to pass the McNary-Haugen bill, but it failed. Let me tell you something: I am going back to that period. I want to talk to you plainly for just a little while. It was not very long after we had the fight here in the House on the McNary-Haugen bill until the two great parties met in national conventions assembled. What did they do? They realized the condition of American farmers. I want every Democrat here to hear me, and I want every Republican here to hear me on this one proposition. They had to write their platform. I want to talk to you a minute about those platforms. Here they are; they are twin platforms. You have twin bills pending here. These platforms are almost identical. In Cleveland when they met——

Mr. MANLOVE. We have triplet bills pending here. [Laughter.]

Mr. RUBEY. Yes. In the committee two bills were first adopted, and then the third, the Aswell bill, was agreed to out of courtesy to Mr. Aswell practically by unanimous consent. The convention at Cleveland declared:

> We recognize that agricultural activities are still struggling with adverse conditions that have brought deep distress. We pledge the party to take whatever steps are necessary to bring back a balanced condition between agriculture, industry, and labor, which was destroyed by the Democratic Party through an unfortunate administration of legislation passed as war measures.

I do not like to read the last clause, because they place the blame all on the Democratic Party. You will notice that they say:

> Which was destroyed by the Democratic Party through an unfortunate administration of legislation passed as war measures.

Now, what did the Democratic Party say in its platform? They have a better platform on that question than our Republican friends. The Democratic platform is as follows:

> To stimulate by every proper governmental activity the progress of the cooperative marketing movement and the establishment of an export marketing corporation or commission in order that the exportable surplus may not establish the price of the whole crop.

What are you going to do? Are you going to pay no attention to your platform? Men on each side of the House, I ask you that question to-day. Here is an opportunity. Here is the Haugen bill. The Tincher bill will not give it to you. The Haugen bill will give you an export corporation that will handle the situation so that your domestic price will not be fixed by the export price that you get for your products that you have to ship abroad.

You talk about party lines. We have them, of course. Some folks are what are called "yellow dog Democrats" and some folks are called "yellow dog Republicans." They will vote for anything. But I am glad to say they are getting scarcer. They say, "If you do not want me to vote for a man, do not put him on my ticket." In other words, these folks are ready to vote for anybody that gets on the ticket. But those times are passing, and I am glad of it.

But listen, friends: Is it more important to vote for every man on the ticket, or is it not just as important, and possibly more so, to vote to carry out the solemn pledge that you make to your people when you go before them asking for their suffrages? [Applause.]

There is not a man in this House, Democrat or Republican, that did not stand on his platform last fall, telling the people, especially if they lived in a farming district, about that declaration in his party platform. If he were a Republican, he read his Republican platform; if a Democrat, he read his Democratic platform; and if he was elected he came here as the result of that platform. Are you going to carry out the pledges you made to the people last fall, when you told them you would vote in accordance with the platform on which you were running?

I wish I had time here to discuss at length the Haugen bill, but so many gentlemen are going to speak that you will hear it thoroughly discussed before we get through.

Mr. HUDSPETH. Mr. Chairman, will the gentleman yield for a short question?

Mr. RUBEY. Yes.

Mr. HUDSPETH. Did the Democratic platform indorse the Haugen bill?

Mr. RUBEY. No; but we indorsed a bill whose principles are now embodied in the Haugen bill. Here is what it says: "An export marketing corporation" to handle the surplus, so that "the exportable surplus may not establish the price of the whole crop."

That is in the bill.

Mr. HUDSPETH. Does not the Tincher bill do it?

Mr. RUBEY. No. It is a voluntary proposition from beginning to end, and half the people of the country may have nothing to do with it.

Mr. TINCHER. Mr. Chairman, will the gentleman yield?

Mr. RUBEY. No. The gentleman has got plenty of time.

Mr. TINCHER. I was going to yield time to the gentleman a little while ago.

Mr. RUBEY. Well, what does the gentleman want to ask?

Mr. TINCHER. I want to ask the gentleman if he construed either of the party platforms as indorsing a bill that contemplated a subsidy for agriculture?

Mr. RUBEY. Well, you will have to indorse them both, because both of them have subsidies in them.

Mr. TINCHER. Well, the gentleman disagrees with the author of one of the bills in that; but does the gentleman construe either of the platforms as indorsing in substance a subsidy from the Federal Treasury?

Mr. RUBEY. For two years, of course.

Mr. TINCHER. Does the gentleman think that would influence production?

Mr. RUBEY. No; not to amount to anything. But I can not yield further.

Mr. TINCHER. I will yield to the gentleman five minutes, because I took up some of his time.

Mr. RUBEY. All right; I am much obliged to the gentleman.

Now, we have before us here a bill which is an ideal plan. We have a board that is so constituted that it makes this bill an agricultural bill. We have a council made up of men from every one of the 12 land-bank districts, making 48 members. That is known as the council. They meet and they select 3 men from each land-bank district to submit to the President; and, from the 3 men the President selects, 1 to represent the district, constituting a board of 12, to be known as a Federal farm board. We have a board that is a farm-created board—a farm-operated board, and a board that will handle the business for the American farmer.

For just a little while I want to discuss another matter, and that is the equalization fee, because there are so many misrepresentations about it. My friend on Tuesday talked about the farmers coming here and asking us to take the equalization fee off. He said the farm representatives finally came in and asked us to take the equalization fee off, but in that Mr. FORT is in error. Let me tell you what happened.

Farm representatives from the West appeared before our committee. We were anxious to have them come here. A gentleman was giving evidence before the committee, and the member of the committee from South Carolina [Mr. FULMER] asked him why he did not get the representatives of the cotton industry to come up here. He said:

> Write to those organizations and get them up here and confer with you.

He did write to them, and they came, but they did not ask us to take off the equalization fee. I am telling you what I know. I was present when those gentlemen made their appearance before the Senate Agricultural Committee. I went over there with some Members of the House—my friend from South Carolina [Mr. FULMER], and the gentleman from Oklahoma [Mr. SWANK], and others. The cotton representatives made their presentation to the Senate Committee on Agriculture. They said they favored an equalization fee. They made their presentation in a fine and in an eloquent way. What happened? Let me tell you something.

When they got through talking some of the southern Senators vigorously protested against the equalization fee, or, as they called it, a tax on the farmer. They are the gentlemen who commenced the work of defeating the equalization fee. It was not the farmers of America, and it was not the representatives of the farmers; and, in fact, it was not the representatives of the southern farmers who came here that brought about the deferring of this equalization fee for two years. What happened? When the Senate committee reported their bill they took the equalization fee off of cotton, or, rather, they deferred it for three years, and they left it on the other products of the West. Then there came up a discussion as to whether we ought to put it on one and not put it on the other, and as a final result the men in the House and in the Senate, those who are interested in the passage of this kind of legislation, finally decided that the best thing to do in order that we might pass this kind of legislation and get it through the Senate and the House was to defer it on all products for the same period of time, two years, and that was done.

Then what happened? Consultation was had with representatives of the farmers who were here urging the legislation, including those who came from the Cotton States, the Corn Belt, the Committee of Twenty-two, the American Farm Bureau, and others upon the question of deferring the equalization fee for two years and they finally consented. Those are the facts. When any man gets up on the floor of the House here and says that the farmers of the country asked to defer the equalization fee or that the farm representatives who came before the committee asked that the equalization fee be deferred, they are absolutely and entirely wrong.

Mr. KETCHAM. Will the gentleman yield?

Mr. RUBEY. I prefer to finish my speech. The gentleman can get all the time he wants.

Now, gentlemen of the House, we have this bill before you. I would be glad to tell you how you happened to get all three of these bills at once, but under the rules I can not do that. They will not allow us to tell what happened in the committee, but I would be glad to do it. I want to say this, however, that the bringing in of all three bills at one time was not a unanimous proposition by any means, but they got enough votes, and they brought two in at once, and later on, by unanimous consent, they brought in the third bill, the bill of the gentleman from Louisiana.

Our committee has been in careful consideration of all these measures ever since the 5th day of March. We have worked day in and day out, and we have worked lots of nights. We are the only committee in the House of Representatives that gives every man who comes before the committee absolutely unlimited time. When a man comes before the committee as a witness he can talk as long as he wants to talk. Then when he gets through his first discussion we go around the table and every committee member has unlimited time in which to ask him questions.

We went thoroughly into the discussion of this bill during the whole of the month of March and up to the time we made our report.

I am a member of the Agricultural Committee. We are good friends, all of us. We get along nicely. We have a little politics now and then because that is good for the best of men, and when one fellow butts in and makes a little political speech or political suggestion of some kind on one side you can not expect a fellow on the other side to sit still, so he butts in, and we get a little discussion now and then of politics. But let me tell you folks there is not a single, solitary scintilla of politics in the Haugen bill. We have a measure here that brings relief to the cotton people in the sunny South. It goes into that western country and into the great Northwest and takes care of wheat. It takes care of your cattle and hogs all over the country, wherever they may be.

So, my friends, we have a bill here that touches every section of the country. We have a provision in the bill which takes up outside products. It takes up the tobacco of my friend from Kentucky. It takes up dairy products. Every one of those products can be handled under the provisions of this bill.

Gentlemen, I appreciate your kind attention. [Applause.]

Mr. ASWELL. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. JACOBSTEIN].

Mr. JACOBSTEIN. Mr. Chairman and gentlemen of the committee, I had not intended to speak on this subject or on any of the specific agricultural bills now before the House. I thought I would make my little contribution, humble as it is, by merely exhibiting charts which I had prepared and worked out for me by the splendid staff of the Bureau of Agricultural Economics of the Department of Agriculture. As some of you know, I hung these charts in the corridor and let the charts speak for themselves. A number of gentlemen were kind enough to express some appreciation of the charts and asked me to present the substance of them, with an explanation, to the Members of the House, which I am glad to do.

These six charts which are now displayed before you set forth graphically the price trends of important basic agricultural commodities in relation to prices of nonagricultural commodities. The basic commodities here treated are those which are specifically named in one of the principal bills—the Haugen bill, H. R. 11603—now under consideration—wheat, corn, cattle, hogs, cotton, butter. A general average is also presented for 30 representative agricultural commodities, including these 6 basic commodities, as related to the wholesale price level for nonagricultural commodities.

There are two questions that are frequently asked which I think these charts might help to answer. One question is this: "Is not the disparity between prices of agricultural and industrial commodities being wiped out, so that we do not need any legislation?"

This question is naturally asked, since many persons in high authority, including administration spokesmen, have indicated within the past few months that agricultural prices are gradually but surely reaching the level of other prices. Of course, if you accept this view, then the farm emergency and the corresponding need for legislation have passed. I hope to shed some light on this question as I present and discuss the facts portrayed in these charts.

The second question asked is of tremendous importance: "Is this a fight between the city and the farm interests?" Ever since the question was asked by the gentleman from New York [Mr. MILLS], and others, as to whether the legislation here before us is going to increase the price of necessities to the consumer, from that moment on it looked as if this were a fight between the producers and the consumers of farm products. This question, too, I hope to answer as I proceed with my statement.

As I understand it, the proponents of this farm legislation say that what the farmer has to sell does not enable him to purchase now as much of other commodities as he was able to buy before the war. Is it true that the purchasing power of the

farmer's products has shrunk? Is it true, for instance, that the bushel of wheat will not to-day buy for him shoes, clothing, furniture, agricultural implements in the same quantities as it did before the war?

In discussing these questions, gentlemen, I think we make a mistake if we consider agriculture as a single unit. Before I get through I hope you will see the necessity of treating separately the problems of farmers by the individual commodities that they produce. In other words, we have a series of problems, a cotton problem, a wheat problem, a corn problem, a hog problem, a cattle problem, and not merely a general agricultural problem to solve.

Before I proceed with a discussion of these charts, may I remind you that I come from an agricultural as well as an industrial community in western New York, a very rich agricultural community. Furthermore, I lived for several years in the Northwest, so that I approach this subject with a sympathetic interest, and, I hope, an understanding born of actual contact with farmers and their problems.

Now, let us look at the charts—Chart No. 1, wheat prices. We take the wholesale prices of about 300 commodities representative of what the farmer buys, which we call nonagricultural commodities. They are represented by the red line on each chart. I have not the time to list them all, but they include the principal items of boots and shoes, clothing, cotton goods, woolen goods, coal, oil, iron and steel products, household furniture, kitchen utensils, leather goods, lumber and bricks, drugs, fertilizers, and other important products of daily consumption. These commodities are sufficiently representative of the things the farmer buys but does not produce. We take the prices of these articles for a five-year period, from August, 1909, to July, 1914. The average, weighted according to their importance, is used as a base, called 100.

Then we take the average price of each farm product for the same five-year period and call that 100. We then proceed to compare the price curve for nonagricultural products with each farm product for each year over the entire period from 1910 to 1926. This gives us a picture of price trends.

WHEAT PRICES

Let us trace wheat prices on the wheat chart. You will observe that before the war, between 1910 and 1914, the heavy black line (representing the wheat price) hovers closely around the red line (representing nonagricultural prices), and that they do not remain out of line very long prior to the war.

Mr. LARSEN. What is the percentage of those lines?

Mr. JACOBSTEIN. The chart can be read both in terms of percentages of the pre-war averages and of actual prices. When the prices of nonagricultural commodities went up to 105 in 1910 wheat was selling at 20 per cent above the average; that is, the price of wheat was 120.

Mr. COOPER of Wisconsin. Wheat is the black line?

Mr. JACOBSTEIN. Yes; wheat is the black line, and the red line represents all things that the farmer buys, nonagricultural products. The other day I called attention to the implied error made in the question of the gentleman from New York [Mr. MILLS]. He failed to exclude the things the farmer produces in comparing prices. The proper comparison is between prices of wheat the farmer produces and sells, on the one hand, and the prices of things he buys and does not produce, on the other.

So you will notice the black line follows the red line except in such years as 1914–15, where you had a world wheat shortage coincident with a heavy war demand. Likewise, in the abnormal war period, 1917 to 1920, when the wheat price was affected by war conditions and domestic price control by the Government. The wheat price then was way up above the red line during the period of this war influence. Therefore, in that period the wheat growers operated advantageously; that is to say, they were able to buy with a bushel of wheat more products than they were able to buy prior to the war.

Mr. MANLOVE. Will the gentleman yield?

Mr. JACOBSTEIN. Yes.

Mr. MANLOVE. I wonder if it is generally understood that the disparity between each one of these blocks on the chart represents 10 cents.

Mr. JACOBSTEIN. That is approximately so; but, for the moment, I want you to forget the absolute price, and I want to direct your attention to the relative prices, represented by index numbers, an index number being the price to-day compared with prices in some base period. In this way only can we truly or effectively compare the price of a single commodity with an average of many commodities over a period of years.

Mr. COLLINS. Will the gentleman yield?

Mr. JACOBSTEIN. Certainly.

Mr. COLLINS. Are these wholesale prices of nonagricultural commodities?

Mr. JACOBSTEIN. Yes. We take the wholesale prices largely because retail prices paid by farmers are not available for many commodities over a period of years. It is true that retail prices are higher to-day than the wholesale prices, but they were also higher than wholesale prices before the war. The retail prices are always higher than the wholesale prices, but what we are interested in is the change that has taken place in the retail prices paid by farmers. My argument here assumes that the general level of wholesale prices of nonagricultural commodities represents, for all practical purposes, the level of prices paid by the farmer. I am informed by the Department of Agriculture that this is the assumption underlying the price statistics in their reports—that is to say, that if we had a curve representing retail prices, it would to-day be where the wholesale curve is, namely, about 60 to 70 per cent above the pre-war price level.

Mr. MANLOVE. Is not that the very crux of the whole thing—that the disparity is between the price relativity of the agricultural commodities?

Mr. JACOBSTEIN. I am not sure I understand your question. The farmer who sold a bushel of wheat any time between October, 1920, and October, 1924, received, on an average, $1.15; he went into the market to buy clothing, shoes, canned goods, furniture, farm machinery, and so forth, but did not secure the same amounts of merchandise as he did prior to the war. In order to purchase the same quantities of general merchandise his wheat should have sold for about $1.45.

Mr. WEFALD. Is it not a fact that the farmer sells in the wholesale market and buys in the retail market?

Mr. JACOBSTEIN. That is true. The farmer spends more of his income in the retail market than do other producers, and sells in the wholesale market, and to this extent it is an additional factor operating against the farmer; but I do not want to get into that kind of discussion at this point.

Mr. WEFALD. But is not that the fact?

Mr. JACOBSTEIN. To elaborate my reply, it would be necessary to enter into a discussion of costs and net income, and this would carry me beyond the time allotted me.

From 1919 the price of wheat fell, and all of this area between the red line—nonagricultural prices—and the black line—wheat prices—indicates a loss which the wheat farmer took for the period of about five years, and that is what gave great impetus to the agitation and demand in this country for farm-relief legislation. The McNary-Haugen farm relief bill of 1924 arose in large part out of the distress in the wheat areas. The actual loss in dollars and cents which the wheat farmers of the United States suffered by virtue of the drop in the purchasing power of their product from July, 1920, to July, 1925, amounted to $1,150,000,000. That is to say, the wheat farmers were able to buy with their actual cash income from wheat a billion dollars less of other goods than they used to buy before the war with the same income. To put this in another way, to have bought the same amount of goods the wheat growers should have received at least an additional $1,000,000,000 from 1920 to 1925.

Mr. RATHBONE. Will the gentleman yield?

Mr. JACOBSTEIN. I will.

Mr. RATHBONE. It is apparent from the chart that the farmers' prices have been below the wholesale prices in other commodities.

Mr. JACOBSTEIN. Yes. So far I have dealt with wheat only. For this crop, prices have been far below other prices from the middle of 1920 to the middle of 1925, using the pre-war period as a base. The farmers' prices for other crops are not necessarily like that for wheat, as we shall see. Each crop has its own set of experiences. When wheat is down, it does not follow that other crops are down. You will notice that most of the time since January, 1925, wheat has been at or above par.

Mr. LARSEN. Will the gentleman yield?

Mr. JACOBSTEIN. Yes.

Mr. LARSEN. There has been a great fluctuation in wheat in that time.

Mr. JACOBSTEIN. Yes; great fluctuations since 1920, and unfavorable to the wheat farmer up to January, 1925, and favorable to wheat since 1925. The crisis for the wheat farmer has for the present disappeared, and that is the thing, I think, that threw my friend from New York off the path. He was talking about the disparity being wiped out. He was probably thinking only of wheat since 1925.

Mr. SUMMERS of Washington. Will the gentleman yield?

Mr. JACOBSTEIN. I yield to the gentleman.

CHART 1

WHOLESALE PRICES OF NON-AGRICULTURAL COMMODITIES
COMPARED WITH
WHEAT PRICES
MONTHLY-1910 TO DATE

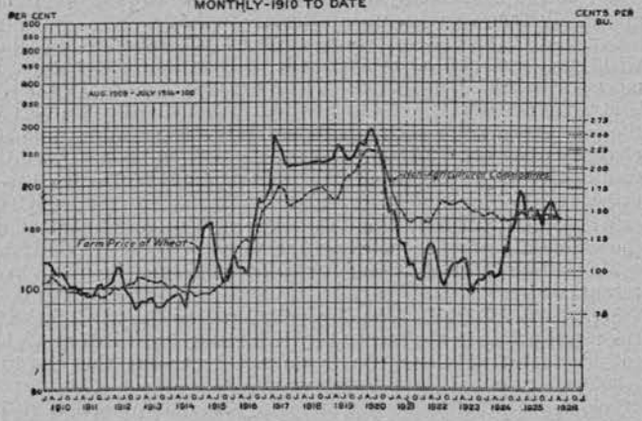


CHART 2

WHOLESALE PRICES OF NON-AGRICULTURAL COMMODITIES
COMPARED WITH
CORN PRICES
MONTHLY 1910 TO DATE

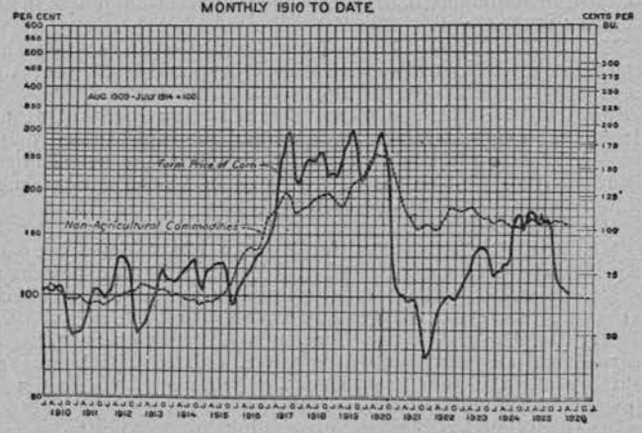


CHART 3

INDEX NUMBERS OF FARM PRICES AND WHOLESALE PRICES
OF NON-AGRICULTURAL PRODUCTS-UNITED STATES
MONTHLY, 1910-1926

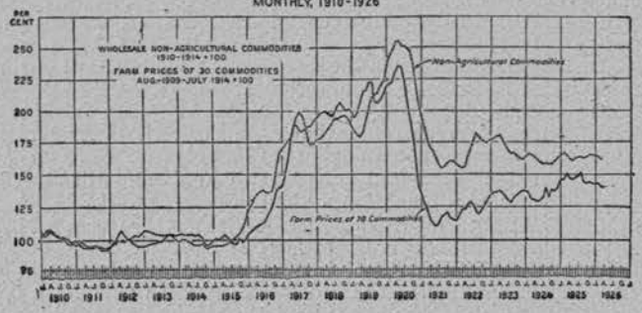


CHART 4

WHOLESALE PRICES OF NON-AGRICULTURAL COMMODITIES
COMPARED WITH
COTTON PRICES
MONTHLY-1910 TO DATE

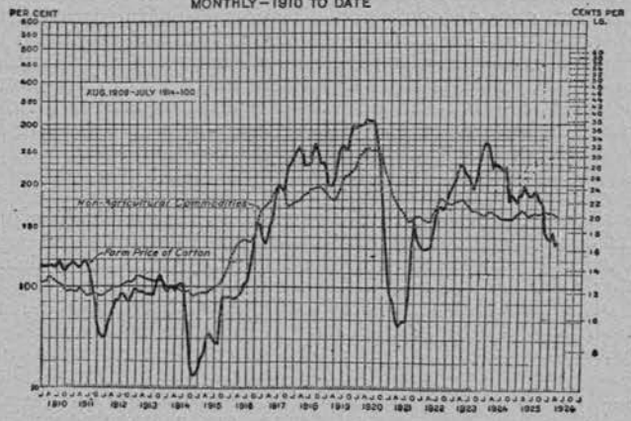


CHART 5

PRICES OF WHEAT, WHEAT FLOUR, AND BREAD, AT MINNEAPOLIS
AND OF WHEAT FLOUR AT NEW YORK CITY
1913-'14 — 1922-'23

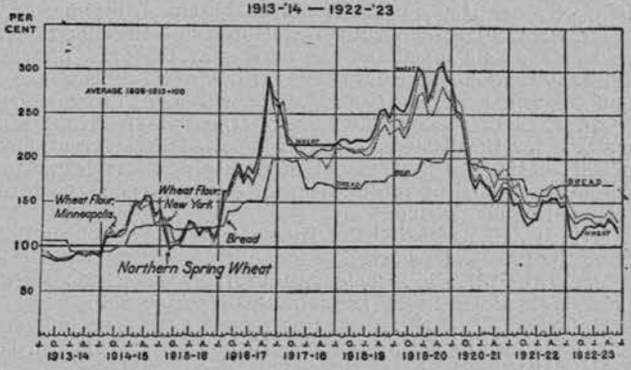
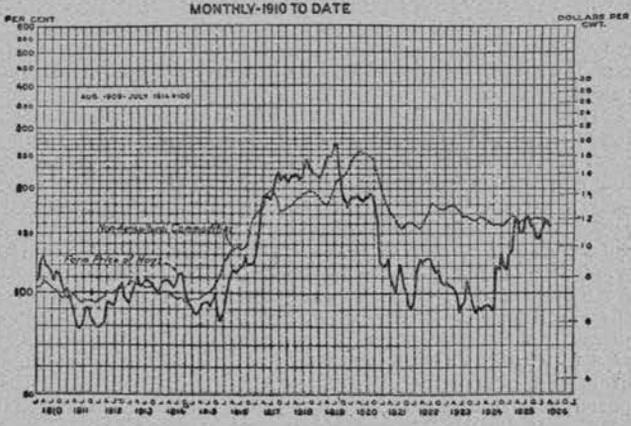


CHART 6

WHOLESALE PRICES OF NON-AGRICULTURAL COMMODITIES
COMPARED WITH
HOG PRICES
MONTHLY-1910 TO DATE



Mr. SUMMERS of Washington. When the price of wheat went up at the beginning of 1925, it is worth while mentioning that it was out of the hands of the wheat farmers.

