By Mr. ZIHLMAN: A bill (H. R. 15526) granting a pension to William R. Lewis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15527) granting an increase of pension to Sarah J. Ramsey; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4380. By Mr. BROWNE: Petition of citizens of Wisconsin, favoring the passage of House bill 10311; to the Committee on the District of Columbia.

4381. By Mr. CARTER of California: Petition of the California Economic Research Council, urging an appropriation of sufficient funds which will enable the Bureau of Soils to publish soil surveys and have them available for distribution as soon as possible after completion of the field work as the bureau is now approximately three years in arrears in issuing maps and reports; to the Committee on Appropriations.

4382. By Mr. FRENCH: Petition of citizens of Weiser, Idaho, and Nampa, Idaho, requesting that veterans of the Indian wars, their widows and dependents, be granted an increase of pension; to the Committee on Pensions.

4383. By Mr. HOOPER: Petition of Mrs. A. M. Houser and 11 other residents of Battle Creek, Mich., protesting against the passage of compulsory Sunday observance legislation; to the Committee on the District of Columbia.

4384. By Mr. KINDRED: Petition of the Medical Society of the State of New York to the Congressmen, individually and collectively, of New York State, to oppose any amendment and revision of the Harrison narcotic law that would make more difficult the conditions under which physicians are obliged to work at present. It requests immediate and continued opposition to favorable action on House bill 11612 and its companion, Senate bill 4085; to the Committee on Ways and Means.

4385. By Mr. MORROW: Petition of American Mining Congress re Senate bill 564; to the Committee on the Public Lands.

4386. By Mr. O'CONNELL of New York: Petition of the National Association of Credit Men, 1 Park Avenue, New York City, favoring the enactment of the McFadden banking bill without the Hull amendment; to the Committee on Banking and Currency.

4387. Also, petition of the Medical Society of the State of New York, opposing the passage of Senate bill 4085 and House bill 11612, to amend the Harrison narcotic law; to the Committee on Ways and Means.

SENATE

TUESDAY, *December 21, 1926*

(Legislative day of Friday, December 17, 1926)

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

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed the following bills, each with amendments, in which it requested the concurrence of the Senate:

S. 3728. An act to grant to the State of New York and the Seneca Nation of Indians jurisdiction over the taking of fish and game within the Allegany, Cattaraugus, and Oil Spring Indian Reservations; and

S. 3615. An act for the relief of soldiers who were discharged from the Army during the Spanish-American War because of misrepresentation of age.

The message also announced that the House had passed the bill (S. 4153) to provide for enlarging and relocating the United States Botanic Gardens, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

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

H. R. 9564. An act providing for markers for the battle fields of Eastport, Miss., and Iuka, Miss.;

H. R. 9912. An act approving the transaction of the adjutant general of the State of Oregon in issuing property to sufferers from a fire in Astoria, Oreg., and relieving the United States property and disbursing officer of the State of Oregon and the State of Oregon from accountability therefor;

H. R. 11516. An act to authorize the payment of an indemnity to the Government of France on account of losses sustained by the owners of the French steamship *Madeleine* as a result of a collision between it and the U. S. S. *Kerwood;*

H. R. 12315. An act to amend section 8 of the food and drugs act, approved June 30, 1906, as amended;

H. R. 13445. An act to provide for graduated special-handling postage charges, according to the weights of the parcels, and to extend special-delivery service to such parcels of fourth-class matter;

H. R. 13446. An act to restore the rate of postage of 1 cent each to private mailing or post cards;

H. R. 13447. An act to provide for an additional charge on first-class matter mailed short paid more than one rate;

H. R. 13448. An act authorizing the transmission of business reply cards in the mails and prescribing the rate of postage thereon;

H. R. 13449. An act to amend section 203 of Title II of the act of February 28, 1925, by prescribing a more equitable rate for transient second-class mail matter;

H. R. 13500. An act to amend section 176 of the Judicial Code;

H. R. 14250. An act to authorize reimposition and extension of the trust period on lands held for the use and benefit of the Capitan Grande Band of Indians in California;

H. J. Res. 233. Joint resolution authorizing the Secretary of War to loan certain French guns which belong to the United States and are now in the city park at Walla Walla, Wash., to the city of Walla Walla, and for other purposes; and

H. J. Res. 298. Joint resolution authorizing the Secretary of War to lend 700 cots and 700 blankets for the use of the North Carolina Department of the American Legion at its annual convention at Washington, N. C., in August, 1927.