Mr. JACOBSTEIN. It is generally true that farmers fail to take full advantage of a rising market. But, furthermore, the shortage in the Canadian wheat crop in 1924 was apparently not realized by the American farmer until after the wheat had left his hands. That is another problem which we can not go into at this time—that although wheat reached as high as $1.70 on the farm toward the end of the marketing season the average price realized for the entire crop was less than $1.30.

Mr. KETCHAM. Will the gentleman yield?

Mr. JACOBSTEIN. Yes.

Mr. KETCHAM. To what extent does the regulation of production account for the rise in the price of wheat?

Mr. JACOBSTEIN. I do not think the regulation of domestic production was responsible for this increase in price.

Mr. KETCHAM. In other words, what relation did the total amount of production have to the price of wheat?

Mr. JACOBSTEIN. The high prices occurred at a time when our own crop, 873,000,000 bushels, was the largest since 1920.

Mr. LARSEN. The gentleman says that the wheat had passed out of the hands of the producer?

Mr. JACOBSTEIN. Yes; before the peak had been reached.

Mr. MORGAN. Will the gentleman yield?

Mr. JACOBSTEIN. I will.

Mr. MORGAN. Has the gentleman the prices of the nonagricultural products, the wholesale prices, that he can insert in the RECORD to show the comparison with the price of wheat?

Mr. JACOBSTEIN. Yes; I have the absolute prices of these commodities, which can be found in the monthly bulletins of the Bureau of Labor Statistics. But there would be no point in reproducing these detailed prices in the RECORD. You gentlemen understand that this is a composite index, which represents approximately 300 articles, all of which are directly or indirectly used by the farmer but not produced by him.

Mr. SHALLENBERGER. I am interested in what the gentleman has said about how he arrives at the price of wheat. Does the gentleman mean to say that this relative price does not apply to the same place such as, we will say, Chicago?

Mr. JACOBSTEIN. The price of wheat in this chart is the average for the United States, as reported by a large number of farmers to the Department of Agriculture. It is the price actually received at the local grain elevator when the farmer disposed of his product.

Mr. SHALLENBERGER. How does the gentleman determine the prices of wheat?

Mr. JACOBSTEIN. They are averages of the local farm prices as reported to the Department of Agriculture.

Mr. SHALLENBERGER. But there are a thousand places where you are trying to find the price of wheat. Do you have that in the line?

Mr. JACOBSTEIN. Yes. The reports cover all States. I have no reason to doubt that the prices are typical, since they were prepared and supplied to me by the Bureau of Agricultural Economics, with its splendid staff of economists and statisticians. As a matter of fact, all the data presented here can be found in the current publications of the Bureau of Agricultural Economics.

Mr. SCHAFER. Mr. Chairman, will the gentleman yield?

Mr. JACOBSTEIN. Yes.

Mr. SCHAFER. On this side of the chart you have these two lines, practically converging in 1925, which would seem to indicate that the farmer can purchase on a 100 per cent basis and sell at a 100 per cent basis.

Mr. JACOBSTEIN. Yes.

Mr. SCHAFER. That would not convey a true picture, because this purchasing power is not really the amount that he can purchase, because these figures are based on wholesale prices.

Mr. JACOBSTEIN. I think I had better explain that right here. This seems to be confusing to some people. Suppose you had the retail price line on this chart. The retail curve might be coincident or closely parallel to the red line (wholesale), because it is a percentage line. It is where the price stands to-day with respect to where it was in the five-year period from 1909 to 1914. On the other hand, I admit that when the farmer buys, when he is paying the absolute prices for fences and plows and what not, he certainly has to pay the retail price. Retail prices are higher than the wholesale prices, but the percentage of increase might be the same. The retail price to-day as compared with 1909 may not be any greater in proportion than the wholesale price to-day as compared with 1909, and the assumption I am making is that a retail curve, if we had one, would be close to the wholesale curve.

Mr. WEFALD. That shows again that the picture on account of the first five years the gentleman speaks about is not absolutely true and accurate either.

Mr. JACOBSTEIN. It is as near as you can get it to-day, with such material as is available. There is a slight error in most statistics. It is as close as we can get to a true picture.

Mr. HUDSPETH. If the gentleman admits the premise of the gentleman from Minnesota [Mr. WEFALD], I think then his charge is correct. Let me suggest to the gentleman that the retail price of meat is about ten times as much as the wholesale price.

Mr. JACOBSTEIN. Yes. But the retail price was far above the wholesale price even before the war.

Mr. HUDSPETH. Then your chart would not be a fair representation.

Mr. JACOBSTEIN. The disparity between the wholesale and the retail prices is not touched by this chart, but I call attention to the fact that these charts do not represent the absolute wholesale price. It is a percentage. If a man could buy a suit of clothes at the wholesale price in Chicago for $20 in 1919, and it is sold for $30 to-day, the index figure to-day would be 150. That is the percentage. It has gone up 50 per cent, and we will put a dot here at the figure 150. Suppose the retail price were $30 in 1909 and the price now jumps to $45, that would be a raise of 50 per cent, and our point would be here just the same, because it is a relative number, again 150. This presents, I think, as near as possible, a pretty fair picture.

Mr. FORT. I have not yet gotten the basis of the gentleman's averages. How are they weighted? What is the basis of weight. Is the same value attributed to a package of pins as to a package of something much more valuable?

Mr. JACOBSTEIN. No. In considering this composite price index number they attempt to give a weighted average according to the volume of the transactions in each community in the country during 1919.

Mr. W. T. FITZGERALD. Does the gentleman say now that the retail price is parallel with what it was five or six years ago in a case where the overhead expense comes in?

Mr. JACOBSTEIN. Oh, no. I am not saying that at all. It would be very illuminating if we had the retail prices, as we now have the wholesale prices. Before leaving wheat, then, is it not true that so far as the price of wheat is concerned, the critical fever point has been passed?

Mr. BEGG. Oh, no.

Mr. JACOBSTEIN. As far as the chart carries us—to April, 1926—I do not know what is going to happen next year.

Mr. CLAGUE. The critical point has not passed so far as anything the farmer has to buy is concerned.

Mr. JACOBSTEIN. But I mean so far as this year is concerned, the disparity in wheat which existed two years ago, three years ago, four years ago, five years ago, has been very largely, if not entirely, eliminated.

Mr. RATHBONE. Taking everything just as you say in that period of time covered by the chart, it is undoubtedly shown by that chart that the price has been on the average in that period of time lower than the wholesale prices of other commodities.

Mr. JACOBSTEIN. That is right. Wholesale nonagricultural prices have remained pretty constant for the last five years, and wheat has gone up from a dollar to a dollar and a half. Is not that true? These wholesale prices everyone knows have been pretty constant for the last five years.

Mr. RATHBONE. Let me ask one more question. This chart begins with 1900?

Mr. JACOBSTEIN. Nineteen hundred and ten, based on the five-year average from 1909 to 1914.

Mr. RATHBONE. Has the gentleman a chart showing prior to that time? Prices were lower then.

Mr. JACOBSTEIN. We went back far enough to show that wheat prices hovered around the general price level prior to the war. The farmers got stung pretty badly after the war was over, with their increased acreage still producing wheat. The price of wheat fell much lower than prices generally.

Mr. SUMMERS of Washington. In 1925 there was a shortage of wheat in this country of more than 125,000,000.

Mr. JACOBSTEIN. That is true, and it is likely that if our crop had been of normal size domestic prices would have been lower. Let us now consider corn. Here you see how unwise it is to discuss agriculture without differentiating between the crops. [Chart No. 2, Corn prices.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAUGEN. I yield the gentleman 15 minutes.

Mr. TINCHER. I will yield the gentleman 15 minutes if he will use it himself.

The CHAIRMAN. The gentleman is recognized for 30 minutes.

CORN PRICES

Mr. JACOBSTEIN. I want to announce that I am not competing with the able presentation made by the gentleman from New Jersey [Mr. FORT]. [Applause.] This chart pictures instantly to your mind why the corn farmers are more interested in legislation at the present moment than perhaps anybody else. [Chart No. 2, Corn prices.] This is the key to the demand for farm legislation to-day. The corn farmer has been, and is yet, a very heavy loser. The actual loss to corn producers since 1919, shown on this chart, has been over a billion dollars. The index of wholesale prices of nonagricultural products is about 160, whereas the index number for corn is almost 100. In other words, so far as corn prices are concerned, there is a tremendous disparity, and no one can stand upon this floor and say there is no farm problem; if so, he does not recognize facts. [Applause.]

The farmers who raised corn prior to the war received a price in line generally with the price of other (nonagricultural) commodities. To be sure, there was some fluctuation, but not much more than 20 per cent above or below the general level. But since 1920 corn has varied from as high as $2 a bushel down to 40 cents, lower than at any point in the past 15 years. When corn struck the 40-cent bottom, or 40 per cent below the pre-war level, other prices were 50 per cent above. Furthermore, only in one year during the past six years have corn prices been at par, and that was the result of the short crop of 1924. The present large crop has brought corn prices down to pre-war levels. Even while I am talking corn is reaching the lowest point of this season, a general average of 60 cents on all farms and even lower in the Corn Belt.

As you all realize, the losses of the corn farmer are registered not only in the farm price of corn, but also in the farm price of hogs. This is so because about 80 per cent of the corn crop is usually fed to hogs. Now, then, what happened to hog prices as revealed in this hog price chart? [Chart No. 6, Hog prices.]

HOG PRICES

The losses of hog producers, you will observe, go back even earlier than those from corn. Just as soon as the war was over and the excess of meat products on the world markets became known domestic prices immediately slumped, and in general continued to fall until the middle of 1924. In fact, the curve of hog prices since October, 1919, except for a brief period of a few months, has never been above the line representing the general level of nonagricultural prices, and throughout the long period was considerably below par and practically at pre-war levels, which means that they have been 50 per cent below par in purchasing power. The average price during this period was near 8 cents a pound, when a 12-cent price would have been justified by the level of other prices. The significant fact in the present hog situation is that, even as a result of reduced hog supplies, the price has barely risen to the general level of nonagricultural prices. Without posing as a prophet, I will leave it to you to judge the immediate future should present low prices of corn induce larger supplies of hogs next year.

In terms of what hog prices were and what they should have been, the hog producers lost approximately $2,600,000,000 in the past six years. [Applause.]

Mr. SINCLAIR. Now, as to the loss on corn?

Mr. JACOBSTEIN. On the same basis cash corn farmers lost about $1,000,000,000 and the hog people lost $2,680,000,000. They would have had that much more money in their pockets if they could have received an average price in line with the level of prices of nonagricultural commodities on a pre-war basis. [Applause.]

CATTLE PRICES

Our next chart, on cattle prices, speaks for itself. It is a very sad story indeed. I was in Missouri three years ago and a year ago, when I met some cattle people, and I thought they were spoofing me when they told me they were broke. Now I can really understand it. The cattle producers have been losing constantly and heavily since July, 1919. They have not begun to approach the prices they are entitled to by comparison with other prices, and they have not yet regained their purchasing power for the cattle that they sell. They have been getting from 5 to 6 cents a pound, but should have been receiving 8 cents a pound to restore their purchasing power to a pre-war basis.

Notice that the favorable price rise of 1925–26 brought the average up to $7 a hundred pounds, which is still considerably below normal. Here is real evidence of a wide and disastrous price disparity of serious moment, not only to the livestock producers but to the country as a whole.

Mr. LARSEN. How much have they lost?

Mr. JACOBSTEIN. Two billion three hundred and sixty million dollars.

Mr. LARSEN. Since when?

Mr. JACOBSTEIN. Since July, 1919. Cattle have averaged only between $5 and $6 a hundred. You gentlemen who are interested in cattle will bear that out.

Mr. HUDSPETH. Mr. Chairman, will the gentleman yield?

Mr. JACOBSTEIN. Yes.

Mr. HUDSPETH. That covers a period of six years?

Mr. JACOBSTEIN. Yes; and to break even it should have been about $8 a hundred. They lost 50 per cent of their purchasing power. I do not see how anyone can face these charts, which were constructed by disinterested people, and say there is no farm problem in America. [Applause.]

BUTTER PRICES

The gentleman from New York [Mr. SNELL] showed his interest in butter the other day by interrogating one of the speakers. I think a mere glance at this butter chart, even looking over it hastily, will indicate to you that the butter people have not suffered as much as other farmers. The dairy industry generally has been considered good, but even here, in terms of relative prices, butter has been about 10 per cent below par from 1921 to 1923. This, however, was partly offset by increased production during this period. Through the whole 15-year period since 1910 butter prices have followed the general price level more closely than other basic farm commodities. The recent increase in the butter tariff through the Tariff Commission, sanctioned by the President, has apparently stabilized the price a little further and the butter people are doing pretty well. The dairy products have lost less money than any one of the crops that would be covered by any of these so-called agricultural relief bills. But even here, taking all dairy products into consideration, the total money loss reached nearly a billion dollars. I am aware, of course, that this was largely made up by increasing the supply.

COTTON PRICES

I think this cotton chart is very illuminating, because it suggests the reason why cotton producers are now exhibiting a keener interest in farm relief legislation. [Chart No. 4, Cotton prices.]

Mr. MANLOVE. Mr. Chairman, will the gentleman yield for a brief question? Have you data on poultry?

Mr. JACOBSTEIN. No.

Mr. MANLOVE. Just the basic crops?

Mr. JACOBSTEIN. Yes; just the basic crops that are directly mentioned in the pending bills. Of course, when there is too great a crop of cotton the world markets control. The basic fact in the cotton situation is that world demand is the potent factor. We had a great disparity in 1914–15, as a result of a combination of factors—a large crop, business depression, and the beginning of the World War. In 1917 we had a recovery, and cotton remained above par until 1920. A sharp break in 1921 was followed by a quick recovery in 1922, and prices remained above par until the movement of the present enormous crop.

To-day cotton is bringing between 16 and 17 cents at the farm, as an average for all grades. To break even on a pre-war basis, and bring it in line with other commodities, cotton should bring about 20 cents. It is this slump, and the doubtful future prices which are the reason why our cotton friends are interested in this legislation. If I lived in the South and represented a cotton district, I would naturally be more interested in this legislation at this moment than I would have been when the McNary-Haugen bill came up two years ago.

Mr. LARSEN. They are losing now about 2 cents a pound?

Mr. JACOBSTEIN. Yes.

Mr. SUMNERS of Texas. Are those figures on the middling basis?

Mr. JACOBSTEIN. They fluctuate like middling, but are the actual average for all grades as received by cotton farmers at the farm.

Mr. FORT. Mr. Chairman, will the gentleman yield a moment for a question on cotton?

Mr. JACOBSTEIN. Yes.

Mr. FORT. Your chart there is based absolutely on the price, and not on any relation between price and production?

Mr. JACOBSTEIN. The chart is based only on the unit price. It is absolutely what the farmer gets per pound when he gets rid of his crop. But I realize that the price per pound is not the only factor.

Mr. FORT. And if a cotton farmer of the South was getting, for illustration, 150 pounds to the acre, his income might be better than 100 pounds to the acre at a higher price?

Mr. JACOBSTEIN. Yes. To that extent he gets an additional income or profit from his entire crop. The fluctuations in cotton prices during the past three years have been offset by the variations in the size of the crop.

Mr. CRISP. Mr. Chairman, will the gentleman yield?

Mr. JACOBSTEIN. Yes.

Mr. CRISP. Will the gentleman state how much the cotton producers lost in that period?

Mr. JACOBSTEIN. From 1919 to the middle of 1925, according to the figures, the cotton producers appear to have gained $380,000,000. [Laughter.]

Mr. CARTER of Oklahoma. Mr. Chairman, I ask that the answer of the gentleman from New York be stricken from the RECORD. [Laughter.]

Mr. JACOBSTEIN. I simply want to indicate to you that facts are facts. To me there is no such thing as a Republican fact or a Democratic fact.

Mr. CRISP. The thing I wonder about is where that gain went.

Mr. BARKLEY. Mr. Chairman, will the gentleman yield?

Mr. JACOBSTEIN. Yes.

Mr. BARKLEY. Can the gentleman inform the House how much the loss would be to the cotton growers if the present disparity, shown by the chart, should continue for some length of time?

THE OUTLOOK FOR 1926

Mr. JACOBSTEIN. Between 2 and 3 cents a pound on a crop of about 16,000,000 bales of 500 pounds each. You gentlemen who are interested in agriculture ought to get the Agricultural Outlook for 1926, Circular 65, published by the Department of Agriculture two months ago, in which the outlook for this summer and fall is given for each of the leading crops. The United States Department of Agriculture, in a general way, suggests the probable future as to these crops, and anyone who wants to form a judgment in the light of legislation upon these forecasts should consult that circular.

Take, for instance, cotton. Some one asked, What are cotton growers going to lose if this price disparity continues? They are now losing 2 cents per pound. The forecast is that the conditions under which the new crop will be marketed are uncertain, but there is no market indication that the mill demand will increase in the coming season, and therefore the prices will not be higher. In other words, the outlook for cotton is none too favorable; but, of course, you understand, the department is not, and can not be expected to be, too definite or too explicit. I will read you from this report the cotton outlook for 1926:

COTTON OUTLOOK

Costs of production of cotton will probably be about the same as in 1925 and growers would do well to proceed with care when planning their acreages for the present year. For the last two seasons the rate of world production of cotton has exceeded the rate of world consumption, with the result that stocks have been increased. Although these stocks are not yet burdensome as a whole, further material increases might easily make them so. The conditions under which the new crop will be marketed are somewhat uncertain, but there is no marked indication that the mill demand will exceed that of the present season.

Since we are on this question of crop prospects, let me read you the department's outlook on corn:

CORN OUTLOOK

A corn acreage the same as in 1925, with average yields, will be sufficient to meet feeding and commercial requirements as fully as in 1925. A yield slightly above average and an increase in acreage coincident with decreased feeding requirements for hogs and cattle were principally responsible for the low prices now prevailing. Although the low prices have stimulated the commercial uses for corn, this outlet requires only a small part of the crop, and the feeding demand should be given particular attention by corn growers.

Mr. DICKINSON of Iowa. So stay off of corn?

Mr. JACOBSTEIN. Yes; stay off of corn, if the weather looks good. Now, let me quote the wheat outlook:

WHEAT OUTLOOK

With an increase of 4 per cent in the hard-winter acreage planted last fall and the crop going into the winter in good condition, a production of this class of wheat somewhat larger than in 1925 seems probable. Therefore if any acreage of spring wheat equal to last year is planted and average yields are obtained, there will be a surplus of hard wheats for export. Present indications are for another short crop of soft winter wheat in 1926. Although it is yet too early to form an estimate of the 1926 world wheat production, a slightly smaller world crop outside of the United States may be expected. The areas of winter wheat in the countries already heard from are slightly smaller, and the unusually high yields of 1925 are not likely to be repeated. World stocks at the beginning of the new crop year will probably not be large. From present indications it is reasonable to expect that the returns from spring wheat in 1926 will compare favorably with the returns that might be realized from other grains in the area adapted to spring-wheat production, although there is not likely to be a continuation of the present unusually favorable situation, which is due to the short crop in 1925.

That is to say, while the wheat situation has been pretty good, due to the shortage of 1925, the outlook for 1926 is not to be based upon the 1925 favorable situation.

The 1926 outlook as to hogs is as follows:

HOGS

The outlook for the swine industry throughout 1926 appears very favorable, with indications that hog prices will be maintained at high levels. The number of hogs in the areas of commercial production is the smallest since 1921 and for the entire country the smallest in many years. Stocks of pork and lard are the second smallest in 10 years, and the present strong domestic demand for pork products seems likely to continue through most of the year.

The cattle outlook reads:

CATTLE

Both the immediate and long-time outlook for the cattle industry now appears more favorable than in recent years. The number of steers is the lowest in many years, with present breeding stocks apparently large enough to supply as much beef as it will pay cattle producers to raise. A reasonably constant demand for beef is anticipated and no prospect of early competition in our markets from foreign sources is in sight. The maintenance of high-quality breeding herds will place the cattlemen in a position to increase production as rapidly as demand justifies.

Now, turning to our final chart, let us summarize the whole situation: Is there an agricultural problem in the United States? In October, 1919, the combined index number for some 30 important agricultural products, as represented by the solid black line, has been appreciably below the dotted line, representing wholesale prices of nonagricultural products. There is your story. That is, since October, 1919, to the present moment farm prices have been below par. It is true, as was indicated by some gentleman on the floor the other day, that the spread is narrowing; that is, the spread between the low level of farm prices and the higher level for other commodities is narrowing. The index price for nonagricultural commodities was 155 at this point—middle of 1922—while agricultural commodities were near 110. That represented a much larger spread than you had in May, 1925 [indicating on chart], where the index number for wholesale prices was about 160, and the index number for agricultural commodities was about 150, the highest price point reached by agriculture since the postwar depression. The narrowest spread was about 10 points, but notice that since then the spread has widened until the lines are now about 20 points apart. It would take at least a 13 per cent increase in all agricultural products to bring them up to the level of the other prices. That is clear, is it not? It would take a 13 per cent general increase in prices on all agricultural products, including these basic commodities, to bring them in line with the prices secured by nonagricultural products on a pre-war basis.

Mr. FORT. Will the gentleman yield?

LOSSES OF AGRICULTURE

Mr. JACOBSTEIN. I will. But please permit me first to give the staggering money losses for agriculture as a whole. (Chart 3, All Agricultural Price Index.) The losses by all agricultural products since 1919, as represented by all this area between the two price lines, would total the enormous amount of $13,000,000,000. Let me tell you what I mean by this. I mean that agriculture would have gotten $13,000,000,000 more for all of its products since 1919 if they somehow could have maintained their prices in line with the prices of nonagricultural products. Is that clear, before I yield to the gentleman from New Jersey, who has been on his feet for some time?

Mr. FORT. Just two questions. The gentleman stated that the price level of agricultural products would have to be increased 13 per cent. Does the gentleman mean over the whole period or now?

Mr. JACOBSTEIN. Now, for seven months up to April, 1926. The average of farm prices would have had to be increased nearly 20 per cent during the six years since the close of the war.

Mr. FORT. And by 13 per cent does the gentleman mean from 140 per cent to 160 per cent, or 20 points over 140?

Mr. JACOBSTEIN. Yes. I mean 13 cents on every dollar's worth of products. Let me put it in plain English. For every

dollar's worth of products which a farmer sells, whether it be butter, wheat, corn, cattle, hogs, or anything else, he would have to get $1.13 in order to restore his purchasing power on a pre-war basis.

Mr. FORT. But the margin between your low and high is not a 13 per cent margin on your chart; it is about a 6-cent margin on the chart.

Mr. JACOBSTEIN. I do not understand the gentleman's question.

Mr. FORT. At one point it is 150 and at another 157.

Mr. JACOBSTEIN. At present the agricultural index number is about 140 and general prices about 160, a difference of 20 points, so that you would have to raise the actual price about 13 cents on the dollar.

Mr. DOWELL. In other words, he gets 90 cents on the dollar for his products?

Mr. JACOBSTEIN. A little less than that—about 87 cents.

Mr. SUMNERS of Texas. May I suggest, with reference to the present disparity between cotton and the other average, that that chart can not indicate properly that disparity for the reason that in many sections of the country they have an enormous amount of low-grade cotton, and the spread between the price of middling cotton and low-grade cotton is, perhaps, as great as the entire difference indicated there during different periods, and many of the people who have that low-grade cotton have not been able to get 10 cents a pound for it this year.

Mr. JACOBSTEIN. I grant it, that the average price does not adequately show the disparity for farmers who receive less than the average price. This is also true, however, for other farm products. For instance, the average farm price of wheat does not always indicate the true situation for particular farmers. There are a lot of other factors to be considered. I would say this is the conservative minimum loss. I think that is the fair statement to make. If anyone asks you where agriculture stands to-day, you have the right to say that, generally speaking, agriculture ought to get 13 cents more on the dollar in order to break even in terms of pre-war purchasing power.

Mr. KETCHAM. Will the gentleman yield for a question at that point?

Mr. JACOBSTEIN. Yes.

Mr. KETCHAM. From the standpoint of an economist, and I think we all recognize the gentleman's ability to be outstanding in that field, omitting any political considerations, will the gentleman please indicate from that standpoint what is his diagnosis of the reason for this, and also state his remedy.

Mr. JACOBSTEIN. Let me remind you that I hesitated to talk about the bills, because I felt I was not yet prepared to propose a remedy. At least, I want to wait to hear what the proponents of these bills have to offer. There is no point in talking unless one can make a contribution. I was conscious in my own mind that although I wanted to help in this farm situation I did not have a panacea to offer. So I thought I would for the present merely state the facts, because the industrial East must recognize that this is a national problem and is more serious than is represented by the $13,000,000,000 loss to the farmers. [Applause.]

THE FARMERS' ATTITUDE

My office is near the Committee on Agriculture, and, as some of you gentlemen know, I used to go in there frequently, although not a member of the committee. I will tell you what I got out of those hearings that you perhaps did not get. I used to sit down next to the farmers, and there were farmers who came there from all over the country; and I will tell you the reaction I got—the same kind of reaction you get at a labor meeting when the workingman feels embittered against his employer. [Applause.] That is tragic. We do not want that in America.

The farmers are developing an ill will toward the industrial and financial East, so that we are now developing an East against the West problem in place of the North against the South problem which harrassed this Nation for over 60 years. We are developing a psychology here which is bad for the country. I could feel it every time I went into that committee room. "These Wall Street people," they would say—these are not my words—"they are holding us down." There is a feeling that they are not getting a square deal. That is the same kind of attitude of mind that the working men of England must have at this moment against the employer class and the governing class. We do not want that in a great, rich, prosperous country like America. [Applause.]

I think that if the American people understood the farmers' problem they would be willing to pay a trifle more for the essentials of life, if necessary, provided the farmer got the few cents increase and continued to get it. [Applause.]

In passing, may I remind you that I think in one respect the facts as stated by the gentleman from New Jersey might be corrected. It was stated a few days ago by Mr. FORT, of New Jersey, that the price of bread is the index of the living costs in a city. I do not entirely agree with that. The price of bread is not the proper index because, in the first place, bread is only a very small and insignificant part of the family budget; and in the second place, the average consumption of flour is decreasing per capita in this country. Bear that in mind. The wheat farmer has been contending with a falling consumption. [Chart No. 5, Bread prices.]

THE COST OF LIVING

The average American consumes less wheat, and probably less bread to-day than he used to, but a very interesting fact is that while wheat has varied from $1 to $2 per bushel, bread has remained fairly constant. I will not say absolutely the same, because there has been some variation. If you will take the Yearbook of Agriculture for 1923 and look at a very interesting chart, prepared, I think, by the late Secretary of Agriculture, Mr. Wallace, at page 109, you will discover that the price of bread is relatively constant during a period when wheat prices fluctuated widely. I think the consumers in the big cities would actually be willing to meet this farm situation in a fair spirit, as they did when labor got an eight-hour day on railroads, when the anthracite coal miners got an increase in wages, when railroads were granted freight and passenger rate increases, when laws were passed protecting industrial products against foreign competition.

Let us bear in mind that there is no such thing as a mere consumer. The consumer is also a producer. The "consumer" in my city manufactures kodaks, he makes clothing, he makes thermometers, he makes optical instruments, he makes shoes, and he is interested in selling those things in the general market, including farmers. Therefore he is interested in reestablishing prosperity on the farm. [Applause.]

Now, as I say, the total loss as I have computed it, reached $13,000,000,000 during the past six-year period. It does not mean that the country lost $13,000,000,000 of its wealth. It was distributed as a part of the national income. Some other groups got the $13,000,000,000 and bought things that they wanted. There has been a distribution of income since the war unfavorable to agriculture by an amount somewhere within $13,000,000,000.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HAUGEN. I yield the gentleman 10 minutes more.

Mr. JACOBSTEIN. Now, I want to bring out this point: Agriculture is suffering in two directions. This line, which represents what agriculture gets by the way of income, is pulled down by excessive production. Its own overproduction, as well as demand factors in the market, are pulling the farm price level down.

PRICE REGULATION IN INDUSTRY

But there is another important factor in the situation. The general level of prices of nonagricultural products is in many ways sustained by artificial control. I mean there are factors in our economic life to-day which are holding this price line up artificially. For instance, railroad freight rates are protected by law. I do not mean a guaranteed financial return. You have here a factor which enters into the cost of every article which the farmer buys, and the cost has been maintained. That is one artificial factor entering into the price, and not favorable to the farmer, because he is a heavy buyer of freight service. Furthermore, it is known to everybody familiar with the economic situation in the country to-day that there are trade associations in the United States that exercise a stabilizing influence on the prices of their commodities. Will anybody challenge that statement? I know people in many industrial lines, and I know that there are influences in these industries which have a tendency to control and stabilize the prices of their commodities. That does not mean that they are not compelled to raise or lower prices, but they have a control of influences which formerly they did not exercise. Of course, industrial concerns went through a period of price deflation and forced liquidation following the war, but it was as nothing compared with the long-drawn-out deflation in agriculture.

Mr. HUDSPETH. Will the gentleman yield?

Mr. JACOBSTEIN. Yes.

Mr. HUDSPETH. As stated by the gentleman from Michigan [Mr. KETCHAM] the gentleman from New York is evidently qualified in the field of economics. I want to ask him a question. In 1920 the price of beef steers in Chicago dropped from 16 cents to 6 cents a pound. But you paid the same for beefsteak in the market, and what I want to know is who got the benefit of that reduction.

Mr. JACOBSTEIN. I think the prices of meat were not maintained quite at that point. They came down. But I think the statement can be made without much serious contradiction that there are influences at work in the industrial life of the country, including meat packing, which have a tendency to stabilize the prices of everything that the farmer buys.

Take union labor. I believe in union labor; I helped to organize labor; I helped them get an increase in wages in the men's clothing industry. They were entitled to an increase, for their wages were too low. Where these workers are organized and can protect their wages, especially with restricted immigration, they to that extent exert an influence on the cost of production of commodities which the farmer buys. The manufacturers in many lines work closely together, and can protect their prices, although not altogether. Moreover, in most manufacturing lines orders are taken before production and at a price which can yield a fair return on investment. If the price is not attractive, the manufacturer can, and does, curtail his prospective production. He does not have to continue producing at full capacity at a loss, as the farmer often is forced to do. So I call attention to this important fact, that there are forces at work in society, and sanctioned by society, which have a tendency to hold up prices and prevent them from falling unduly in a way that agriculture can not do.

May I further illustrate what I mean? When a panic or industrial depression occurs, such as that of 1907, 1911, 1914, and 1921, you would think that the prices would drop sheer to the bottom in all things that the workers make. I was very much interested once in a study of prices of commodities in which there was great unemployment. The prices did not fall to those depths to which agriculture fell. There is always an artificial, restraining influence. There was large unemployment in 1920, 1921, and 1922, but we find nonagricultural prices fairly constant, and, in fact, rising before the period of depression had disappeared.

Interest rates are regulated by law more or less. The Federal Reserve Board controls the interest rates, and the transportation act controls the rates on freight service. Organized labor controls wages, which enter into the cost of many products. While I have no panacea to offer, I say here that those of you who are opposing agricultural legislation ought to bear in mind that the farmers are right in saying that one of the causes of their difficulty is that they have not forces working for their benefit similar to those which are working in favor of industrial groups producing the things which the farmer has to buy. [Applause.]

Mr. FORT. Mr. Chairman, I am in accord with what the gentleman has said, but is it not the logical following out of his statement to say that the reason that the products of the manufacturer did not decline or fall to a substantial degree in the fall of agricultural commodities in the deflation period was because the manufacturer had the facilities and the willingness and the ability to carry his surplus products until the market came back? He did not dump it on an adverse market.

Mr. JACOBSTEIN. Let me answer that in two ways. Any sensible business man, if he sees a loss which he can not avoid, takes it as quickly as possible and writes it off.

Mr. FORT. Yes.

Mr. JACOBSTEIN. And if he can he will withhold a portion of the excess supply from the market, just as the copper people did. They had a tremendous surplus, and they got together and withheld from the market a sufficient supply of copper to prevent prices going down further; but the farmer can not do that.

Mr. FORT. Then one of the imperative things that must be done for the farmer is to put him in a position where he can to some extent carry his surplus?

Mr. JACOBSTEIN. That is correct. I have said that I am not offering any panacea or any remedy or indorsing any particular bill, but I think we ought to indicate what some of these lessons are as applied to agriculture.

Mr. WINGO. There is another factor that the gentleman from New Jersey [Mr. FORT] did not mention, namely, that the manufacturer can bring into play that which the farmer can not. He can accurately gauge his prospective consumptive demand and curtail his production. The farmers can not do that with the same degree of accuracy.

Mr. JACOBSTEIN. That is correct; and it so happens that the farmers are hard put to it on that score, because some of them have bought land at high values and have invested a tremendous overhead. A man who has high-priced land can not afford to let it lie idle. That is one reason why the Middle West farmer, with high-priced land, had to go on producing, even though the bottom dropped out of farm prices. There is another picture. In industry the banks in the East, tied up as they are with large concerns, can not afford to let price deflation go too far or too fast. Financial institutions support each other, perhaps more effectively now than they used to and more easily than the banks supporting agriculture could have afforded to do.

Mr. WILLIAMSON. Mr. Chairman, will the gentleman yield?

Mr. JACOBSTEIN. Yes.

Mr. WILLIAMSON. The gentleman's chart is based on wholesale prices?

Mr. JACOBSTEIN. Yes.

Mr. WILLIAMSON. The situation of the farmer is very much different from what the chart would indicate, for this reason: You have not taken into consideration the freight rates.

Mr. JACOBSTEIN. That may be true; but for our present purpose let us assume that the difference would not be material, so that we may get to other points in this discussion. At any rate, these charts are the work of the Bureau of Agricultural Economics, and we do not need to question their general accuracy.

Mr. WILLIAMSON. Yes.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HAUGEN. Mr. Chairman, I yield the gentleman 10 minutes more.

Mr. JOHNSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. JACOBSTEIN. I can not yield, as I took the additional time on condition that I do not yield further.

Mr. OLDFIELD. Mr. Chairman, will the gentleman yield?

Mr. JACOBSTEIN. I have got to yield to the party "whip," I suppose, but for just a question.

Mr. OLDFIELD. I was wondering if the gentleman had figured whether the present tariff laws have anything to do with holding up the prices.

Mr. JACOBSTEIN. I think that is a fair question. I said that there are artificial forces holding up prices, and certainly the tariff on a large number of articles, as for instance aluminum, help to maintain the price. That is one of the artificial forces at work in society, and, as I said to some of my farmer friends only this morning: "You fellows have always advocated a high tariff. You did it, as in 1921, at a time when an existing high tariff was not giving you the full protection of the law. Personally, I do not think the tariff has given or can give the farmer the full protection that he would need to bring him on a parity with these other commodities, under present conditions." [Applause.] That is simply my personal opinion.

Mr. MANLOVE. Mr. Chairman, will the gentleman yield?

Mr. JACOBSTEIN. No; I am sorry; I can not yield.

Mr. KETCHAM. Would it not be fair to yield to one on this side inasmuch as the gentleman yielded to the gentleman from Arkansas?

Mr. JACOBSTEIN. You are right. I yield.

Mr. MANLOVE. I began farming as a young man under a free-trade policy, and I remember that I sold eggs for 3 cents a dozen.

Mr. JACOBSTEIN. But I do not believe in free trade.

Mr. MANLOVE. And I sold standard bred trotting horses, registered, as good as ever lived, for $7 apiece.

Mr. JACOBSTEIN. I am not an advocate of free trade. And now let me state my conclusions. First, the farmers have got to organize the same kind of control in the selling price of their products now exercised by industry. [Applause.] To illustrate: The farmer is in the same position to-day as is unorganized labor in industry. [Applause.] In other words, he lacks bargaining power. I come along with clothes, shoes, lumber, wagons, and everything else, and I say that I will swap them for wheat. But I am one man; you are a lot of men, one seller and many farmer buyers. Well, naturally I have you at a disadvantage. So our first observation is that you have got to organize as sellers and exercise that control over the selling price which industry has learned is essential to its prosperity. [Applause.] I am sure the industrialist will not refute that. I remember that in justifying the organization of the United States Steel Corporation at a time when it was under investigation the steel men said in effect:

> We have stabilized the price of steel rails and made it profitable even for those not in the trust to live.

That is true. The stabilizing effect of organization is absolutely essential to the prosperity of America, especially in the production of those crops which are in competition with foreign markets or subject to the vicissitudes of nature. When nature at any unexpected moment may exercise such an influence that you get an excessive crop, some measure for controlling the

sale of the crop becomes essential. To the degree that it is a perishable crop, you have got to exercise still further control.

The farmers have got to learn how to stabilize their prices. Now another illustration: I discussed the question of coal a few weeks ago. The soft coal situation has been going through the same sort of ups and downs that agriculture has gone through; no control over the distribution of their products, utter lack of organization—and the industry is paying the price. They need stability. That is the first lesson. Whether that is to come through Government organization, as proposed in relief bills here, or indirectly through a corporation of their own creation, I leave for you to decide. Since the Committee on Agriculture has devoted many months to the question, and has passed the buck to us, we certainly have a perfect right to say that we are still in doubt on this question. It is for you of the committee to lead us; you who have discussed and considered and thrashed out this question day after day for months, as I know you have been doing earnestly and conscientiously. Second, the farmers of the country, who are paying the price of the tariff now, must either seek its reduction or devise some means of making it fully effective for them. I would not take the tariff off. I would, perhaps, reduce it in some instances. I think the Fordney-McCumber bill went a little too far in some directions, and in others it did not go far enough. [Applause.]

Mr. KETCHAM. That is fair.

Mr. JACOBSTEIN. I am not playing politics in this. I say the farmers' representatives have got to accept one of two alternatives—either believe in reducing the tariff, or show how the tariff can help them. [Applause.] They have got to choose between the two. Now, since you have resorted to the tariff as a means of protection, it is up to you to devise some scheme by which you can protect agriculture. [Applause.]

Mr. MANLOVE. Will the gentleman yield?

Mr. JACOBSTEIN. I am sorry; I can not yield further. I think that proposition is a fair one. Then, in the third place, I think there is too great a spread between the retail price and the selling price on the farm. [Applause.] Why, we raise wonderful apples in western New York, which we sell for from 50 cents to a dollar a bushel at times and I come down to Washington and pay 10 cents apiece for them. We have got to wipe out the double disparity, one between the things the farmer buys on the farm and the thing he sells on the farm, and the other the disparity between what the domestic consumer pays for farm products and what the farmer gets for such farm products. We must effect more economical methods of marketing from the farmer to the ultimate consumer.

CONCLUSION AND POSSIBLE REMEDIES

I will summarize the farm situation as follows: There is without question a serious situation still existing, though not as critical as two or three years ago. The crisis has passed, at least temporarily, in some crops, like wheat, but continues to plague the farmer in other major crops, like corn and cattle. Considering agriculture as a whole, the farmer has suffered a loss in purchasing power of about 20 per cent in the entire period from 1919 to 1926. It is still about 13 per cent short of the pre-war base, as compared with nonagricultural commodities.

In this statement of losses we have not made allowance for gains which might have accrued and doubtless did accrue from the size of crops nor of savings flowing from a reduction of the unit cost of production, or acre cost of cultivation. The gross net income might, of course, increase from both of these factors even during a period when there is a wide disparity in prices between farm and nonfarm products.

In seeking to regain his lost purchasing power the farmer might attack the problem from two ends: He might seek to pull down the price level of nonagricultural products or he might push upward the prices of his own farm products. The former, as we have seen, have been and still are sustained by several artificial control factors, including the tariff, railroad freight rates, unionized wages, restricted immigration, interest rates, and insurance premiums. It is naturally going to be a difficult task to uproot or tear down this structure, even if it were considered feasible to do so. The farmer, in my judgment, is not going to regain his diminished purchasing power from this method of attack. It is true that quite recently the general price level has dropped a few points, but not enough, in my estimation, to give any promise of complete relief permanently to the farmer.

The farmer must seek to push his own prices upward and at the same time secure larger net income from more efficient farm management. Effective relief will follow only when the farmer has learned how to regulate production to make supply more intelligently meet the prospective market demands. The next important job is to escape as far as possible from the evil effects of seasonal marketing of surpluses. This can be done by controlling such surplus, carrying it over as long as is feasible; that is, until the future market price can absorb it. Both of these problems are difficult of solution not only because we are dealing with a world condition and international marketing problems but also because we are dealing with millions of individual farmers. Unfortunately the cooperative movement still lags behind.

It is my belief that the farmer can profit in the solution of his problems by more effective and more extensive cooperation, by the application of larger use of long-time loans for capital expenditures, and for the building up of a sinking or reserve fund to be used in financing the carry-over of the surplus in such a manner as to exercise a restraining influence not only on immediate market prices but on future prices through a regulation of production. Personally I believe the more the farmer can accomplish these ends by voluntary self-help the more permanent will the remedy and relief be. Government aid, however, is justifiable as temporary aid in getting the farmer to help himself. Congress must view this as a national and not a sectional problem.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. JACOBSTEIN. I think I ought to stop at this point and thank you for your patience. [Applause.]

Mr. Chairman, I want to ask if it is going to be possible to reproduce these charts in the RECORD. They tell a story which I think every Member of the House and others ought to know, and there may be some rule which prohibits it. I would like to ask unanimous consent, therefore, to have them printed in the RECORD, provided permission is received from the Committee on Printing.

Mr. HAUGEN. It can be done by an order of the House.

The CHAIRMAN. The Chair is informed by the parliamentarian that that can be done by an order from the Committee on Printing.

Mr. HAUGEN. 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. MAPES, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration the bill (H. R. 11603) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities, had come to no resolution thereon.

Mr. JACOBSTEIN. Mr. Speaker, I would like to ask unanimous consent to have those charts which I used to-day printed in the RECORD, provided permission is received from the Committee on Printing.

The SPEAKER. The gentleman from New York asks unanimous consent that the charts referred to be printed in the RECORD, provided he obtains the consent of the Committee on Printing. Is there objection?

There was no objection.

RECESS

Mr. TILSON. Mr. Speaker, I ask unanimous consent that the House now stand in recess until 8 o'clock.

The SPEAKER. The gentleman from Connecticut asks unanimous consent that the House now stand in recess until 8 o'clock this evening. Is there objection?

There was no objection; thereupon (at 5 o'clock and 5 minutes p. m.) the House stood in recess until 8 o'clock p. m.

EVENING SESSION

The recess having expired, the House was called to order at 8 o'clock p. m. by Mr. TILSON, Speaker pro tempore.

FEDERAL FARM LOAN AND SURPLUS CONTROL BILL

Mr. HAUGEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 11603) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 11603, with Mr. MAPES in the chair.

The Clerk read the title of the bill.

Mr. HAUGEN. Mr. Chairman, I yield 15 minutes to the gentleman from Illinois [Mr. WHEELER]. [Applause.]