The VICE PRESIDENT. The Senate resumes the consideration of House bill 11616.

RIVER AND HARBOR BILL

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 11616) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. SHEPPARD obtained the floor.

Mr. OVERMAN. 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	King	Shipstead
Bayard	Fletcher	Lenroot	Shortridge
Bingham	Frazier	McKellar	Simmons
Blease	George	McLean	Smith
Borah	Gillett	McMaster	Smoot
Bratton	Goff	McNary	Stanfield
Broussard	Gooding	Mayfield	Steck
Bruce	Gould	Metcalf	Stephens
Cameron	Greene	Moses	Stewart
Capper	Hale	Neely	Swanson
Caraway	Harreld	Norris	Trammell
Copeland	Harris	Oddie	Tyson
Couzens	Harrison	Overman	Wadsworth
Curtis	Hawes	Pine	Walsh, Mass.
Deneen	Heflin	Pittman	Walsh, Mont.
Dill	Howell	Ransdell	Warren
du Pont	Johnson	Reed, Pa.	Watson
Edge	Jones, N. Mex.	Robinson, Ind.	Wheeler
Edwards	Jones, Wash.	Sackett	Willis
Ernst	Kendrick	Schall	
Ferris	Keyes	Sheppard	

Mr. CURTIS. I desire to announce that the junior Senator from Wisconsin [Mr. LA FOLLETTE] is absent on account of illness, and that the junior Senator from North Dakota [Mr. NYE] is absent because of illness in his family. I will let this announcement stand for the day.

Mr. McMASTER. I wish to announce that the senior Senator from South Dakota [Mr. NORBECK] is unavoidably absent. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Eight-two Senators having answered to their names, a quorum is present. The Senator from Texas [Mr. SHEPPARD] is entitled to the floor.

Mr. NORRIS. Will the Senator from Texas yield to me?

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

STOCK DIVIDENDS OF CORPORATIONS

Mr. NORRIS. I ask unanimous consent out of order to introduce a Senate resolution. I ask that it be read and then if there is any desire to have it go over under the rule I shall not object.

The VICE PRESIDENT. Does the Senator desire immediate consideration of the resolution?

Mr. NORRIS. I desire to have it read.

The VICE PRESIDENT. The clerk will read the resolution.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

The Chief Clerk read the resolution (S. Res. 304), as follows:

Whereas it has become the usual practice of corporations, in order to protect stockholders from the payment of income taxes, to declare stock dividends; and

Whereas this procedure enables corporations to acquire competing plants, and in this way avoid the provisions of the antitrust laws; and

Whereas in order to legislate upon the subject the Senate should be fully informed as to the extent of this practice: Therefore be it

Resolved, That the Federal Trade Commission be, and it is hereby, directed to ascertain and report to the Senate the names and the capitalization of corporations that have issued stock dividends, together with the amount of such stock dividends, since the decision of the Supreme Court holding that stock dividends were not taxable, and to ascertain and report the same information as to the same corporations, for the same period of time prior to such decision.

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

Mr. ERNST. I object.

The VICE PRESIDENT. The resolution will go over under the rule.

RECOMMITMENT OF BILL

Mr. NORRIS. Mr. President, I am directed by the Committee on the Judiciary to ask the Senate to recommit to that committee Calendar No. 1146, the bill (H. R. 10821) for the appointment of certain additional judges.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the bill will be recommitted to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Mr. WILLIS. Mr. President, I desire, with the permission of the Senator from Texas, to present a resolution adopted by the delegate body of the Ohio State Grange relative to farm relief. I ask that this brief resolution be printed in the RECORD and referred to the Committee on Agriculture and Forestry.

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

Resolution adopted unanimously by the delegate body of The Ohio State Grange, Wednesday afternoon, December 15, 1926, at Dayton, Ohio

Resolved, That The Ohio State Grange heartily indorses the export debenture plan for "farm relief" recommended by the National Grange at the recent Portland (Me.) session.