Mr. WHEELER. Mr. Chairman and gentlemen of the House, the Committee on Agriculture is to be commended for giving the Members of the House an opportunity to express their ideas and to vote on farm relief legislation. I realize that the members of the committee have had a difficult task in their attempt to frame a bill which will be a benefit to the farmers and at the same time economically sound.

There have been so many conflicting opinions as to what is the best legislation for meeting the needs of the farmer that it has been extremely difficult for the committee to complete this work. They have very sensibly reported out three bills for the consideration of the House, each of which has some merit.

I believe that the majority of the Members of the House, knowing, as they do, that the welfare of the entire country rests on the prosperity and success of the farmers, are seeking for the measure which will most quickly and in the safest manner establish that prosperity and success on a firm basis.

The Government has, by legislation, assisted various groups and interests, and in fairness and justice to the farmers some legislation should be enacted which will bring the earliest possible relief to the great industry of agriculture.

While I wish to insure relief to the entire agricultural population of our great country I have the interests of my own people uppermost in my thought, for I represent a district in the very heart of the great agricultural State of Illinois. My position and action with regard to these bills will be determined by the needs of that State and that district and the wish of those most vitally interested in this legislation—the farmers of the country, especially of the Middle West.

Our farmers are not seeking extension of credit. Many of them are deeply in debt and their wish is for some way to cancel this indebtedness and secure a firm financial footing once more.

Better prices for products and markets for their surplus in connection with the farmers' industry and intelligent personal efforts will soon place him beyond the reach of financial disaster. Legislation which will insure these better prices and additional markets is what we are seeking.

In some way the inequality in the prices of agricultural products and of other commodities must be overcome. One definite policy of the Federal Government and of State governments also, which has been developed is a protective system much broader, much more comprehensive than our policy of tariff protection.

This protective system has insured privileges and benefits to various industries and interests through the provisions of our immigration and labor legislation, interstate commerce laws, our Federal reserve act and other banking laws, and why should this protective system not include the industry of agriculture?

Why should the purchasing power of the farmer's dollar not be equal to that of the other industrial groups?

Why should the cost of farm production be determined in a great degree by the higher standard of living here and our protective tariff system, while the selling price is determined by world-market prices?

Why should the farmer not have the means for the stabilization of prices through additional markets for surplus products a device by the use of which the supply and demand could be promptly and easily adjusted and real stability secured?

I have given thoughtful and careful consideration to the bills reported out by the Committee on Agriculture, and in comparing have tried to be open-minded and fair. I have found certain provisions which seemed to me to be adequate and which have helped me to make a decision.

I do not wish to belittle the efforts of anyone to meet this situation in the best way. I believe every lawmaker here is earnest and conscientious in his attempts to solve the agricultural problem correctly. Neither do I intend to enter into an explanation or discussion of the bills submitted. I wish to designate the facts which have caused me to favor one bill.

The bill, which meets with my approval, has for its aim the establishment of agriculture upon a basis of equality with the other industries by bringing it within the protective system.

It provides means for disposing of the surplus of products at a fair price through an equalization fund and the administration of a Federal farm board, which will serve agriculture in a way similar to that in which the Federal Reserve Board serves the banking and commercial interests.

The provisions of the bill are based on sound principles and are therefore practical and workable.

It demonstrates a firmly established policy of our Federal Government to develop and finance large enterprises which are far beyond the ability of individuals or groups to accomplish but which are necessary to the welfare or advancement of our Nation.

The suggestions of our best agricultural leaders from the North, South, and West are embodied in this bill, and these provisions represent not only the best judgment of the leaders but have had the approval of the individual farmers as well. The men who are engaged every day, year after year, in farming surely must be intelligent on these matters with which they deal daily and which are of such vital interest to them. Their approval should have great influence.

I believe the provisions of this bill will when in operation be beneficial to the greatest possible number of farmers, irrespective of location, for the reason that this is a serious attempt to get down to fundamental principles and establish agriculture on a firm basis, while the legislation prior to this has dealt with one phase of the problem or the problem of one section only.

I find that neither the Aswell nor the Tincher bill provides just the measures which will in my opinion meet the requirements and because I find they are quite adequately covered in the third bill I shall support and vote for the Haugen bill (H. R. 11603), cited as the "Federal farm board act of 1926." [Applause.]

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman yields back six minutes.

Mr. HAUGEN. Mr. Chairman, I yield 20 minutes to the gentleman from South Dakota [Mr. WILLIAMSON].

Mr. WILLIAMSON. Mr. Chairman and gentlemen of the committee, I had not intended to speak upon the subject of agricultural relief this evening, and I must confess I am not prepared upon the particular part of the bill which I had hoped to have an opportunity to discuss with the committee. I want to call attention, however, to one of the charts used by the gentleman from New York [Mr. JACOBSTEIN] this afternoon. His speech was one of the most interesting and in many ways one of the most enlightening that has been made in this House upon the farm problem. He approached the question from the standpoint of a man who lives in a great city, and he is one of the few men in the House who does not live in an agricultural community who has grasped the real situation in which agriculture finds itself in this country.

During his speech the gentleman from New York exhibited a chart upon which appeared a comparison of the wholesale prices of agricultural commodities with the wholesale prices of nonagricultural commodities from the year 1913 to the present time. The tracings indicated that the average wholesale price of agricultural commodities is now only 10 points below the average wholesale price of nonagricultural commodities. From this the conclusion was drawn by the speaker that all that is necessary to put the farmer upon approximately the same plane with respect to prices as he was in 1913, is to raise the general price level of his products 10 per cent.

The picture presented is an inaccurate one. This is due to the fact that the farmer can not take advantage of the wholesale price of nonagricultural commodities, but he must pay the wholesale price, plus transportation charges, to which must be added distributing cost and the profit of the local merchant. It is also a well-known fact that the local merchant to-day demands a margin of profit in excess of what he received in 1913. With respect to his own commodities, the farmer does not get what is shown upon the chart as the wholesale price. What he does get is the wholesale price, minus local elevator charges, minus the freight charges, and minus the commission charges at the terminal market, so that the spread of prices to the farmer between agricultural and nonagricultural commodities, as compared with 1913, is approximately 30 points instead of 10. This is due to higher freight, handling and storage charges, as well as to larger margins of profit by dealers and commission men.

Let me give some figures to illustrate the position in which the farmer found himself as a result of the slump in farm commodity prices in 1920 and 1921, by comparing the value of his wares when converted into freight rates and wages, as given by former Secretary of Agriculture Henry C. Wallace.

In 1913 the railroad freight revenue which would buy 1.4 bushels of corn in Iowa would in 1921 buy 3.1 bushels of corn in Iowa. In 1913 this revenue would buy 1 bushel of wheat in North Dakota; in 1921, 1.1 bushels in that State. In 1913 it would buy 6.1 pounds of cotton in Texas; in 1921, 10.5 pounds. In 1913, 10 pounds of hogs in Nebraska; in 1921, 18 pounds. In 1913, 1 bushel of potatoes in New York; in 1921, 1.5 bushels. In 1913, 14 pounds of sheep in Wyoming; in 1921, 22 pounds. In 1913, 2.1 bushels of oats in Illinois; in 1921, 3.9 bushels, and so forth.

Now, take the average yearly earnings of railway employees. In 1913 the yearly wage would buy 1,492 bushels of corn in Iowa; in 1921, 4,112 bushels of corn in that State. In

1913 it would buy 1,028 bushels of wheat in North Dakota; in 1921, 1,466 bushels. In 1913 it would buy 6,449 pounds of cotton in Texas; in 1921, 13,934 pounds. In 1913 it would buy 102 hundredweight of hogs in Nebraska; in 1921, 237 hundredweight. It would buy 148 hundredweight of sheep in Wyoming in 1913; in 1921, 296 hundredweight. In 1913 it would buy 1,087 bushels of potatoes in New York; in 1921, 1,916 bushels; in 1913, 2,174 bushels of oats in Illinois; in 1921, 5,109 bushels.

Mr. RAGON. Will the gentleman yield?

Mr. WILLIAMSON. Yes.

Mr. RAGON. I am interested as we go along to know the source of those statistics. Where did the gentleman get those statistics?

Mr. WILLIAMSON. They were given in a speech delivered by Secretary Wallace at Washington Court House, in the State of Ohio, on October 19, 1922.

Mr. BURTNESS. Will the gentleman yield before leaving those figures?

Mr. WILLIAMSON. Yes.

Mr. BURTNESS. Is it not also true that when you try to ascertain the situation of the farmer with reference to the scale or level of prices of what he buys and what he produces that, of course, finally, he is interested only in his net above cost of production, and when you take a commodities index based upon everything which the average individual buys that while it is true the farmer buys something of everything that the average individual buys, yet his difficulty has largely been in respect to the cost of those things which enter into the production of the farm products, of which he buys more than the average individual, and that as to many of the things which enter into the cost of production, such as farm machinery, such as various types of building materials, harness, and other materials that are absolutely needed on the farm and become a part of the farm factory, so to speak, and therefore a part of the actual cost of production, as to many of such commodities the index figure now is higher than the average of all commodities; therefore is it not true this is a very material proposition to keep in mind when you are trying to find out just how the farmer is situated to-day?

Mr. WILLIAMSON. There is no question but what the statement made by the gentleman from North Dakota is entirely correct. I may illustrate that, for instance, in the case of farm machinery. For many years my brother and I were engaged in the farm-machinery business; at least, I had an interest in it. He conducted the business. I recall that along about 1913 we would sell a binder all ready to go out into the field for $135. To-day that same binder at the same town sells at from $195 to $210.

Mr. TINCHER. Will the gentleman yield?

Mr. WILLIAMSON. Yes.

Mr. TINCHER. How many bushels of wheat did it take to buy that binder in 1913?

Mr. WILLIAMSON. I have not computed that, I will say to the gentleman from Kansas. It would not be very difficult to compute.

Mr. TINCHER. Wheat was worth 62 cents a bushel in my country at that time.

Mr. WILLIAMSON. If you will take into consideration all farm commodities, you will find that a given quantity of farm commodities in 1913 would buy a great deal more even in farm machinery than they will to-day. I think there is not any question about that.

The purpose of this bill, as I understand it, is to give to the farmer a price for his products which is fairly comparable with the prices that are received for nonagricultural products. In other words, the object of the measure is to place the farmer on approximately the same level, from the standpoint of income, time, effort, and invested capital taken into consideration, as is to-day enjoyed by business and by labor.

The American farmer is not disposed to quarrel about the prices he has to pay, and I think that he is perfectly willing that the laboring man should receive a good wage, because he knows that the American market is his best market and that it takes care of approximately 95 per cent of everything that he produces. He is, therefore, intensely interested in seeing that the wheels of industry keep going and that labor is well employed at good wages. All that the American farmer asks is that he be placed upon approximately the same plane as is being occupied by those engaged in other lines of endeavor.

The disaster that has come to the American farmer has largely been due to instability of prices. In the lean years, when he produces a short crop, he very often receives a good price, and in the years when he produces a long crop, he often receives not only lower prices, but a total sum much smaller than he received for his small crop. This is a condition that is intolerable. It is a condition which ought not to persist. It is a condition, in my judgment, gentlemen, that this Government is in position to prevent, or at least to very materially ameliorate.

Now, how can this be done? I believe it can be done through farmers' cooperative societies, provided always that they can be organized to the point where they are national in scope and where they can deal with the entire production of a given commodity, so as to segregate the surplus and keep it off the market. The whole problem, or at least the major part of the problem, as I see it, is to formulate some kind of machinery by and through which it will become possible to take care of the surplus of those products where the farmers of this country produce more than the domestic market can take care of.

As to all other nonperishable products, the present cooperatives can handle the situation pretty well; but they can not successfully cope with the situation that develops when there is a large exportable surplus, because they do not have the means to finance it, and they do not have organizations of sufficient strength through which to carry on.

Now, the Haugen bill seeks to set up the machinery by which this can be done. I am not going to discuss the bill in detail, because I think every man in this House has a fairly good idea of what that bill does. The purpose of the bill is to create an agency, fostered and encouraged by the Government, but which is controlled by the farmers themselves, that will have the power, machinery, and the necessary capital to take the surplus crop off the domestic market and permit that which is consumed in this country to rise in price behind the tariff wall until that price reaches a point at which the same product can be imported into this country.

This is entirely feasible, in my judgment. They say this bill is chimerical, that it is impractical and unsound. Gentlemen, I do not believe it can justly be said that that is true. I believe it is entirely practical, and if you will pass this bill and get the right kind of men to head this organization, men who have ability, who have an insight into the farm problems and who are genuinely interested in making the new organization a success, they can eliminate the surplus from the American market so as to permit the domestic price to rise behind the tariff wall to the point which I have just indicated.

Mr. LOZIER. Will the gentleman yield?

Mr. WILLIAMSON. Yes.

Mr. LOZIER. I believe in the five years from 1920 to 1924, inclusive, the American farmers exported a fraction less than $2,000,000,000 worth of wheat, which represents their income from the surplus of those five years.

Mr. WILLIAMSON. Yes.

Mr. LOZIER. Does the gentleman accept the theory of the President, as expressed in some of his messages and speeches, as well as the theory of some of his confidential advisers, that the American farmer should discontinue raising a surplus and confine his efforts to raising only a sufficient quantity to supply the domestic needs?

Mr. WILLIAMSON. As to that, I am not aware that the President has ever made any such statement. I do not think he has made such a statement. Let me say this in that connection: Statistics indicate that through a series of years production closely approximates consumption. In other words, there is no real surplus if you take it over a period of 5 to 10 years. That being true, the problem is to take the surplus in the long years and put it in storage and hold it until there is a sufficient demand to command a price which will give a reasonable profit to the American farmer.

Our cooperative associations are trying to do that now but they can not do it because they are not sufficiently extensive and not sufficiently financed. They also lack the necessary machinery, the warehouses, and other facilities for carrying out such a program. The result is that when the long years come the farmers are compelled to dump their products on the market for any price they can get.

Mr. HUDSPETH. Will the gentleman yield?

Mr. WILLIAMSON. Yes.

Mr. HUDSPETH. I agree with the gentleman that over a period of five years there is no surplus. I further agree that if the farmer is enabled to hold his farm products over a certain period he will obtain a better price; but can not that be done without the equalization fee being levied on the product?

Mr. WILLIAMSON. I do not see how it can be done without providing for such fee. Either we must do that or resort to Government subsidy.

Mr. HUDSPETH. That is provided for in other bills.

Mr. WILLIAMSON. We might get along without the equalization fee on nonperishable products by proper organization and sufficient storage, but when you come to deal with hogs, cattle, butter, and perishable products it can not be done with-

out an equalization fee. At any rate, I do not see how you can escape using some such device.

Mr. HUDSPETH. I do not understand how you are going to process cattle.

Mr. WILLIAMSON. I can not go into a discussion of that in the time that I have. I would like to discuss it if I had the time.

As to the equalization fee, I think a monumental mistake was made when it was abandoned for the first two years. It gives the opponents an excuse for fighting the bill and saying that we are providing for a Government subsidy.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. HAUGEN. I yield the gentleman 10 minutes more.

Mr. WILLIAMSON. I can see a great deal of difficulty in applying the equalization fee in some cases. An attempt has been made to work it out in the bill. Whether the best solution has been arrived at I can not say. But what I want to say is that if we put big men at the head of the board, give them an opportunity to work out the equalization fee, and get the farmers of the country to cooperate, as I think they will, I can see no reason why the scheme provided is not practical.

The gentleman from Louisiana [Mr. ASWELL], who spoke this afternoon, said the price would be higher to the ultimate consumer and that there would be no increase to the American farmer. I think the gentleman is mistaken. You take wheat. The Haugen bill would raise the price approximately 50 cents per bushel. I do not think the equalization fee would be more than 10 or 15 cents a bushel on domestic sales. That would leave a clear gain of from 35 to 40 cents a bushel.

When it comes to perishable products that have to be processed the situation becomes intricate, and does not admit of explanation in the time at my disposal. Complaint has been made because the farmers will have a voice in selecting the responsible managing board. I am one of those who believe that if the machinery is created for carrying out the proposed program that we should have men at the head chosen by the American farmers who understand their problem and who are in sympathy with what is attempted. We can not succeed with men who are not interested in making it a success. Take the farm-loan system; how do you select the directors for the banks? The National Farm Loan Association selects three of them and the Federal Farm Loan Board selects three more.

The seventh director is selected by the Federal Farm Loan Board from three persons nominated by the National Farm Loan Associations. So that you have four selections by farmers as against three selected by the Government.

The Government furnished the original capital for those banks. Those banks to-day, through capital subscriptions by farmers and profits in nine years of operation, have paid back to the Government practically every dollar of the advance the Government made at the beginning. They have earned a surplus of more than $36,000,000. They have placed over 386,000 loans, amounting in the aggregate to $1,190,000,000. The banks are in the soundest kind of condition, and they are owned to-day by the farmer-borrowers. That is simply an illustration of what can be done by cooperation, under proper management, and with the right men at the head of the system. If we can operate a great banking system, a great loan system, with that degree of success, I do not see why we can not operate machinery like that provided for in the Haugen bill. The Federal farm-loan system of this country has done more for the American farmer in the way of financing him at low rates of interest than any other institution or set of institutions in the land. The intermediate credit banks are organized largely upon the same system. They have the same officers.

The intermediate credit banks are loaning money at 4 per cent interest to your farmer cooperatives, including advances upon wheat, tobacco, cotton, and wool, aggregating tens of millions of dollars, and they have not lost one single cent on those loans from the time they started until the present time. Yet you say that the proposed institutions for handling the surplus can not be made successful. I say they can be made successful in the hands of the right people who understand the problem of the farmers and who are willing to give the best that is in them to solve that problem.

As to this appropriation of $375,000,000, it is said that that is a pure bonus; that the entire sum will be consumed in the first two years in paying the equalization fee. Perhaps it will. I am not saying that it will not be consumed. I think that is one of the great weaknesses of the bill, but suppose it is consumed. What of it? During the war the Government fixed the price of wheat, and as a result of its wheat operations made over $60,000,000, and it has the money to-day. Not one dollar of it has been returned to the wheat growers of the country. The Treasury has that much of the farmers' money to which it is not entitled now.

We advanced to the railways at a low rate of interest over a long period of time four or five hundred millions of dollars, and in the early history of this country the Government gave away millions of acres of land and millions of dollars to railway promoters and nobody said anything about it. We have spent in shipping approximately $2,000,000,000, and we are conducting the Shipping Board operations to-day at a loss of $50,000,000 a year and nobody quarrels about that. We are giving to industry and labor the tariff, which undoubtedly increases the cost of living to some extent, and nobody quarrels about that, least of all the American farmer. If Government aid is proper in the matters I have just referred to and it has proven beneficial to the American people as a whole, why this fuss about a little aid to the farmers? I see no great inconsistency in putting up $375,000,000 to the American farmer and taking a chance on whether the Government will ever get it back or not.

I would much rather not have it done. I would much rather have machinery through which we could have some reasonable assurance that this money would be turned back to the Government; machinery through which we could raise our own funds, develop our own capital, and take care of our own surplus, storage, and everything else in connection with it. That is exactly what the bill should have done upon the products listed as staple farm products. I do not know that there is anything more that I can say in connection with this bill that will aid very much either in explaining it or securing support for it.

Mr. TINCHER. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMSON. Yes.

Mr. TINCHER. The gentleman does not mean to say to this House that the present Haugen bill contemplates the repayment from any fund of any part of the $375,000,000?

Mr. WILLIAMSON. I did not so state.

Mr. TINCHER. I understood the gentleman that way, and I knew the gentleman did not mean to state it that way. It does not contemplate the repayment of this money?

Mr. WILLIAMSON. No; it does not. Let me qualify that just this much: It does not necessarily follow because you have authorized an appropriation of $375,000,000 that it will be used. I do not think you will need half of that this year to carry the equalization fee. I do not believe the board is going to use any part of it on corn and they will use no part of it on cotton, and I doubt that much will be used upon livestock and swine. They are going to go very slowly on these things. They are going to feel their way. They are going to develop their system as they go along, and they are not going to take the $375,000,000 and throw it into a rat hole and squander it.

Mr. LARSEN. I understood the gentleman to admit that it was his belief that the Government did not intend to effect repayment of any portion of this amount. Is not it a fact that $25,000,000 is to be loaned and returned?

Mr. WILLIAMSON. Yes; that is correct.

Mr. BURTNESS. Is it not a fact that in so far as the spring-wheat country is concerned, which includes the gentleman's State as well as my own, there has been no demand in that section of the country for any subsidy from the Treasury, and that that section of the country, in any event, is perfectly willing to take legislation such as is proposed by the Haugen bill and ask for no subsidy from the Treasury, but take its chances on taking care of the loss on the exportable surplus through the medium of an equalization fee?

Mr. WILLIAMSON. There is no doubt about that at all, and in the middle Northwest I think every farm organization that has written to me or passed resolutions favored the equalization fee because they believed it the only sound system to adopt.

Mr. BURTNESS. They at least are not asking for a subsidy out of the Treasury.

Mr. WILLIAMSON. No.

Mr. BURTNESS. And the other sections of the country ask for a subsidy?

Mr. WILLIAMSON. I do not know about that; but I do know that as far as our section is concerned they do not ask for it. [Applause.]

The CHAIRMAN. The time of the gentleman has again expired.

Mr. TINCHER rose.

The CHAIRMAN. The gentleman from Kansas.

Mr. TINCHER. Mr. Chairman, I shall use 30 minutes. [Applause.]

Mr. Chairman and gentlemen, I propose to divide my time in this debate, because while I look all right physically I ex-

pect to speak an hour and a half or more on this bill, and I do not feel good after I speak that long at one time. I am just wondering if you caught the last part of the gentleman's speech, the gentleman who just quit the floor. None of this money is going to be used on corn or cotton. They are the only two basic agricultural commodities to-night that are way down under the fair, reasonable price. What kind of fellows do they think we are?

Mr. WILLIAMSON. If the gentleman will yield at that point, I will call the attention of the gentleman to the fact that there is no way it can be utilized, as the cotton production is so great it dominates the world market.

Mr. TINCHER. Here is an advocate of the great Haugen bill who tells you cotton fellows that your appropriation is a fake. [Laughter.] They are not going to add a dollar on cotton or corn, and those two agricultural products are worse out of line to-night than any other agricultural products in the United States.

Mr. CHINDBLOM. Livestock or swine also were referred to.

Mr. TINCHER. Wheat is above the fair ratio price. What are you going to do with it?

Mr. WILLIAMSON. Will the gentleman yield?

Mr. TINCHER. Of course.

Mr. WILLIAMSON. The whole proposition of the Haugen bill is to create an organization through which the southern people who grow cotton can control and dominate the world market and they will do it if they get this bill. [Applause.]

Mr. TINCHER. Now, I want to be fair with this House. I just answered that little last paragraph because I thought it was interesting. I wondered how they were going to administer it. There is no mystery about the bill introduced here. I want to be fair with the House about that. You heard the gentleman on that side [Mr. JACOBSTEIN] address the House this afternoon. He is an economist, he has studied the subject, has he not, and he knew whereof he spoke. Maybe some of you are wondering what bill he was for. I knew from the minute that he opened his mouth that he could not vote for the Haugen bill. Why, because he told me a few minutes after he took his seat, he authorized me to ask the question if he was here to-night, that there were two things in it that no man who was familiar with economy could stand for. One was a tax on production that would increase production and deceive a man who has to pay the tax that ruined him, and the other was a Government subsidy which was contrary to the views of any man who had given the matter any study.

You were pleased with his speech and indorsed it. So was I. I listened to speeches like that in the Committee on Agriculture, and those were the kind of speeches that prompted me to draw a bill. Frank Lowden, of Illinois, made the most comprehensive analysis of the conditions which exist in agriculture of any man who appeared before our committee, and Frank Lowden advocated the curing of the evils of the farmer by permitting him to do his own marketing. His testimony is published in full.

Mr. WILLIAMS of Illinois. Will the gentleman yield?

Mr. TINCHER. Yes.

Mr. WILLIAMS of Illinois. Governor Lowden issued a statement in Washington this week——

Mr. TINCHER. Wait until I finish, and I will tell you what Governor Lowden did. Governor Lowden testified before our committee for an hour and a half, and I challenge any Illinois supporter or worshiper or admirer or any man in the United States who worships or admires him to find a word in his testimony that is not inconsistent with the statement that he issued at the Lee House a few nights ago.

Mr. WILLIAMS of Illinois. If the gentleman will permit, he said in a statement the only solution he knew of the problem was in the equalization fee.

Mr. TINCHER. No. Governor Lowden did not mention an equalization fee before the committee.

Mr. WILLIAMS of Illinois. I understand he did mention it, and stated that was the only way that he conceived that the problem could be solved.

Mr. TINCHER. No. Governor Lowden advocated a bill that would encourage cooperative marketing, handled by the men who owned the products, to orderly market their products, and he said that was the only cure. I introduced a bill after hearing the governor's statement and reading Secretary Jardine's letter, thinking that they were absolutely in accord. After that he came to this city and went down to the Lee House and issued a statement advocating a Government subsidy; something that no man can find in print as having ever been advocated by Frank Lowden prior to that time that he went to the Lee House and under the influence of this lobby issued that statement, contrary to every utterance of his in his life with reference to agriculture.

Yes, sir; that has amused some people a good deal. A friend of mine, Mr. ADKINS, suggested to me, "You prepared a bill to meet the views of Lowden, and Lowden has quit you." That is right.

Mr. WILLIAMS of Illinois. Mr. Chairman, will the gentleman yield again?

The CHAIRMAN. Does the gentleman from Kansas yield to the gentleman from Illinois?

Mr. TINCHER. No; at this time I propose to use a little of my time myself. Will the gentleman read me what Governor Lowden said in any testimony or in any speech concerning a Government subsidy to agriculture?

That is the bill he advocates. You will find that he said a subsidy would ruin agriculture, just as I will read to you what Murphy said. Still he is advocating a subsidy to-day. He charges those of us who are not for it with being unfriendly to agriculture.

Mr. F. W. Murphy, on pages 1284–1285 of the hearings, said that two methods were proposed, one an equalization fee and one a subsidy. He added:

> Now, the other alternative is to take the money out of the Treasury, which would be a subsidy, and the farmers are opposed to that and I am opposed to it in principle.

Then Mr. ANDRESEN, the author of the proposition to defer the equalization fee in this bill—

> Do you not think it would accomplish the same purpose?

That is, the subsidy that is in the bill now. Mr. Murphy replied:

> It would, of course, enable us to maintain a domestic market with a full benefit of the tariff, as well as an export market at the world price, and absorb the losses out of the Treasury, but if you have in mind the influence that that might have upon production, instead of having any tendency to stability of agriculture and stability of the domestic market, it would likely have a tendency to encourage production and encourage, perhaps, people who are not now on the land to go out and to go into one particular branch of the business.

Now listen. This is Murphy, the advocate of the Haugen bill; Mr. Murphy, who has been to all of your offices. He says:

> I am afraid it would have a debauching influence upon American agriculture. I am opposed to it; I think the farmers are opposed to it.

Mr. ANDRESEN was not satisfied with that, but he persuades him some more, and he says:

> But you have admitted, Mr. Murphy, that a Government fund would accomplish the same purpose.

What does Mr. Murphy say? He says:

> Yes; with these other qualifications, as to the demoralizing results that might follow. I am afraid it would have a tendency to break down the morale of the man on the farm, and he is one fellow in this country we do not want to do anything to that will affect his morale, because he is the real stabilizing influence of this Government. Make no mistake about that.

How would you, having represented an agricultural district for eight years, standing up for them all the time, like to have a man that says the bill that is now before you, the Haugen bill, would debauch agriculture and would destroy the morale of the American farmer, sign up in agreements overnight and change his mind and then denounce you as an enemy to agriculture, because you would not change your word, too? Was he right—ever?

Mr. ARNOLD. Mr. Chairman, will the gentleman yield?

Mr. TINCHER. Certainly.

Mr. ARNOLD. I would like to ask the gentleman from Kansas if he would be in favor of the Haugen bill with an equalization fee beginning with the operation of the bill?

Mr. TINCHER. No; and I will tell you why.

Mr. BURTNESS. With the elimination of a subsidy.

Mr. TINCHER. I will answer the gentleman's question, and I want to explain to you later why. Can any self-respecting man think that this Government can pay a 42-cent subsidy on wheat for two years and not have overproduction? And do not you think that overproduction would destroy the man that is raising wheat? Can any self-respecting man believe that he can reach into the Federal Treasury and get a subsidy for an agricultural commodity like wheat for two years, or corn, and not destroy the man that produces that product?

Let me tell you what Mr. DICKINSON of Iowa said before our committee. It was his honest judgment that you could increase the production of corn in Illinois and Iowa 33⅓ per cent with a far less subsidy than this.

Mr. ARNOLD. If the equalization fee is not deferred, then there would be no Government subsidy in the Haugen bill. That is what I had reference to when I propounded my question.

Mr. TINCHER. I take it that the gentleman is not in favor of a Government subsidy?

Mr. ARNOLD. I was asking the gentleman.

Mr. TINCHER. And I was asking the gentleman if he was against a Government subsidy or for it.

Mr. ARNOLD. In reply to my question, the gentleman from Kansas is arguing against a Government subsidy. Is the gentleman in favor of the Haugen bill if the Government subsidy were eliminated and the equalization fee became operative when it went into effect?

Mr. TINCHER. In order to inform my friend from Illinois accurately and to penetrate through all the ramifications of his intelligent mind, I wish to ask him, Is he in favor of a Government subsidy under any circumstances?

Mr. ARNOLD. I will say to the gentleman that I would much prefer the equalization fee becoming operative from the time the bill went into effect. If we can not get that, we must take what we can get.

Mr. TINCHER. You think a Government subsidy will do. You think that if you can not go North and help the farmer you will turn around and go South and help him, and if you can not go up and help him then you will go down and help him.

Mr. ARNOLD. I would like to have the gentleman answer my question.

Mr. TINCHER. I told you I did answer it. I told you "no," and I told you that later on in my address I would tell you why. That was a plain answer, and I gave you that the first time, and I thought the only object the gentleman had in questioning me further was for me to enable him to declare himself on this subject of a Government subsidy.

The Farm Bureau is for the Haugen bill with the subsidy in it. Chester Gray is their local representative in Washington. He appeared before our committee and testified. I mention the Farm Bureau because it is the only farm organization in America that is for the Haugen bill.

Chester Gray testified before our committee at night one evening. We had many night sessions. And the same Mr. ANDRESEN, who dreads the equalization fee but wants to do something, just like we all do, if he can, was begging Chester Gray to defer the equalization fee with him. On page 1375 of the hearings Gray said—and this was on April 21, just about 24 hours before he changed his mind—and now just listen to this. ANDRESEN wanted to defer it and here is what Gray said:

> The intent of the bill substantially would be lost.

Then he goes on and ANDRESEN tries to explain it to him, and he says and insists that the whole intent and purpose of the legislation would be destroyed by asking for a subsidy. And he goes further and says that he has specific instructions, which he *did* have, from the Farm Bureau not to ask for any subsidy, but in a few hours after that, in the chairman's private chambers, he signed a demand on the committee for a subsidy. Some of you have read that demand. It is not very clear. They say they are against the subsidy and for the subsidy, and the members of the committee that reported this bill out and have it here and are seeking its passage took that as a consent on the part of Mr. Murphy, Mr. Peak, and Mr. Chester Gray that they might go ahead and ask for a subsidy.

Do you know how he happened to sign that? I have the story straight and with permission to tell it. CHARLES ADKINS, a fine fellow, and a Member of Congress from Illinois, spoke here this afternoon a long time, and you know his great presence. He says that he went into Mr. HAUGEN's private room and those men were sitting around there, and he said:

> We have decided to change this thing and we are going to defer the equalization fee for two years; we are going to ask for a subsidy and you are going to sign right there; you are going to sign your names and stand behind us in it.

And CHARLES says he was the maddest that evening that he has been since he was a boy, and he actually felt that if they had not signed it he would have struck them.

Mr. WILLIAMS of Illinois. I am a member of the Committee on Agriculture and voted against the amendment deferring the equalization fee. Will the gentleman from Kansas state to the House how he voted on that amendment?

Mr. TINCHER. Yes; I will tell the House. I voted "present" because I agreed with Mr. HAUGEN not to try to do anything to his bill. I voted "present," and I admire you for voting against it, and you made some of the finest speeches against deferring it that I ever heard. [Laughter.] But I understand you are tinctured with Lowdenism, that you are going to change and are going to make a speech in favor of the bill in its present form. That is only my understanding, though. There were never any better addresses delivered in that committee room than you delivered denouncing the principle of asking the Government for a subsidy, describing how it would ruin the country to subsidize classes. Of course I know. Here is what Chester Gray did. He made his talk to the committee, and he jumped out into the chairman's private room, and under the direction of CHARLES signed on the dotted line, and then he ran down to the White House and, according to the newspapers, he went to Coolidge and said, "You have got to go with me," and I guess Coolidge, while he is quite active, said, "Young man, you are too acrobatic for me." And then this great Farm Bureau, up to the time it developed those acrobatic qualifications, wired out to the country, "There is nobody for agriculture here but me; everybody in Congress and everybody else is against it. You had better wire them and stir them up."

And I take it from the actions of my friend WILLIAMS that they have been pretty successful on him. [Laughter.] ASWELL's speech is not in it, as you could readily see, if we could produce WILLIAMS's speech that he made in the committee, but there was no report of it made.

Mr. ADKINS. Will the gentleman yield?

Mr. TINCHER. Yes.

Mr. ADKINS. Now, honor bright, does the gentleman think there is any difference in walking up to the trough of the Treasury and taking it out through a subsidy than in loaning it out and never getting it back?

Mr. TINCHER. Well, there would be no argument about that if you loaned it to a corporation that did not pay it back. But you admit this bill is a subsidy in its present form?

Mr. ADKINS. Sure.

Mr. TINCHER. You admit in your old-fashioned way that this is walking up to the Treasury and taking it out?

Mr. ADKINS. Yes; but you use a more polite term and say you are borrowing it, and that is the only difference. [Laughter and applause.]

Mr. TINCHER. I was in this Congress when we passed the war finance act and we lent money to agriculture. I was in this Congress when we had the Grain Corporation and the farmers and the millers borrowed money; and I was in this Congress when they converted the profits from those two governmental agencies into the Federal Treasury, and there is no basis in fact for the insinuation that to lend money to cooperatives to hold and to orderly market their products endangers this country in losing it.

Mr. ADKINS. Will the gentleman yield again?

Mr. TINCHER. Yes, certainly.

Mr. ADKINS. Do you know of a nation-wide cooperative exporting corporation that has ever been tried in the world that did not fail?

Mr. TINCHER. Yes.

Mr. ADKINS. Name one that has run 10 years.

Mr. TINCHER. Oh, I do not want to go into those little details. You have a little cooperative over there in Illinois that you would like to talk about for an hour. There are a lot of good cooperatives in this country.

The butter people, who wrote to you all because you "buttered" them into this bill when they did not want you to "butter" them in is a big national cooperative association. It has never failed and never will fail, and it has not failed to denounce this infamous legislation you are advocating here.

Mr. ADKINS. Will the gentleman yield again?

Mr. TINCHER. Yes; if you are enjoying it.

Mr. ADKINS. That same organization did not have guts enough to come before the committee and tell us what they thought about this bill, did they?

Mr. TINCHER. Let me tell you what happened. That organization is big and responsible and respectable. You agreed to leave butter out, and the last night when you were reading your bill you slipped butter in, and that is the reason for it. [Laughter.] I leave it to the officers of the greatest cooperative organization in America if my statement is not true.

Mr. HAUGEN. Will the gentleman yield?

Mr. TINCHER. Certainly.

Mr. HAUGEN. I simply want to correct the gentleman. Butter was in there all the time, but, as has been explained, it was overlooked. [Laughter.]

Mr. TINCHER. That is right. Butter was there all the time. Butter was down with tobacco where they could lend money on it, but all at once in a vain effort to get votes they hiked butter up and put it up where they could put an equalization fee on it and made it a basic agricultural commodity, and there is no Member of this House going to be

deceived. It never was defined in any bill that was brought on the floor of this House as a basic agricultural commodity, and it was never in any bill subject to an equalization fee until about 12 hours before this bill was reported out.

Mr. HAUGEN. Will the gentleman yield again?

Mr. TINCHER. Yes.

Mr. HAUGEN. The bill was drafted by myself, and butter was included, but it was left out through a typographical error. [Laughter.]

Mr. TINCHER. Gentlemen, I want to be fair with the chairman, and I take his word for that, but let me tell you what happened. We had the McNary-Haugen bill on this floor and we debated it, and all the time that "Mary Hogan" was here butter had that same old typographical error. [Laughter.]

She was out of it. It was only 12 hours before we brought this bill out that the chairman said that we were going to put butter in. There was consternation in the committee, but the members said all right. I wondered whom he dealt with, because deals were going on, and I was a little surprised when the cooperative butter people said it was the worst outrage that they had ever had perpetrated on them, because they had an absolute agreement that if they would lay off of this thing they would be let alone. [Laughter and applause.] They will tell you that themselves. They have offices here.

Mr. CLAGUE. May I ask the gentleman a question?

Mr. TINCHER. Certainly.

Mr. CLAGUE. This large creamery butter cooperative association, which is perhaps the largest in the world, is in my State. Do I understand they have indorsed the Tincher bill?

Mr. TINCHER. They have; and they wrote you a letter denouncing the Haugen bill.

Mr. CLAGUE. I beg your pardon. I have a telegram from the president of that association saying that they never indorsed the Tincher bill, and every member of the Minnesota delegation has such a telegram from John Brandt.

Mr. TINCHER. Does the gentleman mean to question my word? Are there any Members here who got letters stating just what I have said?

Mr. KVALE. Yes; I got one.

Mr. HUDSPETH. I got one signed by the president and the secretary of the concern.

Mr. TINCHER. Go over to your office to-morrow and read your mail. I thought there was something up, and pernaps it is Minnesota that was in on the deal.

Mr. CLAGUE. The president denies he was ever for the Tincher bill, and they stated that they did not indorse either bill.

Mr. TINCHER. But the national association has condemned it, and you have a letter showing that.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. TINCHER. Yes.

Mr. NEWTON of Minnesota. I can say that I got word from Mr. Brandt—I think that is the name—saying that they were against both the Haugen and the Tincher bills and wanted no legislation from Congress.

Mr. TINCHER. You will get that letter also.

Mr. NEWTON of Minnesota. He stated they wanted to be left alone.

Mr. CLAGUE. Will the gentleman yield again?

Mr. TINCHER. Did you have HAUGEN put butter in the bill?

Mr. CLAGUE. No, sir; but I got a telegram from the president of the Minnesota Butter Corporation, the largest in the world, stating that they were not in favor of the Tincher bill.

Mr. TINCHER. I will tell you what you do. You and ANDRESEN and the other fellows get together and find out about it. Perhaps ANDRESEN knows how it got in. I am not going to quarrel with you about it. You just "buttered in" and you are going to "butter" out somewhere along the line.

Gentlemen, this is a serious question. As this bill stands before us to-night it presents a serious proposition. I have no apology to offer for the fact that the only bill I am advocating is one that is dubbed the administration bill because it has its indorsement. It will not go any further than to finance responsible organizations that want to carry surpluses and to orderly market surpluses.

Chester Davis said that the bill I introduced was the best bill for an orderly market that he ever saw, but he was not for the bill unless it went further. Mr. JACOBSTEIN and other men say that you can not go any further. It may be you can. But do we want to go further to the extent of destruction?

We had a great war, and all the nations of the world suffered. When the war was over the statesmanship of men charged with the responsibility was on trial. Germany tried the policy of reconstruction by the use of her printing presses and in printing money. How fatal that was to Germany!

Then there is the case of Great Britain, and that great statesman, Lloyd-George, advocated a subsidy—first, a subsidy to agriculture to the extent of $500,000,000 a year. Then along came organized labor, a class of coal miners who demanded their subsidy, and last July 1 they gave them a subsidy of $200,000,000. They tried it for a few months, and every organized class of Great Britain was on the back of Parliament for a subsidy.

Then the attention of Lloyd-George was called to the fact that they had made a mistake; that the policy would not work; and they withdrew the subsidy from the coal miners. That organization had had a taste of subsidy, and they said no. That organization went on a strike, and that strike is on to-night. They are not striking against the owners of the coal mines; they are striking against the Government. Oh, Great Britain boasted, and rightfully so, that the people of that great nation loved their government more than the people of any government in the world. What do you find? We find that because they embarked on that false economic idea for reconstruction that all the other organized classes of Great Britain have turned on the Government and are this night engaged in a sympathetic strike.

Mr. ADKINS. Will the gentleman yield for a question?

Mr. TINCHER. Yes; I am always willing to enlighten the gentleman.

Mr. ADKINS. Aside from the $2,000,000 dole which they have been paying as a weekly dole, are they subsidizing men that have jobs?

Mr. TINCHER. Yes; they subsidized the coal miners, and then every other organized class in Great Britain demanded a subsidy. And so every other class in America, if you grant this subsidy, will demand a subsidy.

Mr. CANNON. Will the gentleman yield?

Mr. TINCHER. Yes.

Mr. CANNON. Does not the gentleman concede that if England granted one class a subsidy every other class had a right to ask for the same privilege?

Mr. TINCHER. Did not I say that?

Mr. CANNON. Does the gentleman concede that having granted——

Mr. TINCHER. Oh, the gentleman from Missouri has only one speech, and that is a tariff speech. A tariff is not a subsidy. Let the gentleman get his old tariff speech out and read it some time when I am not busy. [Laughter.] A tariff is not a subsidy. Any man that knows anything knows that the tariff puts money into the Treasury while a subsidy takes it out. The tariff's worst enemy will not claim that it can be compared to a subsidy in taking money out of the Public Treasury.

Now, gentlemen, I want to say this. I still like this old country. There is a prevailing notion among the folks that statesmen in this country lived in the past. I have been here during the reconstruction period, and I am going home unscarred. I am going home to live with the people I love. I am going home proud to live there until my dying day. I will be willing to compare the statesmanship of men like LONGWORTH and GARRETT, of men like MADDEN, of men like BYRNS, with any other statesmen of the world. [Applause.] We may differ materially on details, but when it comes to the thing that will destroy American institutions and the fundamentals of our Government—oh, well, the history of men reads better than speeches made about them while living. Compare the condition of your country with that of Great Britain. How many of you to-night would like to be in London? Suppose you could sit over there to-night and there was one more class walking up to you and asking for a subsidy.

Mr. CANNON. Will the gentleman yield?

Mr. TINCHER. Yes.

Mr. CANNON. Does the gentleman concede that the purpose of the bill is to make the tariff effective on farmers' products?

Mr. TINCHER. No; the purpose of the bill in its present form is to create 12 big Federal officers at $10,000 a year, to be guided by Murphy and Peeke and other lobbyists that stand for no principle and can change their ideas overnight. [Laughter and applause.] That is the purpose of this bill. Gentlemen go out and assault a man who is willing to fight for agriculture and who is trying to do all he can, because he can not turn handsprings and change overnight from the policy that they say is sound to one that they say will destroy agriculture.

Mr. CANNON. Whom is the gentleman grooming for the places that he has prepared in his bill?

Mr. TINCHER. I am not grooming anyone, and I would not recommend the gentleman for one of those places.

Mr. WILLIAMS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. TINCHER. Yes.

Mr. WILLIAMS of Illinois. Has not the gentleman provided for the same kind of a board in his bill, except that he pro-

vides $12,000 a year for them in place of $10,000 a year? [Laughter and applause.]

Mr. TINCHER. I do not provide for so many of them. I have provided for six. I am willing to go the limit for agriculture as long as I do not have to go back on the principles on which my Government was founded. [Applause.]

Mr. BURTNESS. Mr. Chairman, will the gentleman yield?

Mr. TINCHER. No. I am afraid the gentleman will want to make a tariff speech.

Mr. PURNELL. Mr. Chairman, will the gentleman yield to me?

Mr. TINCHER. Certainly.

Mr. PURNELL. The gentleman will not contend that it is the intention of this bill to create a perpetual subsidy? The gentleman knows as well as I do why he has dragged all of the skeletons out of the closet of our committee room—and it is proper that he should do so, but the gentleman knows very well——

Mr. TINCHER. Oh, I resent that. I have not mentioned anything that happened in the committee room unless it was first mentioned to me.

Mr. PURNELL. I have no objection to the gentleman's doing that.

Mr. TINCHER. Go ahead, and I will mention some of them to the gentleman.

Mr. PURNELL. I resent any suggestion that this is a perpetual subsidy. It ends in two years, and I want to say to the gentleman—and no man in this House has a higher regard for him than I have—that if it took twice the amount that is involved as a subsidy to put American agriculture on its feet I would feel justified in voting for it. [Applause.]

Mr. TINCHER. If the gentleman wants any more time, I shall be very glad to yield it to him. [Laughter.]

Mr. PURNELL. I know the gentleman will, and I will give the same amount to him. The gentleman has no better friend in this House than I, and I want now to ask the question that I got up to ask. The gentleman's bill, if I understand it, seeks to give additional credit to the farmer?