The Ohio State Grange has always opposed a sales tax on necessities and is opposed to any such tax, under the guise of an "equalization fee" or other misleading name.

The Ohio State Grange has always opposed legislation that would encourage overproduction, hence it insists that the law establishing the export debenture plan shall contain provisions whereby the amount per unit paid on any surplus agricultural crop exported, shall be automatically lowered in the proportion that the surplus of that crop exceeds the average surplus for a period of years past.

The Ohio State Grange further insists that the proposed law be so drawn that processed and manufactured agricultural commodities shall, when exported, be given the same treatment as the raw materials, in order that the processor and manufacturer of such agricultural commodities be not handicapped in the markets of the world.

HARRY A. CATON, *Master*.
W. G. VANDENBARK, *Secretary*.
C. A. DYER, *Chairman Executive Committee*.

Mr. COPELAND presented a telegram in the nature of a petition, which was ordered to lie on the table and to be printed in the RECORD, as follows:

[Telegram]

DETROIT, MICH., *December 20, 1926*.

Senator ROYAL S. COPELAND,
Washington, D. C.:

The Civil Arms Commission hopes that the Senate will at the earliest possible moment declare itself in final action on House bill 4502, as the people deserve to know who it is that favors Federal usurpation of State authority in the matter of issuing permits to own and carry deadly weapons. Every police head in America, the District of Columbia is on record against the mails delivering guns indiscriminately.

CLARENCE L. AYRES, *President*.

Mr. CURTIS presented a resolution adopted by Lawton Camp, No. 18, United Spanish War Veterans, Department of Kansas, favoring the granting of a $50 per month pension to widows of Civil War veterans, which was referred to the Committee on Pensions.

He also presented petitions numerously signed by sundry citizens of Moundridge, Emporia, and Herington, all in the State of Kansas, praying for the prompt passage of legislation regulating radio broadcasting, which were ordered to lie on the table.

Mr. REED of Pennsylvania presented a petition numerously signed by sundry citizens of Erie and vicinity, in the State of Pennsylvania, praying for the prompt passage of legislation regulating radio broadcasting, which was ordered to lie on the table.

PUBLIC UTILITIES BONDS FOR FAIRBANKS, ALASKA

Mr. BINGHAM, from the Committee on Territories and Insular Possessions, to which was referred the bill (H. R. 11843) to authorize the incorporated town of Fairbanks, Alaska, to issue bonds for the purchasing, construction, and maintenance of an electric-light and power plant, telephone system, pumping station, and repairs to the water front, and for other purposes, reported it with an amendment and submitted a report (No. 1206) thereon.

BILLS AND A JOINT RESOLUTION INTRODUCED

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

By Mr. MOSES:

A bill (S. 4934) granting a pension to Mary E. Bassett (with accompanying papers); to the Committee on Pensions.

By Mr. HALE:

A bill (S. 4935) granting a pension to Louise M. Jackson (with accompanying papers); and

A bill (S. 4936) granting an increase of pension to Lizzie H. Webber (with accompanying papers); to the Committee on Pensions.

By Mr. GREENE:

A bill (S. 4937) authorizing the President to appoint Capt. Edmund B. Moore, Ordnance Department, Reserves, an officer in the Ordnance Department, United States Army; to the Committee on Military Affairs.

A bill (S. 4938) granting an increase of pension to Paulina Sour; and

A bill (S. 4939) granting an increase of pension to Sophia C. Perkins; to the Committee on Pensions.

By Mr. WADSWORTH:

A bill (S. 4940) for the relief of Regina Schorr; to the Committee on Claims.

A bill (S. 4941) to authorize appropriations for construction at military posts, and for other purposes; to the Committee on Military Affairs.

By Mr. BRATTON:

A bill (S. 4942) to authorize an appropriation for the purchase of certain privately owned land within the Jicarilla Indian Reservation, N. Mex.; to the Committee on Indian Affairs.

By Mr. McNARY:

A bill (S. 4943) for the relief of George H. Cecil; to the Committee on Agriculture and Forestry.

By Mr. McLEAN:

A bill (S. 4944) to amend the Federal farm loan act; to the Committee on Banking and Currency.