Mr. TINCHER. Oh, the gentleman has been busy in the primary and has not read the bill. It does not offer a dollar's credit to any farmer.

Mr. PURNELL. I can not construe it in any other way.

Mr. TINCHER. Then I suggest the gentleman would better read it.

Mr. PURNELL. The bill which is known as the Haugen bill seeks to do the one thing which, in my judgment, will put agriculture on its feet, namely, give the farmer better prices for his products. That, to my mind, is the fundamental difference between the two bills. Credit is not what the American farmer wants. He wants better prices. What is the use of giving him additional credit if the price for his products is too low. We ought to give him a reasonable profit.

Mr. TINCHER. Will the gentleman yield to me for a moment?

Did the gentleman mean what he said when he said in the committee that a two-year subsidy would destroy the effects of the bill? Did the gentleman mean what he said when he said that the only thing that had been worrying him was whether the equalization fee in the fixed price would not raise the production, and that he knew that a subsidy would raise the production, and that he agreed with Mr. Murphy that it would debauch agriculture?

Mr. PURNELL. I did not say that.

Mr. TINCHER. The gentleman spoke there about 20 minutes filibustering one day, and I thought he said all of that.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. TINCHER. I yield myself 10 minutes more.

Mr. PURNELL. The gentleman occupies a very fine position in being able to yield himself additional time.

Mr. TINCHER. I have to, to give the gentleman time.

Mr. PURNELL. I know the gentleman too well to think that he would purposely misquote me.

Mr. TINCHER. No; I would not.

Mr. PURNELL. The gentleman knows my position.

Mr. TINCHER. Does the gentleman not think that a subsidy for two years would destroy the effect of the equalization fee and bring around a surplus that would destroy and debauch agriculture, as Mr. Murphy says it would, or does the gentleman agree with Mr. Murphy?

Mr. PURNELL. I am not crazy about this subsidy. The gentleman knows that, and the gentleman knows that 21 members of the Agricultural Committee honestly tried to bring out a bill before this House, and that there were not 11 members who could be gotten to support any one bill, and that in order to get this matter before the membership of this House and discuss it we brought out these measures. Of course, the thing does not represent everything that I wanted; but I repeat what I said——

Mr. TINCHER. Oh, there is no use repeating it. I suggest the gentleman get some time from somebody else if he is going to repeat. [Laughter.]

Mr. PURNELL. The gentleman has all kinds of time. I ask the gentleman how his bill will increase the price of farm products?

Mr. TINCHER. I want the gentleman to read, if he did not listen to it, Mr. Jardine's testimony in volume 16 of the hearings, the first 50 pages; and I want every Member to read it.

It does not propose to wave the magic wand, but the Secretary of Agriculture for this administration says that he will be for it, and JACOBSTEIN told me this afternoon he believed the 10 per cent gap he described here could be covered by this bill by extending credit to cooperatives so they could make advances to farmers and have an orderly marketing of crops and keep them off the market and market them as they should be marketed, and that is in accord with the testimony of Frank Lowden before he changed, and there is not a witness in the record—I challenge any member of the Committee on Agriculture now, or any Member of Congress, to rise in his place and cite the name of one witness in this record who is supporting the Haugen bill in its present form. Is there any man who knows of a witness who testified before the committee in favor of this bill, this monstrosity in its present form? If so, I ask him to arise. [No one arose.]

Mr. FORT. Will the gentleman yield?

Mr. TINCHER. The gentleman does not know of one.

Mr. FORT. No; I want to ask the gentleman if he recalls this from Mr. Lowden's testimony?

Mr. TINCHER. Read it.

Mr. FORT. He was asked the question, "Is not the logic of your argument, Governor, that the legislation should take the form of price stabilization legislation rather than price raising legislation?" To which the answer was "Yes." Does the gentleman recall that?

Mr. TINCHER. Yes. It is printed and he said it, but that is not popular any more. He went up at the Lee House—I worshiped him. I thought he was economically sound. I took his language to CHARLEY ADKINS, of Illinois, and pointed it out—he mentioned several times in his speech this afternoon—and I went over to see about it, and CHARLEY laughed and said, "Frank has quit you." I hope he has all the good luck in the world, but it is a very serious question with which to play politics.

I like this old country of mine. I voted once for an equalization fee tax on production. I thought so much of my country and agriculture I went the limit and voted for it stating on the floor when I did that it was not economically sound, and I was only doing it to bridge an emergency. I want to tell you about a trip of mine and then I am going to quit, no matter if I have all the time I want. I went to Jamaica——

Mr. PURNELL. Does not the same emergency exist to-day that then existed?

Mr. TINCHER. No; 25 points between then and to-day only 10. You ought to read it, FRED, you have been busy in your primary. [Laughter.] Now, if you will let me alone I will tell you about my trip.

Mr. ANDRESEN. I know the gentleman wants to be perfectly fair and I have very high regard for him as a statesman. The gentleman knows I have been perfectly consistent in my policy and offered to put the equalization fee on immediately or defer it on all commodities to a certain future time.

Mr. TINCHER. I do not want to talk about the gentleman's consistency at all; of course he is consistent and also one of the finest young men I ever met.

Mr. ANDRESEN. The gentleman has already developed——

Mr. TINCHER. I just want to state——

Mr. ANDRESEN. My memory is quite fresh as to the fact that the gentleman from Kansas voted for my amendment in the committee to defer the equalization fee for two years.

Mr. TINCHER. If I did it was after asking the chairman particularly if he wanted it, because when we agreed to report out the bills we agreed we should report out the Haugen bill as he wished it and I should report out mine as I wanted it, and I always keep my word.

Mr. BURTNESS rose.

Mr. TINCHER. I am not going to yield to you. I am going to tell about this trip. I went to Jamaica, and that is a British Province. We got off at Kingston. Maybe the man is here who was with me. I do not remember who he was, there was

such a big bunch of Congressmen. This Congressman and his wife and myself and my wife got in a buggy, or some kind of a rig, to ride out and see, I think it was, the royal gardens. We drove out to the edge of the town, and there was a sign up, and the sign said:

Pay your production tax here.

There were conveyances lined up there, such as they have in Jamaica. I made them stop the conveyance, and I inquired what it was; and they said that the farmers, such as there are in Jamaica, had to stop there and pay a license tax before they could take their product into the city and sell it.

You know we have been talking extensively about this. Sometimes I think the best thing in the world for a man to do is to admit sometimes that he was wrong. How do you suppose I felt when I had a production tax before me, when I met it in the road I looked it in the eye. Then I went home. While my farmers are friendly, I never had a compliment from one of them in my life for the stand I made for a tax on production.

That day in Jamaica, as we drove on over the island, looking at the way the natives lived and the gardens they had there, whoever those people were that were in the car with us—with my wife and I, between us, have been trying to think, whoever they were—we had an admiration society for the United States. We got to talking about a fellow who used to live on the banks of the Potomac, and we got to wondering whether the people who live in the United States now appreciate what George Washington did for them. There were British subjects standing in line, paying a tax on what they raised before they could sell it.

Maybe I have changed my mind. I supported the thing once as an emergency tax on my farmers, being willing to do anything to help; but, God being my judge, I will never again vote for a tax on production on American agriculture so long as I live. [Applause.]

Think of it! There are 10 per cent of the Members of this House who believe in it. Oh, I believe we have more nerve than this bill would indicate. When this bill finally emerges it will either have this tax on it, or it will emerge without a head, because this House is not going to be put in the attitude of passing a production tax and placing it on the American farmer and deferring its effects until after the election. [Applause.]

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. ASWELL. Mr. Chairman, I yield 30 minutes to the gentleman from Nebraska [Mr. MOREHEAD].

The CHAIRMAN. The gentleman from Nebraska is recognized for 30 minutes.

Mr. MOREHEAD. Mr. Chairman, there are many ways to help the farmers.

First. By reduction of taxes. That depends on the people themselves and their public officials whom they elect. The taxpayers are fortunate if their representatives, national and local officials, have not acquired the art of extravagant expenditures of the taxpayer's money.

REDUCTION OF FREIGHT

Had I the power I would compel the railroad companies to create a sinking fund to retire a lot of watered stock of railroad companies, and make it a severe penalty to overcapitalize any line of business and sell the stock to innocent purchasers, then charging exorbitant rates to make stock valuable, and pay dividends on watered stock.

High United States freight rates would have cost Canadian wheat growers $30,000,000 more in 1925 than they paid.

REDUCTION OF TARIFF

The third and most difficult way is to reduce the tariff, so we would have competition in manufactured articles, thereby enabling the farmer to purchase more for his money.

More complaint comes from the agricultural section of business conditions at this time than from any other line of business. The demand for farm relief is not a complaint from the minority party, but is of far-reaching importance and entirely free from partisan feelings. I herewith quote from Republican sources in Nebraska:

LINCOLN, NEBR., April 21, 1926.—Governor McMullen appealed to the Democratic governors of the South to aid in passing the Haugen bill. He stated, "If the Haugen bill can not be passed, an issue should be made of the farmer's need for aid. The time has come when the agricultural interests of the South and the West must stand together for the common cause. Both sections have been denied their share of the national income because favorable legislation has been enacted for all wealth-producing agencies except farming. We now have a chance, if we join forces, of securing a similar legislation for the chief industry of our respective sections. There are powerful forces opposed to any legislation for agriculture that will place it on an equality with other industries."

The Nebraska State Board of Agriculture—most of them Republicans—adopted the following resolutions:

Now therefore be it resolved, That the Nebraska State Board of Agriculture demands in behalf of the greatest industry of this State and Nation—the business of agriculture—as an economic necessity either the repeal of the laws which have created the artificial barriers for industry, business, and labor or that the system of stabilization for such be broadened so as to include agriculture. Be it further

Resolved, That we approve of the efforts now being made by the Middle Western States for such legislation as will place the production of the farmer on a basis with the products of industry, business, and labor.

There is, and has been, a bitterness of certain sections of this country against any legislation tending to aid the farmers. As evidence I quote from the New York World, March 17, 1926, an item clipped from the Nebraska State Journal with their comment, which is and has been a very partisan Republican paper, but seems now to be taking a different view of the treatment given the farmer:

A shocking discovery is made by the New York World in connection with the farm-relief campaign at Washington. "Its basic purpose," the World reveals, "is to make the domestic consumer pay more for American farm products." The farmer may as well plead guilty, at least to the extent that the intention is to get more pay for the farmer for his products. One might add, for the information of the horrified World, that the object of labor legislation at Washington is usually to get a higher price for labor. And the object of business legislation, such as tariff laws, is always to get a higher price for business products. The farmer may be perfectly wicked in his sordid demand, but where is the innocent gentleman to cast the first stone at him?

Since the war Congress passed a prohibitive tariff law to help industrial sections; they passed the Esch-Cummins law to help the railroads, and made the protected interests, as well as the railroads, the most profitable in their history. They made it possible for the farmer to get in debt. In my judgment, it proved detrimental rather than beneficial. I have serious doubts of the advisability of making it easy to get in debt, as very few borrowers can make profits sufficiently great to justify the interest they pay. Since the Federal bank law became a reality the loaning and borrowing of money, in my opinion, should be left to the locality in which the borrower lives, as the supply of money is sufficient that their wants can be taken care of and the lender has a much better opportunity to pass on the advisability of the loan.

The Federal bank law is a wonderful advancement in the handling of the business of this country. It has made panics a thing of the past; and I regret to say the law is administered by its enemies, who are under the influence of large interests who opposed its enactment, and if it is not entirely successful, it is no fault of the law.

During the World War the farmers prospered, which was very unsatisfactory to the great industrial centers, whose slogan has been "Cheap food—Cheap labor." In 1920 wheat was selling on the Omaha market at $2.85; corn, $1.85; hogs at $14.60; and cattle at $16.25; and at the present time wheat is $1.58; corn, 66 cents; hogs, $12.75; and cattle, $9.40.

I wonder if there was anyone in the agricultural States who did not know that the intention was to do just what has been accomplished—to deflate the price of farm products.

From all sections there is quite a sentiment that the farmer is not being fairly treated at this time. To find a remedy is a difficult undertaking. All fair-minded people admit there is too great a difference between the price paid the producer and the consumer.

To send our surplus to foreign markets and sell them cheaper than at home. This thought originated from the large manufacturers of American products selling their surplus in a foreign market cheaper than they sell in a domestic market. The farmer and manufacturer are not parallel cases. It is within the power of the manufacturer to limit production. The farming industry is so extensive and their needs so great that they are compelled to till their soil and raise their crops to meet living expenses, upkeep, taxes, and obligations of all kinds.

If the object of the contemplated legislation is to benefit the corn-producing States—and that seems to be the only section of the United States that is in a bankrupt condition, as reported by at least a part of the farmers and business people of these States—the adoption of a successful farmer's method of holding his grain until demand and price would be sufficient to pay cost of production, expense of upkeep, and a reasonable return on his investment would be a better way.

I was reared on a farm and have been closely identified with agriculture all my life. I have given farm problems a careful study, and, in my judgment, the most important and far-reaching farm product is corn and its by-products. Business depression comes when corn is cheap, prosperity when it brings a good price, as most all farmers in the corn section have some corn to sell and prosper when prices are good, making it possible to be liberal buyers of manufactured goods and other products not produced in the Corn Belt, and thereby sharing their prosperity with other sections of the country.

America produces a large per cent of the world's corn. That being the case, we should be in a position to dictate the price on corn and its by-products, at least to the extent that the farmer would not have to raise and market his corn at bankrupt prices.

If I, as a practical farmer, was protected on a minimum price of $1 a bushel—and this is not an entirely new adventure, as it was demonstrated successfully during the World War—I would take chances on making farming a success. I would stop the importation of all grains and the importation of all meats, both on hoof and in its cured state.

Corn being stabilized would stabilize the price of land. The minimum price, as stated, would increase corn production and diminish production of other grains and livestock until prices of other grains and livestock would be more profitable than the production of corn; they would naturally turn to the production of the most profitable grain products.

In establishing a minimum price for corn the purpose is to prevent speculators and investors from depressing prices below the cost of production. In this way it would not interfere with dealers and middlemen engaging in the business the same as they have in the past.

I doubt if the Government would be called on to aid in maintaining a minimum price. The fact being known, the Government would be a purchaser if prices were less than the minimum, would be sufficient to stabilize the minimum price. Nature provides through weather conditions methods of taking care of surpluses of grain from year to year.

The Government could aid in the warehousing and storing of the corn product and release as the demand and prices justify. No foreign market should be allowed to fix a price for the producer on a product where two-thirds of the entire production is produced in America.

The best methods of government are largely individual ideas of those who have official power given to them by the people, and the peace and happiness of the people of the Nation are largely in the hands and dependent upon the capabilities of the men who hold public office.

Artificial methods of raising prices is, in my mind, contrary to the most stable, dependable methods of conducting our governmental affairs, but as long as artificial ways for all other businesses are used to advance prices the only way to aid the farmer and that is the adoption of the same methods.

Appropriations of $4,300,000,000 at this session of Congress is a staggering amount. There is doubt in my mind if anyone, even the Secretary of the United States Treasury, knows the exact status of the obligations of the American Government. The laxity with which we appropriate money appears to me reckless and dangerous. The appropriation of large amounts to build airplanes over a period of years. Before the last is completed the first will be in discard.

We are constantly increasing the appropriations for defense. To me the greatest preparation for defense is paying our debts. Individually I was opposed to the settlement of foreign obligations at a few cents on the dollar. I have never been in favor of the bankruptcy law. A just and honest contract should be honestly met, and not make it easy for nations, States, or individuals to have their obligations canceled and then again perform the same methods in borrowing large sums of money or contracting obligations without any thought of inconvenience to themselves.

The stability of our Government largely depends on agriculture. The great Middle West is the most productive section in the world and sends her food products to every section of civilization, and has not had the consideration that I believe she is entitled to.

Comparison of the farmer's income readily shows that they are not being as well treated as other lines of business:

We have the figures for agricultural incomes as compared with city incomes. The average farmer in 1924 had an income from his labor of $730. Workers in manufacturing industries averaged at the same time $1,256; transportation workers, $1,572; clerical workers, $2,141; teachers, $1,295; Government workers, $1,650; average of all nonagricultural workers, $1,415. In figuring the farmer's income he is charged with his own products consumed at home as if he had bought them in town. The $730 for the average farmer is compared on equal terms with $1,415 of the average city worker. The pay of a farmer is almost exactly half that of a city man.

This disadvantage of the farmer, the figures show, has been a growth over decades. We speak of farm surpluses, but farm production relative to population has decreased 20 per cent since 1900. We speak of farm overproduction, but production per acre has decreased 4 per cent since 1900. These changes have been accompanied by a growth in foreign competition, reflected in diminished exports and increased imports of food products. Agricultural exports declined 20 per cent from 1900 to the World War and are now again on the decline.

Considerations of local pride, fear for the marketability of our lands, or devotion to traditional economic creeds tempt us to shut our eyes to these bitter facts. This ostrich course is a poor service to agriculture. Agriculture has been too slow to assert itself. This is clear from the fact that it has waited for the national industrial conference board, a body composed principally of managers of industrial plants, to diagnose its case.

The report shows that from 1900 to 1920 the farmer's cost of production increased 300 per cent. Wholesale prices of farm products increased in that same period only 120 per cent. The real income of agriculture has been and is steadily diminishing. The ostrich may look abroad and see a farmer, many farmers, here and there, who have prospered. Those swallows make no summers. Agriculture as a whole the country over is losing ground. It can not be denied without plain, arbitrary blinking of the facts.

It is not my intention to put the agricultural section in a bankrupt class, but to emphasize the importance of giving the farmer fair treatment, not only for his benefit but for the benefit of all lines of business, for all other business is largely dependent upon the farmer.

Statistics here briefly stated would show an unusual condition in earnings of other lines of business. I herewith quote as follows:

The American Telephone & Telegraph Co., with $107,000,000; General Motors Corporation, $106,000,000; Ford Motor Co., whose profits are not published, but estimated at $100,000,000 to $115,000,000 for 1924 suggest its position for 1925; the United States Steel Corporation, $90,000,000; and Standard Oil of New Jersey, whose figures are not yet given, but which is ranked with the leaders.

The rubber companies had a banner year, even if crude rubber did go up like a skyrocket. Fifteen or more oil companies made $10,000,000 or more, while a number of the leading industrial corporations attributed a substantial part of their earnings to the automotive development. One make of automobile bodies amassed $15,000,000.

There is a homelikeness about the farm that is found in no other place. As evidence, every public official is desirous of tracing his birth and occupation to the farm. A large per cent of the managers of great business affairs trace their childhood days back to the farm. The slogan "Back to the farm" is fine, but will be void of attractions if we are required to give more hours of drudgery, make more sacrifices, and receive less pay than other lines of business. It is not surprising, under present conditions, that the Department of Agriculture shows a one-half million decrease of rural population in 1925. When farming is profitable, cities thrive; when farmers fail, cities decay. Owners of farms and homes are financially interested in our Government, making them more loyal to the Government of which they are a part.

Our large families are reared on the farm; hence all the more reason to offer every inducement to people to live upon the farm; and if a surplus of farm products is created, it is no detriment and much preferable to a famine.

Mr. HAUGEN. I yield 10 minutes to the gentleman from North Dakota [Mr. HALL]. [Applause.]

Mr. HALL of North Dakota. Mr. Chairman and gentlemen of the committee, as a member of the Committee on Agriculture I have been preparing in my mind speeches on farm relief measures all winter long, and as the time for the debate on this great question came forward I found that my ideas and some of my statements and findings had been anticipated by some of the other gentlemen, so that I find myself here to-night with but very little, aside from some clippings and tables, which, at the end of the short talk I intend to make, I shall ask leave to print in the RECORD.

Early in the hearings before the Committee on Agriculture the gentleman from Indiana [Mr. PURNELL], one of our members, stated that this question of farm relief was the greatest question that had been before the American Congress in 75 years. I thought that perhaps his statement was a bit overdrawn when I heard him make it, but as we went through those long weeks of hearings I became more and more convinced that the gentleman from Indiana was absolutely right, that there are more angles and threads in the woof and weave

of this great question than we can satisfactorily answer in just a cursory study.

My good friend from New Jersey [Mr. FORT], another member of our committee, in a very wonderful talk before the House two or three weeks ago set out as he thought, and as I believed, a wonderful picture and a very tragic picture of the present condition of American agriculture. It was refreshing to me, as a man from the Middle West, to find that a man connected closely with business in what we know as the industrial East should have such a sympathetic and close picture of agricultural conditions and give so much time and study to that subject. I was in hopes that we would find him lined up closely with us fellows from the Middle West in support of the Haugen bill and in support of the principle centering about the equalization fee.

I am for the equalization fee. We fellows out in North Dakota, a purely agricultural State, have been reading and studying the debates of the Sixty-eighth Congress very closely. I remember last winter a year and a half ago reading with a great deal of interest a paper in the RECORD of the Sixty-eighth Congress written by the gentleman from Colorado [Mr. TIMBERLAKE], and the school children in North Dakota are to-day using those little tables and formulas for the finding of price ratios, and all that sort of thing, and they are studying the principle of the equalization fee. Those people of mine out there in that country are convinced, gentlemen, that permanent relief for farm troubles must come through the imposition of an equalization fee. You may call it an equalization fee or a tax, or whatever it is, but it centers around that.

We have tried borrowing. The people out in our country are borrowed to death. They are mortgaged for more than 78 per cent of our total values, and our values have tumbled. The cash-sales value of North Dakota lands to-day as compared with 1910 are about 71.8 per cent. We are a little better off than some of the other States, but we are still in a bad condition.

We have had troubles in North Dakota—political troubles, economic troubles, crop-year troubles, and weather troubles. We have had everything, I guess, that an agricultural community could be troubled with.

Wheat prices in the last two years have been very satisfactory and we are coming back. Our people are optimistic. Our people are a reading, thinking, studious, and church-going people.

In passing, let me say that we have the world's record as to literacy over in North Dakota, having only eight-tenths of 1 per cent of illiteracy. In North Dakota we put on a campaign just at the time of the war to wipe out illiteracy in North Dakota and to have 100 per cent literacy counties, and have whole counties there without a person living in them who can not read and write in some language. We had one county completely covered, with the exception of one man. A hired man more than 50 years of age was found who could not read and write. His neighbors got after him to go to night school; it bothered him and he moved off to the other end of the county. We thought we were 100 per cent literate in that county, but after a while we found he was working in a township about 30 miles away, and we had to put on another campaign with him. Then he left the State.

But, as I was going to say, we have had our troubles over there in North Dakota. You folks have heard awful things about North Dakota and its people. The State papers over there and the city press have been telling you awful things about North Dakota's politics and North Dakota's crops as well as its financial troubles. Our financial troubles started in about the middle of 1920, just about the time the Federal reserve system did an awful thing with our discount rate, and all that sort of thing. That is when our troubles started. We had about 425 bank failures in our State in about 18 months. I was a member of the banking board, and I had intimate knowledge of what took place. I want to tell you that we fellows over in North Dakota have been borrowed to death. We know we can not settle this agricultural question out there by loaning the farmers more money. We have had all the money we want at all sorts of interest rates, and we have had all sorts of trials with cooperative marketing.

Cooperative marketing is a very fine thing in theory, but it will not work out out there any more than it does in the tobacco country. About the time you think you have them organized about 25 or 40 per cent you have lost them. I remember distinctly just after the war we put on a movement to reduce the acreage on wheat, and at Mandan, the county seat of the largest county in the district of the gentleman from North Dakota [Mr. SINCLAIR], they had a meeting lasting two days. The farmers were talking over the question of reducing the wheat acreage for the next year. They arrived at an agreement Saturday forenoon that they were going to reduce the wheat acreage about 12 per cent, and almost every farmer for miles around signed that agreement, but a company of men riding in the smoking car from Mandan up to Glen Ullin, a matter of 60 miles, made an agreement, and this is what happened. One of them said:

> These other fellows are going to reduce their acreage. This is a good time for us to increase ours.

They did that, and that is one reason why you can not organize them.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. HAUGEN. Mr. Chairman, I yield to the gentleman 10 additional minutes.

Mr. WILLIAMSON. Will the gentleman yield for a question at this point?

Mr. HALL of North Dakota. Yes.

Mr. WILLIAMSON. What, in your judgment, will be the effect of a bill like the Haugen bill with reference to the question of stimulating production?

Mr. HALL of North Dakota. I think it will have the opposite effect. I think that is one of the great reasons out there why they want the Haugen bill and the equalization fee. I think it will retard production after it is in operation.

Mr. TINCHER. Will the gentleman yield?

Mr. HALL of North Dakota. Yes.

Mr. TINCHER. The gentleman does not think it will be retarded much for the first two years with a subsidy, does he?

Mr. HALL of North Dakota. No; I do not think so.

Mr. TINCHER. The gentleman knows enough about agriculture to know that a subsidy would have the influence on agriculture that Mr. Murphy said it would.

Mr. HALL of North Dakota. I think so; yes. I must be honest with the gentleman.

I went out into North Dakota in 1883 with my father, who was a homesteader out there, and I have been interested there as a homesteader's boy, a farm hand, and a farmer during all of these 33 years.

Mr. BURTNESS. Will the gentleman yield?

Mr. HALL of North Dakota. Yes.

Mr. BURTNESS. Of course, regardless of what you or I may think about the equalization fee or the advisability of postponing it for two years this, at any rate, is true. The bill as worded, while it postpones the equalization fee for two years, can not possibly affect the crop for more than one year, because the winter crop for this year was seeded last fall and in the spring-wheat section the wheat is already in and no wheat will be sown this year after the bill is enacted into law, if it is enacted.

Mr. HALL of North Dakota. That is quite true, because by the time this thing gets going it is only a matter of deferring the fee for one year at the very most.

Out in North Dakota our farms are a little bit larger than they are here in the East. The average farm in North Dakota is about 320 acres, and during the last five years the farmers, without crediting themselves with anything for their labor or providing any return on their original investment, have been losing money, with the consequent result that in seven years their capital is entirely wiped out.

As I have said, we are coming back, and it is only because of the "stick-toitiveness" and the bravery and the hope that the Congress is going to do something that most of these people stick on as they are doing. We have a wonderful soil and a wonderful climate. We have everything that nature can do for us, with sufficient rainfall and good living conditions, but we can not make the farms pay.

I have here a letter in my file from a man who went out into North Dakota as a young man about 40 years ago. He was known the world over as the "boy tenor." He sang in some of the great cathedrals and churches of the world. After going through college and getting a good business training, he went out into North Dakota and built up a great farm out there. He is now bankrupt. He told me he has lost in money since 1918 $350,000 in round numbers, and that he has charged off to profit and loss and depreciation and lessened cash values more than $550,000 more.

This man was farming over 10,000 acres. He was a business man. His business was just as nicely organized as any bank or factory business. He had a complete and simplified bookkeeping system so that he could tell you what it cost him to raise a hog weighing 220 pounds or he could tell you what it cost him to raise a bushel of potatoes. Borrowing money can not help this man. I have his letter here, and it is really too long to read; but he tells me that you can not cure the farmers' ills in North Dakota by making it easier for them to get money.

It has been easy enough to get money. What we want is a fair price for what we raise.

I have a letter also from a man who has just returned to St. Paul from eastern Iowa, and he tells the story of a small farmer down in Iowa, a young married man just starting out. His wife is a young girl raised in the neighborhood. They were both raised on the farm and both were high-school students. This young man had spent two years at Ames Agricultural College. Last year they raised 32 pigs and sold them in January at a weight of about 220 pounds. He milked from seven to nine high-grade Guernsey cows. They took care of all of their stock and did all the work alone during the entire year, exchanging work with the neighbors, and only spending 75 cents in actual money for outside help. The money they spent at the stores for groceries and the like amounted to only $77 for the entire year. While they milked these cows, they did not have cream for their own use, but used the milk from the separator. While they had a lot of poultry, they confined their use of eggs to only six eggs a week.

Is it any wonder that the young men and women are leaving the farm? What are the prospects for this young couple and thousands of others? Now, what are we going to do about it? With all the good men we have representing us in Washington, we can not hope to enact favorable legislation without considerable help from the East. The eastern industrialist must recognize that if he is to continue to enjoy an outlet for his products the West must prosper, and our first duty is to show the East that we who are contending for legislation that will raise the price even at the cost of increasing in a very small measure the living expense of the industrial worker are entitled to relief, and that unless we receive such relief our condition will be felt in the East by our disfranchisement as purchasers of manufactured products.

That young man I mentioned can not make it pay. I am wondering whether borrowing is going to make the man any better off. He pays one half of the income to the man who owns the land. The other half pays the interest on the equipment. Is borrowing going to help him? I should say not. I am convinced that we are not going to get anywhere by setting up the loaning system. We will never get anywhere until we set up something in the way of an equalization fee.

Mr. DENISON. Will the gentleman yield?

Mr. HALL of North Dakota. I will.

Mr. DENISON. I respect the gentleman's opinion very much and I am asking for information. If I understand the gentleman's view, he believes in the equalization fee. If the equalization fee is right and wise in principle, why should we defer it for two years?

Mr. HALL of North Dakota. I had much rather have it go on right now if we could pass the bill. I would like to have it on everything right now, but we can not seem to get enough Members to feel as I do.

Mr. DENISON. What does the gentleman understand the reason to be why the other Members will not do it?

Mr. HALL of North Dakota. Well, pretty nearly everybody has a different reason. Some did not want it on corn and some did not want it on cotton, and Members from different sections had different reasons.

Mr. FORT. Is it not true that the people who needed the help the most were the ones that did not want the equalization fee?

Mr. HALL of North Dakota. Yes; I guess that would apply to the cotton men and to the corn men.

Mr. WILLIAMS of Illinois. Will the gentleman yield?

Mr. HALL of North Dakota. Yes.

Mr. WILLIAMS of Illinois. Is it not true that if the equalization fee is deferred we have in the bill now before the House the principle of equalization and if passed it will be written into the law; that the big organizations of the country say that this is the only thing that will work out a solution of the present problem?

Mr. HALL of North Dakota. Yes; the principle is there, and that is why I am supporting it, and that is why my people are supporting it and why the St. Paul papers and the North Dakota papers and all the farm organizations are supporting the equalization principle. [Applause.]

As to prospects for the coming year I quote from the weekly business letter issued by the Alexander Hamilton Institute under date of April 17, 1926.

THE WHEAT SITUATION

Notwithstanding the reduction in the size of the wheat crop in the United States last year, the outlook is that the carry over in this country at the beginning of the new harvest in July will approximately equal that of a year ago. Not only has domestic consumption been curtailed but the export demand has been light during the past season.

Europe raised a larger crop last year than in 1924, and consequently has had to import less wheat. Canada also had a larger crop and her increased exportable surplus enabled her to supply a larger proportion of the world's import requirements. The increase in the foreign wheat crops in 1925 not only offset the decrease in the United States yield, but brought about a substantial increase in the total world production. The world output in 1925 amounted to approximately 3,600,000,000 bushels, as compared with 3,300,000,000 bushels in 1924, an increase of over 9 per cent.

The adequate world supply of old grain and the promise of an abundant 1926 harvest in the United States will tend to exert pressure on the market during the next two or three months. Later on the market will be influenced by the prospective 1926 yields in Europe and Canada.

Important countries other than European countries need about 60,000,000 bushels during the last four months of the season, which brings the total world import requirements up to 190,000,000 bushels, as against a total of 310,000,000 bushels last year. Exporting countries other than Russia on March 1, 1926, had 85,000,000 bushels in excess of the amount needed during the remaining four months of the present season. Last year the supply was 38,000,000 bushels short of requirements. The following table shows the supply remaining in exporting countries on March 1, this year and last year:

Wheat statistics of exporting countries

[Millions of bushels]

	Crop	Annual consumption	Exports to Mar. 1	Exportable surplus Mar. 1
1925–26				
United States	669	570	69	30
Canada	417	100	200	117
Argentina	191	75	19	97
Australia	110	50	29	31
India	300	300	0	0
Total	1,687	1,095	317	275
1924–25				
United States	863	624	205	34
Canada	262	62	127	73
Argentina	191	75	42	74
Australia	164	49	34	81
India	322	312	0	10
Total	1,802	1,122	408	272

North Dakota's grain crops for 1925 brought our farmers more than $224,000,000, and the products of the livestock, wool, honey, dairy, and garden brought them about $148,000,000 more. The grain crops of 1924 was $32,000,000 less in value than that of 1925. The value of diversified products, however, for 1924 was $17,000,000 greater than the preceding year, making a lesser value of $15,000,000, or only $200 per farm for 1924.

The above statement of diversified production now measures more generally the North Dakota farm and farmer since 1920. All his eggs no longer in one basket. The grain acreage is less, but the lesser acreage producing more bushels, therefore more dollars; all grain of better quality; foul seed dockage reduced and soil fertility conserved. It is a bank depositing, not a bank borrowing proposition.

In 1920 the total value of the above stated diversified products was in North Dakota $82,150,000. In this particular production we have nearly doubled the value in five years. It is interesting to note that such production is now more than one-half of the total grain production, which indicates that we are moving rapidly into better and safer farming methods, but diversification can not cure our present ills.

Diversification in some instances means a spreading of awkward and costly losses.

My State has more than doubled its corn acreage within the past five years until we are now the twenty-fourth State in corn production. Iowa, Illinois, and Missouri are at the apex of their corn production, while North Dakota is in the early dawn of her great corn-producing possibilities.

In making comparison with other States and the country at large, we find that in the crop of 1925 we produced two-fifths of the spring wheat and one-sixth of all wheat raised in the country. The flax crop of this year, though much less than 1924, yet we produced one-third of all flax raised. In winter rye we also produced one-third of the country's production,

which total was 48,696,000 bushels. In barley production we lead our nearest competitors, Minnesota with 33,630,000 bushels and California with 32,240,000 bushels. Our advance in potato production during the past eight years has kept pace with that of all other diversified products. This year's crop advanced us from thirteenth to eighth place in State potato production. In dairy production during the past five years we have advanced more rapidly, measured by a like number of farms, than any other State in the Union. In 1920 value of dairy production was $27,240,000. In poultry and poultry products the advance has kept up with the rapid pace set by that of dairy products.

The great advance during the past three years in production and value of sheep and wool is especially noticeable. Their increase is rapid; they are weed consumers; dual money makers, and spread richness to impoverished soil. A small bunch on every farm would be a fourfold blessing.

In 1915 there was but a few scattered acres in alfalfa and none in sweet clover. The acreage for 1925 of these two great forage crops was 397,000 acres. Our remarkable development in honey production in the short period of five years is without a parallel in this or any other country. In 1920, 708 hives; in 1925, 16,000 hives.

With the rapidly increasing acreage in corn, sweet clover, and alfalfa it forecasts more and better rounded-up hogs, beef stock, and sheep, and better and more intelligently fed cows. This prediction is made more assuring because of the Armour packing plant at Fargo. It is now a going concern and will be a growing institution, thereby bringing a ready, dependable market 250 miles nearer to the farmers of this State.

Taken by and large the great progress our State has made in the past and will continue to make in the future should be a matter of gratification to all citizens. Especially is this true when we consider that when North Dakota became a State Indiana, as a State, was 75 years old; Illinois, 71; Michigan, 52; Iowa, 43; Wisconsin, 41; Minnesota, 31; Nebraska, 22. All these great agricultural States had one or three generations the start of us; yet, notwithstanding this handicap, the value of our agricultural production, 1925, shows we produced the largest average per capita, $567, and the largest average farm value, $5,166, of any State in the Union, if measured by population and number of farms.

There is no escape from the logic that the responsibility for relief measures is upon Congress. Both parties favored it in their platform when they went before the people in the recent elections, and farmers and manufacturers and people in every walk of life are demanding and are expecting it, and they have a right to expect it.

I am for this measure, too, because I hope it may put a curb on "short" selling by speculators, though all must agree that there will always be speculation in commodities as they are bought and sold. Buyers will continue to buy grain whenever they think the price is attractive and that a higher price level may come later. This element is in every market regardless of whether the product be pork or wheat or what not. I think that under the provisions of this bill a curb at least can be put upon the practice of "short" selling.

There is only one agency big enough to handle the surpluses and that is the Federal farm board sought to be set up by this measure. To do so does not put the Government in business to any greater extent than it is already in business in scores of different ways. To do so does not mean price fixing. The enactment of this bill would be an equalizer as between acreage and probable demand, and does not mean price fixing any more than the tariff is a price-fixing measure.

The American farmer is only asking for a square deal; just that and no more. He wants the same right to place the value on his products as newspaper men have in fixing their advertising rates, the manufacturer and banker in fixing their rates, and labor organizations in fixing their wage scales. Tell me, if you can, how much the consumer has to say and in what manner he is consulted as to prices for his food and clothing now.

The farmer wants and demands a square deal, and the farm-relief question will not be settled until he does have an equal show with the industries, with finance, with transportation, and with labor. If the farmer is getting unsound legislation in this—if this is unwise—then he is getting what he asked for. The organized farmers think this plan will work. They think they know what some of the causes of their present troubles are, and they think the enactment of this sort of legislation will help them. If the farmer gets sound legislation, based on economic foundations rather than political expediency, he knows that he has been given a good start for better and brighter times.

Most of the farming operations in the United States are now being done by the older men and by hired men. The farmers' sons refuse to take up the burden and face the responsibilities. Agriculture is fast becoming decadent. Is there not some way of maintaining American farm life alongside American industry and American labor and upon that high plane which they now enjoy? I am sure there is, and that Congress will find the way.

The CHAIRMAN. The time of the gentleman from North Dakota has again expired.

Mr. SWANK. Mr. Chairman, I yield 15 minutes to my colleague [Mr. McKEOWN].

Mr. McKEOWN. Mr. Chairman and gentlemen of the committee, I want to call your attention first to a few figures as to the condition of the country in lines other than agriculture.

PRIVATE INVESTMENTS

New corporate financing in the United States during April reached a total of $438,299,000. With the exception of last January, when the total of new corporate investments reached $545,870,000, the total for April is the high mark. The total of new corporate investments for the first quarter of this year reached a level of more than $1,640,000,000. Industrial financing and investment thus far this year has reached a total of more than $1,462,000,000.

Few persons realize the enormous amount of new American capital issues offered in American and foreign investments since 1920. It is estimated at more than $27,700,000,000, of which about $24,000,000,000 was in domestic corporations or enterprises and about $3,700,000,000 in foreign corporations.

These offerings cover only five years, whereas the total American investments in foreign government and industrial securities on January 1, 1926, amounted to approximately $10,500,000,000. This is something like one-sixth of the total estimated national income.

Why, gentlemen come into this House and talk about a subsidy to the farmers. Gentlemen on the floor of this House, and in this House, and in the cloakrooms, are trying to find some objection to the Haugen bill, first on the ground that it is a subsidy to the farmers and, second, that it is not economically sound. I wonder where all these gentlemen were when they were trying to subsidize the merchant marine for about a billion dollars? Some of these same gentlemen who now talk about subsidies were working teeth and toenails trying to get a subsidy for the merchant marine, which I say was good business and good statesmanship. Now, when you come here and talk about $375,000,000 for the farmer you would think that that was all the money that there was in the world, and that the farmers were about to get away with it. [Laughter and applause.]

I am no economist, I am no business man, I am no banker. They say, "What will be the effect of this business?" Congressmen stand around and say, "It doesn't interest me because it is not economically sound." Who told you that it was not economically sound? Did any witness go before this committee and state that it was not economically sound? I want to take time enough to say that this committee gives attention to matters that they investigate, and does its best to get at the truth.

Yet you come out here and say it is not economically sound. I want you to get on this floor and name a man who said it was not and let us see what he knows about it. One man's judgment is about as good as another's, and you have to find an answer to make to your constituents who are engaged in agriculture, who are absolutely down and out so far as finances are concerned. When you go down there and take two or three hours on the stump trying to explain the economic faults of the Haugen bill, when you do not vote for any bill at all, you will have some job on your hands.

Mr. FULMER. Mr. Chairman, will the gentleman yield?

Mr. McKEOWN. I prefer not to yield just now. Let me tell you something. I blame a lot of demagogic Congressmen for the situation in which we find ourselves to-day. They have gone out and told these farmers that if they would send them to Congress they would help the farmer and relieve them and fix them up, and they have kept it up until now the farmer actually believes it can be done by Congress; and what are you going to do about it? Whenever you say you can not operate, the minute you convince any part of the American people that you can not meet an emergency, the minute you say that you can not meet a legislative problem, that minute you prove yourselves unfit to be in the House of Representatives, and they want somebody here that can do something. [Applause.]

You are not going to get away with this proposition at this time. You sit here in this House and never blink an eye and vote $90,000,000 of appropriation for airplanes for the Army, without batting an eye, and never even rising half the time to vote on it; and you voted the other day for $80,000,000 for airplanes for the Navy to put on these airplane carriers, and I told you you would have to give them a thousand airplanes to carry on these boats if you had them build the boats. You

can not do anything for the farmer, you say. I have the greatest respect for men when they differ in opinion. I offered a bill for the relief of the farmer, and I can go back to my farmers and tell them that I offered a bill. I thought it was one of the best bills I ever saw, but I never could get anybody else to agree with me; and what is the use of my standing up here and voting against all these bills on farm relief and then go down home and arrogate to myself an air of superiority and say that I offered a better bill? Some of my fellows are going to say, What did you vote for?

Mr. CHINDBLOM. Does the gentleman not think that the Agricultural Committee would have voted out his bill also? Sure they would.

Mr. McKEOWN. Oh, they sent it down to Jardine, and he has got it yet. [Laughter.] Here is the situation: You are going to have to say that you either voted or did not vote for something. I admire the man who says that he does not believe in any of it and will come out and vote straight against it. Of course, there are some fellows who are against this bill who have not enough farmers in their district to wad a double-barrel shotgun.

They are against the bill; but you gentlemen talk about economy and economics, and what do you know about economics? That is what I want to know. Is not one man's judgment about as good as another man's judgment when it comes to a question of economics? Whenever a farmer comes in here and wants legislation, he has to run the whole gantlet of all the economists and financiers and everybody else, and yet you gentlemen walked up to the trough and you gave the railroads $1,300,000,000, and you never stopped to ask whether it was good economics or good finance. That is the situation in which you have gotten us to-day. Now, we have three of these bills here. You have to make up your minds, and you can not make up your minds to just seesaw around, because legislation is a practical proposition. I have learned that much from the Republicans. They have taught me that much. I used to think that sentiment went somewhere, but it does not go if it is contrary to the wishes of the machine, because they will put her through. You have to put this thing through, and how are you going to do it? It has to have votes to put it through, and you know it. Of course, you are playing a lot of politics about this bill, but that is not going to help the farmer back home. He is thinking that you are playing too much politics with it, and he is tired of politics. I will tell you what is going to happen. You vote down the Haugen bill and do not give the farmer any relief, and there will be less economists in this House and more farmers in the next Congress, because they are ready to run at any time. [Laughter and applause.] Let us see what you are going to do about it? Let us be fair with one another. This is a serious matter.

This is serious because the farmers of this country are in dire distress. They have lost money. Ever since 1920 they have lost money. Now, I state this proposition. If the Haugen bill will not help the farmers, how could the United States lose any money? I want some of the economists and financiers to explain that to me. If the bill does not do any good to the farmer, how can it lose any money to the Government? If it helps the farmers it helps the merchants and the other business men, does it not? If you knew to-night as well as I know agricultural industry is not only going down to the rocks, but agricultural industry is absolutely on the rocks. Because you are removed away from that part of the country do not ever you think because he has simply a frugal meal or is able to ride occasionally in one of Henry Ford's cars that he is prosperous. Do not fool yourself about that, and if to-night the word would come into this Chamber that any other great industry was about to perish, that some great industry was perishing in this country, where is the man here who would not rise, every one of us, and be ready to lend Government aid if it is necessary to pull it through and save the country? [Applause.] Now, you talk about a subsidy to the farmer. We are not asking anything for the farmer but some method by which we can better his condition and lift it up. Suppose this plan is wrong. Are you going to adjourn when you get through here for all time? Is that what you have in your mind? Do you not expect to come back here again? Most of you hope so. I hope so, to come back here again. [Laughter.]

You are going to have an opportunity in the years to come to go to work and pass some legislation that is sound economically according to the ideas of the fellows here in reference to economics. I had a bill that would have turned around and given a tariff to the farmers on the same basis and would not have taken any money out of the Treasury, except simply to maintain the offices here. That is all. But it would have turned the tariff back to go to commerce and the consumer just the same as the customs tariff is absorbed by the people; and I said when I introduced the bill that I had not gotten to the point where I was going to commit myself eternally to protection or anything of the sort, but it looks from the two last elections we had that the American people wanted a high protective tariff. I wanted it so some of it would go around to the other fellows the same as the manufacturers. [Applause.] Now, talking about prophecies, you may talk about prophecies. I have heard all kinds of prophecy of the things that were going to happen. When we passed the tariff bill there was quite a number of terrible things that were going to happen. What happened? They did not materialize.