By Mr. McMASTER (for Mr. NORBECK):

A bill (S. 4945) granting an increase of pension to Virginia L. Bramble (with accompanying papers); to the Committee on Pensions.

A bill (S. 4946) to regulate the pay and allowances of certain officers of the United States Navy; to the Committee on Naval Affairs.

By Mr. SHIPSTEAD:

A bill (S. 4947) granting an increase of pension to Mary L. Hagerman; to the Committee on Pensions.

By Mr. REED of Pennsylvania:

A bill (S. 4948) granting an increase of pension to Jeannette L. Dean; to the Committee on Pensions.

My Mr. McNARY:

A joint resolution (S. J. Res. 137) authorizing the Secretary of Agriculture to dispose of real property, located in Hernando County, Fla., known as the Brooksville Plant Introduction Garden, no longer required for plant introduction purposes; to the Committee on Agriculture and Forestry.

AMENDMENT TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. CAMERON submitted an amendment intended to be proposed by him to House bill 14827, the Interior Department appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 63, line 20, after the numerals $35,000, insert the following: "*Provided*, That the unexpended balance of $35,000 of the appropriation of $200,000 for the Yuma auxiliary project, contained in the

second deficiency act, fiscal year 1925 (43 Stat. L., p. 1330), is hereby reappropriated and made available for the same purposes for the fiscal year 1928."

MUSCLE SHOALS

Mr. DENEEN. Mr. President, I ask unanimous consent to have printed in the RECORD Senate bill 4632, introduced on the 7th instant by the Senator from Kentucky [Mr. ERNST] and referred to the Committee on Agriculture and Forestry, a letter addressed to me by the Secretary of War, dated the 14th instant, in response to my request regarding the proposed offer of the Farmers' Federated Fertilizer Corporation for the Muscle Shoals project, together with an analysis of the proposed offer and a detailed analysis of Lieut. Col. M. C. Tyler, Corps of Engineers.

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

[Sixty-ninth Congress, second session]

IN THE SENATE OF THE UNITED STATES,

December 7, 1926.

Mr. ERNST (by request) introduced the following bill, which was read twice and referred to the Committee on Agriculture and Forestry:

A bill (S. 4632) to provide for the preservation, completion, maintenance, operation, and use of the United States Muscle Shoals project for war, navigation, fertilizer manufacture, electric-power production, and other purposes, and in connection therewith the incorporation of the Farmers' Federated Fertilizer Corporation and the lease to it of the said project

Be it enacted, etc.—

(1) That this act shall constitute the charter of the Farmers' Federated Fertilizer Corporation and a contract and lease by and between the United States of America and the said corporation covering the Muscle Shoals project, upon the terms and under the conditions as in this act set forth.

INCORPORATION OF THE FARMERS' FEDERATED FERTILIZER CORPORATION

(2) There is hereby created and incorporated a corporation, under the name Farmers' Federated Fertilizer Corporation, for the purposes and objects, and to have, possess, and exercise the powers, rights, privileges, and authorities in this act provided, and to exist for a period of 55 years from the passage of this act, or until five years after the termination of operation by the corporation under terms of the lease of the Muscle Shoals project provided for in this act, whichever may be the later date.

(3) In addition to the purposes, objects, rights, powers, and authorities elsewhere in this act conferred upon the corporation, it shall have and possess the following: To exist and have succession by the name Farmers' Federated Fertilizer Corporation for the period of its corporate existence; to adopt, use, and, at pleasure, alter a common or corporate seal; to sue and be sued and to complain and defend in any court of law or equity; to make, amend, repeal, and reenact by-laws, not inconsistent with the Constitution of the United States of America or with this act, for the management of its property and business, the regulation and government of its affairs, the holding of meetings of its stockholders, directors, and committees, the certification, issue, transfer, and voting of its capital stock, the election, appointment, powers, duties, and terms of office of its directors, officers, committees, and agents, and the manner of filling vacancies, and fixing and altering the number of its directors (not less than five); to appoint such officers, attorneys, agents, and other employees as the business of the corporation shall require, and to allow them suitable compensation; to make and enforce all contracts, and to acquire, hold, own, and dispose of all property, real, personal, and mixed, necessary, appropriate, convenient, or suitable in carrying on its business, including all processes, letters patent, formulas, and rights pertaining to or connected with the business of the corporation or available for use therewith, whether located at Muscle Shoals, Ala., or elsewhere; to issue and dispose of its capital stock; to borrow money for its proper corporate purposes, and to issue and dispose of its bonds, notes, and other evidences of indebtedness therefor, bearing such rates of interest as the board of directors of the corporation may fix and determine; to engage in foreign trade; to conduct its business and to hold, purchase, convey, and otherwise dispose of real, personal, and mixed property anywhere in the United States of America or elsewhere; to have, possess, and exercise all purposes, objects, rights, powers, and privileges provided for in or conferred upon it by this act or requisite to carry out the provisions of this act and of the lease and contract provided for herein on its part to be observed, or performed; to enter upon and take possession of the Muscle Shoals project as lessee under and by virtue of this act to the extent herein leased and during the term of the lease herein provided, and to construct, extend, and complete, demolish, salvage, reconstruct, maintain, manage use and operate the same and each and every part or portion thereof; and to do any act or thing that any other corporation or individual may or could do.