You fellows are seeing bogies down the road that do not exist when you get to them. Let me tell you something else. You heard a lot of prophecies about lowering the taxes and how badly it was going to hurt the Treasury. The Treasury shows we get more money, and I know for a fact they are getting 62 per cent more money out of Oklahoma on the last tax bill for the first quarter than in 1925. Now they are getting more money and——

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. McKEOWN. I prefer not; I yield.

Mr. NEWTON of Minnesota. It looks a little better for Oklahoma than three or four minutes ago.

Mr. McKEOWN. No, sir. That just means that the tax bill has gotten to work and you are getting more money than before because we have got the fellows paying more money than before.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McKEOWN. Will the gentleman yield me five minutes more in order to conclude?

Mr. SWANK. I yield the gentleman five minutes.

The CHAIRMAN. The gentleman is recognized for five additional minutes.

Mr. McKEOWN. Now, gentlemen, I am in all seriousness about this matter. We have had a lot of levity, but coming down to seriousness now I desire to say this is a serious problem that confronts us.

It is a serious matter to you men, whether you live in the cities or in the country. It is a little more serious, a little closer to the fellow who has a farmer constituency, and he feels it a little nearer to him than you fellows who have a city constituency. But do not forget that the fundamental prosperity of the American people, the happiness of this Nation, rests finally upon the one plane of the prosperity of the man who tills the soil morning and night.

You talk about your strike in England to-night. You are talking about the strike in England for the purpose of scaring somebody against voting for this bill. What kind of a fix will you be in in America if the farmers should strike? Where would you fellows in the cities be if he decided one morning to march out on a strike? You would be in a bad fix, and the country would be in a bad fix.

If this $375,000,000, just for the sake of argument, now—if we would just go over and take it out of the Treasury, and if this $375,000,000 will make $200 a head for all the farmers of this country; if they can make that much more out of their crops, that means $1,200,000,000 to spend with your manufacturers, and you will get it back in taxes and prosperity, and you will not have to pay out the money at all. [Applause.]

You fellows, some of you, just want to edge around, and some of you want to say, "Well, it does not suit my ideas at all of what ought to be done for the farmer; it is not a safe plan; it is not a sound plan." But I am not responsible for the plan; it is not my plan; I did not make the plan. The only thing for me to do is to march up here and express my opinion as a Congressman of the plan submitted. That is what I propose to do.

Mr. DENISON. Which one are you going to support?

Mr. McKEOWN. I am going to support the Haugen bill, and see it through, because I think it will give relief. [Applause.]

I want to say to you that the gentleman from Kansas [Mr. TINCHER] has labored hard and has put in a bill here; and I want to say to the gentleman in all frankness that while I think a good deal of him personally, I surely think he has been steam rolling the Haugen bill. I believe the gentleman is sincere in that, but I want to say that the gentleman has mightily delayed this farm legislation, because he has gone to the bottom of it; and if they can bring in a bill after the hard, strenuous work of the gentleman from Kansas who is opposed to it, it must be meritorious, because otherwise they could not have gotten it here at all.

Mr. TINCHER. I hope the gentleman will not intimate that I delayed in bringing in any bill.

Mr. McKEOWN. I do not mean in the sense of delaying legislation, but the gentleman has surely taken them down the line on cross-examination, if the hearings are correct. [Laughter.]

Mr. TINCHER. I do not think I have done as much as the average member of the committee.

Mr. McKEOWN. Well, I was just interested to know what the gentleman's ratio was. [Applause.]

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. HAUGEN. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. TILSON having assumed the chair as Speaker pro tempore, Mr. MAPES, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration the bill (H. R. 11603) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities, had come to no resolution thereon.

ADJOURNMENT

Mr. HAUGEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 48 minutes p. m.) the House adjourned until to-morrow, Friday, May 7, 1926, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for May 7, 1926, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON LABOR

(10.30 a. m.)

To create in the Bureau of Labor Statistics of the Department of Labor a division of safety (H. R. 11886).

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

To regulate the distribution and promotion of commissioned officers of the line of the Navy (H. R. 11524).

SPECIAL JOINT COMMITTEE

(10.30 a. m., Room 347)

To investigate Northern Pacific land grants.

COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

(10 a. m.)

Proposed bill amending the World War veterans' act with reference to the appointment of guardians.

COMMITTEE ON FOREIGN AFFAIRS

(11 a. m.)

Authorizing the Secretary of Interior to call a pan-Pacific conference on education, rehabilitation, reclamation, and recreation at Honolulu, Hawaii (H. J. Res. 240).

COMMITTEE ON THE JUDICIARY

(10 a. m.)

To amend the last paragraph of section 320 of the Penal Laws of the United States (H. R. 4473).

COMMITTEE ON PATENTS

(10 a. m.)

For copyright registration of designs (H. R. 6249).

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(10 a. m.)

To authorize the refunding of evidences of indebtedness heretofore issued by a carrier in interstate commerce under the provisions of an act to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes, approved March 21, 1918, as amended by an act approved March 2, 1919, or under the provisions of section 207 of the transportation act, 1920, or of section 210 of said act as amended by an act approved June 5, 1920, and the reduction and fixing of the rate of interest to be paid by such carriers upon said notes or other evidences of indebtedness (H. R. 8708).

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SNELL: Committee on Rules. H. Res. 256. A resolution providing for the consideration of H. R. 10821, a bill for the appointment of certain additional judges, and H. R. 11053, a bill to fix the salaries of certain judges of the United States; without amendment (Rept. No. 1088). Referred to the House Calendar.

Mr. GRAHAM: Committee on the Judiciary. H. J. Res. 207. A joint resolution directing the Comptroller General of the United States to correct an error made in the adjustment of the account between the State of New York and the United States, adjusted under the authority contained in the act of February 24, 1905 (33 Stat. L. p. 777), and appropriated for in the deficiency act of February 27, 1906; without amendment (Rept. No. 1089). Referred to the Committee of the Whole House on the state of the Union.

Mr. WURZBACH: Committee on Military Affairs. H. R. 3796. A bill to establish a national military park at the battle field of Moores Creek, N. C.; with amendment (Rept. No. 1090). Referred to the Committee of the Whole House on the state of the Union.

Mr. GRAHAM: Committee on the Judiciary. H. R. 8200. A bill prohibiting the use of the words "Army or Navy," or both, in the name of a store or company engaged in mercantile business; with amendment (Rept. No. 1091). Referred to the House Calendar.

Mr. BUTLER: Committee on Naval Affairs. H. Res. 217. A resolution requesting the Secretary of the Navy to report to the House of Representatives the total number of commissioned officers of the Navy who are on the retired list and the total amount such officers are drawing annually; without amendment (Rept. No. 1092). Referred to the House Calendar.

Mr. VINSON of Georgia: Committee on Naval Affairs. S. 952. An act authorizing the Secretary of the Navy to deliver to the State of Georgia the silver service presented to the United States for the battleship *Georgia;* without amendment (Rept. No. 1093). Referred to the House Calendar.

Mr. HASTINGS: Committee on Indian Affairs. H. R. 10540. A bill authorizing an appropriation to revise, repair, index, and file various records in the office of the superintendent for the Five Civilized Tribes at Muskogee, Okla.; with an amendment (Rept. 1096). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEAVITT: Committee on Indian Affairs. H. R. 11170. A bill authorizing expenditure of tribal funds of Indians of the Tongue River Indian Reservation, Mont., for expenses of delegates to Washington; without amendment (Rept. 1097). Referred to the Committee of the Whole House on the state of the Union.

Mr. ZIHLMAN: Committee on the District of Columbia. H. R. 11174. A bill to amend section 8 of the act of September 1, 1916 (39 Stat. L. p. 716), and for other purposes; without amendment (Rept. 1098). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEHLBACH: Committee on the Civil Service. H. R. 7. A bill to amend the act entitled "An act for the retirement of employees in the classified civil service, and for other purposes, approved May 22, 1920, and acts in amendment thereof; with an amendment (Rept. No. 1099). Referred to the Committee of the Whole House on the state of the Union.

Mr. VESTAL: Committee on Patents. H. R. 10774. A bill to amend section 15 of an act entitled "An act to amend and consolidate the acts respecting copyright," amended March 4, 1909; without amendment (Rept. No. 1100). Referred to the House Calendar.

Mr. GRAHAM: Committee on the Judiciary. H. R. 10058. A bill to authorize notaries public and other State officers to administer oaths required by the United States; without amendment (Rept. No. 1101). Referred to the House Calendar.

Mr. GRAHAM: Committee on the Judiciary. H. R. 11354. A bill to change the time of holding court at Raleigh, N. C.; without amendment (Rept. No. 1102). Referred to the House Calendar.

Mr. ROBSION of Kentucky: Committee on Mines and Mining. S. 1821. An act authorizing joint investigations by the United States Geological Survey and the Bureau of Soils of the United States Department of Agriculture to determine the location and extent of potash deposits or occurrence in the United States and improved methods of recovering potash therefrom; with amendment (Rept. No. 1105). Referred to the Committee of the Whole House on the state of the Union.

Mr. ZIHLMAN: Committee on the District of Columbia. H. R. 7380. A bill to repeal a part of section 12, chapter 353,

Thirty-first United States Statutes at Large, as heretofore amended; with amendment (Rept. No. 1106). 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. STEPHENS: Committee on Naval Affairs. S. 2746. An act to correct the naval record of Charles David Gutheridge; without amendment (Rept. No. 1094). Referred to the Committee of the Whole House.

Mr. TAYLOR of West Virginia: Committee on Naval Affairs. H. R. 6697. A bill for the relief of Alfred W. Mathews, former ensign, United States Naval Reserve Force; without amendment (Rept. No. 1095). Referred to the Committee of the Whole House.

Mr. APPLEBY: Committee on Claims. H. R. 2367. A bill for the relief of the St. Paul Gas Light Co.; with amendment (Rept. No. 1103). Referred to the Committee of the Whole House.

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 2323. A bill for the relief of T. Gaines Roberts; without amendment (Rept. No. 1104). 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:

A bill (H. R. 6480) to extend the provisions of the act of Congress, approved May 22, 1920, entitled "An act for the retirement of employees in the classified civil service, and for other purposes"; Committee on Claims discharged, and referred to the Committee on the Civil Service.

A bill (H. R. 11917) granting a pension to Jesse Beason; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 11791) granting a pension to Ida M. Schotte; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 11747) granting a pension to James K. Green; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. REID of Illinois: A bill (H. R. 11942) to authorize the construction of a bridge across the Fox River in Dundee Township, Kane County, Ill.; to the Committee on Interstate and Foreign Commerce.

By Mr. ZIHLMAN: A bill (H. R. 11943) providing for an additional building for the use of the police court of the District of Columbia; to the Committee on the District of Columbia.

By Mr. BERGER: A bill (H. R. 11944) to condemn and acquire for Government ownership and operation railroad, telegraph, telephone, and express properties engaged in interstate commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. SABATH: A bill (H. R. 11945) to provide for the deportation of certain aliens; to the Committee on Immigration and Naturalization.

By Mr. JOHNSON of Washington: A bill (H. R. 11946) to increase the clothing and cash gratuity furnished to persons discharged from prisons; to the Committee on the Judiciary.

By Mr. MOORE of Virginia: A bill (H. R. 11947) to regulate the issue and validity of passports, and for other purposes; to the Committee on Foreign Affairs.

By Mr. BURTON: A bill (H. R. 11948) to authorize the settlement of the indebtedness of the Kingdom of the Serbs, Croats, and Slovenes; to the Committee on Ways and Means.

By Mr. KINCHELOE: A bill (H. R. 11949) authorizing the construction of a bridge across the Ohio River approximately midway between the city of Owensboro, Ky., and Rockport, Ind.; to the Committee on Interstate and Foreign Commerce.

By Mr. McSWAIN: A bill (H. R. 11950) to regulate the manner of purchasing aircraft, aircraft parts, and aircraft accessories, and to promote and encourage the aircraft industry; to the Committee on the Judiciary.

By Mr. GREEN of Iowa: Joint resolution (H. J. Res. 247) releasing all claims of the United States in respect to Government-owned equipment loaned to the Neville O'Hara Post of the American Legion at Magnolia, Iowa, and destroyed by fire; to the Committee on Military Affairs.

By Mr. REED of New York: Resolution (H. Res. 257) to provide for the printing of 2,700 additional copies of the hearings held before the joint committees of the two Houses during the Sixty-ninth Congress on the bills (H. R. 5000; S. 291 and S. 2841) to create a department of education, and for other purposes; to the Committee on Printing.

By Mr. BLACK of New York: Resolution (H. Res. 258) to revoke our proposed adherence to the World Court; 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. ANDRESEN: A bill (H. R. 11951) granting an increase of pension to Mary Gallagher; to the Committee on Invalid Pensions.

By Mr. BARKLEY: A bill (H. R. 11952) granting a pension to Burnie M. Rogers; to the Committee on Pensions.

By Mr. BIXLER: A bill (H. R. 11953) granting a pension to Oril Lucretia Hunter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11954) granting a pension to Alice Black; to the Committee on Invalid Pensions.

By Mr. BRITTEN: A bill (H. R. 11955) for the relief of the Bell Telephone Co., of Philadelphia, Pa., and the Illinois Bell Telephone Co.; to the Committee on Naval Affairs.

By Mr. DEMPSEY: A bill (H. R. 11956) granting a pension to Margaret Myers; to the Committee on Invalid Pensions.

By Mr. ESTERLY: A bill (H. R. 11957) granting an increase of pension to Helen E. Good; to the commitee on Invalid Pensions.

Also, a bill (H. R. 11958) granting an increase of pension to Mary A. Boone; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11959) granting an increase of pension to Caroline Cleaver; to the Committee on Invalid Pensions.

By Mr. HAUGEN: A bill (H. R. 11960) granting an increase of pension to Gertrude Merrill; to the Committee on Invalid Pensions.

By Mr. HICKEY: A bill (H. R. 11961) granting an increase of pension to Betsy L. Burns; to the Committee on Invalid Pensions.

By Mr. HUDSPETH: A bill (H. R. 11962) granting an increase of pension to Frank E. Bihl; to the Committee on Pensions.

By Mr. JACOBSTEIN: A bill (H. R. 11963) granting a pension to Grace M. Oliver; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11964) granting an increase of pension to Frances L. Gamble; to the Committee on Invalid Pensions.

By Mr. KOPP: A bill (H. R. 11965) granting an increase of pension to Eliza J. Watts; to the Committee on Invalid Pensions.

By Mr. KNUTSON: A bill (H. R. 11966) granting an increase of pension to Mary A. Ward; to the Committee on Invalid Pensions.

By Mr. LITTLE: A bill (H. R. 11967) for the relief of Charles W. Peppers; to the Committee on Claims.

By Mr. PURNELL: A bill (H. R. 11968) granting an increase of pension to Sarah E. Harrell; to the Committee on Invalid Pensions.

By Mr. SNELL: A bill (H. R. 11969) to correct the military record of Hossie R. Kinney, United States Marine Corps; to the Committee on Naval Affairs.

By Mr. STEPHENS: A bill (H. R. 11970) granting an increase of pension to William R. Spooner; to the Committee on Pensions.

By Mr. THOMAS: A bill (H. R. 11971) granting an increase of pension to Martha E. Palmer; to the Committee on Invalid Pensions.

By Mr. TOLLEY: A bill (H. R. 11972) granting an increase of pension to Ellen J. Whitney; to the Committee on Invalid Pensions.

By Mr. VINCENT of Michigan: A bill (H. R. 11973) granting a pension to Alice M. Sweet; to the Committee on Invalid Pensions.

By Mr. WILLIAMS of Illinois: A bill (H. R. 11974) granting a pension to Ada J. Hopson; to the Committee on Invalid Pensions.

By Mr. WOLVERTON: A bill (H. R. 11975) granting an increase of pension to Catherine Mullens; to the Committee on Invalid Pensions.

By Mr. WURZBACH: A bill (H. R. 11976) for the relief of George Heitkamp; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2070. By Mr. ANDREW: Communication from West Newbury Grange, No. 146, West Newbury, Mass., opposing any change in the prohibition laws; to the Committee on the Judiciary.

2071. By Mr. BURTON: Resolution of Cleveland Chapter of the Disabled Emergency Officers of the World War, favoring retirement legislation for emergency officers; to the Committee on Rules.

2072. Also, resolutions adopted by Assemblies No. 126 and No. 127 of the Slovak Evangelical Union, Cleveland, Ohio, protesting against the enactment of certain proposed legislation providing for the deportation and registration of aliens; to the Committee on Immigration and Naturalization.

2073. By Mr. CARTER of California: Petition of Los Angeles District, California Federation of Women's Clubs, indorsing House bills 3020, 8821, and 9497; to the Committee on Indian Affairs.

2074. Also, petition of 350 citizens of California, protesting against the passage of House bill 7179; to the Committee on the District of Columbia.

2075. Also, petition of the State of California Fish and Game Commission, opposing the enlargement of Sequoia National Park (H. R. 9387); to the Committee on the Public Lands.

2076. By Mr. CHINDBLOM: Petition of Mr. Aaron Lundell and 123 other residents of Chicago, Ill., protesting against the following compulsory Sunday observance bills, H. R. 10311, 10123, 7179, or 7822, now pending, or any other compulsory religious measure that may be introduced; to the Committee on the District of Columbia.

2077. By Mr. DICKINSON of Missouri: Petition of 49 citizens of Lockwood, Dade County, Mo., against the compulsory Sunday observance law or any other national religious legislation pending; to the Committee on the District of Columbia.

2078. By Mr. GALLIVAN: Petition of G. K. Creighton, vice president E. T. Slattery Co., Boston, Mass., recommending early and favorable consideration of the migratory bird refuge-public shooting ground bill; to the Committee on Agriculture.

2079. By Mr. KELLY: Petition of the retail druggists of New York State, requesting enactment of House bill 11, the price maintenance bill; to the Committee on Interstate and Foreign Commerce.

2080. By Mr. KNUTSON: Petition of Lena Ray, Tamarack, Minn., and others, protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

2081. By Mr. LINTHICUM: Petition of J. Kemp Bartlett, Edward B. Jeffery, Garner W. Denmead, Dr. B. Holly Smith, The Canton Lumber Co., Kiwanis Club, Weston W. Seward, R. B. Mason, Frederick P. Stieff, Sifford Pearre, Elmer M. Beard, W. T. Shackelford & Co., Homeland Manufacturing Co., James R. Clark, all of Baltimore, favoring passage of House bill 7479, migratory bird refuge and marshland conservation bill; to the Committee on Agriculture.

2082. By Mr. O'CONNELL of New York: Petition of the National Cooperative Milk Producers' Federation, favoring the passage of the Tincher bill (H. R. 11618); to the Committee on Agriculture.

2083. Also, petition of the Elmer E. Bennett, jr., Post, No. 725, American Legion, of Brooklyn, N. Y., favoring the passage of House bills 10240, 4548, and 10277, having to do with disabled veterans and their dependents; to the Committee on World War Veterans' Legislation.

2084. By Mr. PEAVEY: Petitions of 1,866 citizens of northern Wisconsin, urging favorable action on House bill 10006, providing for the distribution of explosives to bona fide settlers on cut-over lands for land-clearing purposes; to the Committee on Agriculture.

2085. By Mr. SWING: Petition of certain residents of Loma Linda, Calif., protesting against the passage of House bill 7179 and similar bills for the compulsory observance of Sunday in the District of Columbia; to the Committee on the District of Columbia.

2086. By Mr. WEFALD: Petition of the Chippewa Council, White Earth, Minn., requesting an investigation of the superintendent of the Consolidated Chippewa Agency of Minnesota at Cass Lake, Minn., on account of failure to make payments from the Chippewa fund authorized by law to certain Chippewa Indians of Minnesota; to the Committee on Indian Affairs.

2087. Also, petition of 27 residents of Vining, Minn., protesting against the abrogation of religious liberty by the passage of any Sunday observance law for the District of Columbia; to the Committee on the District of Columbia.

2088. Also, petition of 20 residents of Hazel, Minn., protesting against the passage of any law to compel Sunday observance in the District of Columbia; to the Committee on the District of Columbia.

2089. Also, petition of 74 residents of Roseau County, Minn., protesting against the passage of any Sunday observance law for the District of Columbia; to the Committee on the District of Columbia.

2090. By Mr. WELLER: Petition of Alpha Physical Culture Club, indorsing House bill 7, a bill to increase the retirement pay of Federal employees; to the Committee on the Civil Service.

SENATE

FRIDAY, *May 7, 1926*

(Legislative day of Thursday, May 6, 1926)

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

INTERIOR DEPARTMENT APPROPRIATIONS

Mr. SMOOT. Mr. President, I submit a conference report and ask for its immediate consideration and approval.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 6707) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1927, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 46 and 62.

REED SMOOT,
CHARLES CURTIS,
L. C. PHIPPS,
WM. J. HARRIS,
A. A. JONES,
Managers on the part of the Senate.

LOUIS C. CRAMTON,
FRANK MURPHY,
C. D. CARTER,
Managers on the part of the House.

The report was considered and agreed to.

CALL OF THE ROLL

Mr. CURTIS. 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	Ferris	La Follette	Shipstead
Bayard	Fess	Lenroot	Shortridge
Bingham	Fletcher	McKellar	Simmons
Blease	Frazier	McLean	Smith
Borah	George	McMaster	Smoot
Bratton	Gerry	McNary	Stanfield
Broussard	Gillett	Mayfield	Steck
Bruce	Glass	Means	Stephens
Butler	Goff	Metcalf	Swanson
Cameron	Gooding	Moses	Trammell
Caraway	Greene	Neely	Tyson
Copeland	Hale	Norbeck	Underwood
Couzens	Harreld	Norris	Wadsworth
Cummins	Harris	Nye	Walsh
Curtis	Heflin	Oddie	Warren
Dale	Howell	Overman	Watson
Deneen	Johnson	Phipps	Weller
Dill	Jones, N. Mex.	Ransdell	Wheeler
Edge	Jones, Wash.	Reed, Pa.	Williams
Edwards	Kendrick	Robinson, Ind.	Willis
Ernst	Keyes	Sackett	
Fernald	King	Sheppard	

Mr. CURTIS. I desire to announce the absence of my colleague [Mr. CAPPER] on account of illness in his family. I will allow this announcement to stand for the day.

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

SALE OF FLOUR AND BREAD

The VICE PRESIDENT laid before the Senate a preliminary report of the Federal Trade Commission of its investigation made in partial response to Senate Resolution 163 (by the late Senator La Follette, agreed to February 16, 1924), relative to that portion of the resolution dealing with conditions in the flour milling business, which was referred to the Committee on Interstate Commerce.

VIRGINIA BILL OF RIGHTS CELEBRATION

The VICE PRESIDENT. Pursuant to the provisions of House Concurrent Resolution 22, providing for the appointment of a joint committee to represent Congress at the cele-