(4) The business of the corporation shall be managed and controlled by a board of directors and executive committee, if so provided in the by-laws, a president, a vice president, a secretary, a treasurer, and any such other officers and agents as the by-laws shall provide. The president and vice president shall be directors but the secretary and treasurer need not be directors. Any two offices except that of president and vice president may be held by one person. A director of the corporation need not be a stockholder therein.

(5) John W. Newman, Versailles, Ky.; A. P. Sandles, Ottawa, Ohio; and A. L. Sponsler, Hutchinson, Kans., shall be, and are hereby, selected and designated as the incorporators of the corporation, and as such shall adopt its initial by-laws, shall prescribe the number of and elect the first board of directors and take such other action as may be necessary to complete the organization of the corporation.

(6) If the by-laws of the corporation shall so provide, the board of directors may, by resolution, designate three or more of their number to constitute an executive committee who, to the extent provided in said resolution or in the by-laws, shall have and may exercise the powers of the board of directors in the management and conduct of the business and affairs of the corporation between meetings of the board of directors, including the power to authorize the seal of the corporation to be affixed to all instruments which may require it.

(7) The corporation shall have such authorized capital stock, divided into such number of shares and into such class or classes, each class to have such par value or to be without par value, and to have and be subject to such preferences, privileges, limitations, and restrictions as to dividends, voting powers, or otherwise, as the by-laws of the corporation shall from time to time prescribe. After the adoption of initial by-laws by the incorporators, every provision inserted in the by-laws, dealing with the authorized capital stock of the corporation and the classification or reclassification thereof, shall be adopted, and shall be subject to alteration, amendment, or repeal, only with the vote or consent of the majority of the shares outstanding at the time entitled, under the by-laws, to vote therefor. Until otherwise provided by the by-laws, the authorized capital stock of the corporation shall consist of—

Three hundred thousand shares of nonvoting 7 per cent cumulative preferred stock, of the par value of $100 per share, redeemable at the option of the corporation at any time after three years at not to exceed $110 per share and accrued dividends, and of which 10,000 shares are to be immediately subscribed for, issued, and paid for when and as called for by the board of directors.

Three hundred thousand shares of common stock without nominal or par value. Said preferred stock may be issued from time to time and sold for cash at not less than par to such face amount as shall, in the judgment of the board of directors, be at the time necessary to provide the funds required by the corporation. Shares of stock of no par value may be issued for such consideration as shall be fixed by the board of directors, if authorized to do so by the by-laws of the corporation and, if not so authorized, then such consideration shall be fixed by the stockholders of the corporation at the time entitled to vote. As and when any shares of stock of whatever class are issued, the corporation shall file, within 30 days thereafter, with the Secretary of War, a certificate, signed and verified by its president or a vice president and by its treasurer or an assistant treasurer, stating the number of and describing the shares so issued and the consideration to the corporation therefor. All shares of stock of the corporation of whatever class, when issued, shall be fully paid and nonassessable in the hands of the holders.

(8) The corporation shall file with the Secretary of War, within 30 days after the adoption thereof, certified copy of its by-laws and of each and every alteration, amendment, repeal, or reenactment thereof. The corporation shall also, as and when requested by the Secretary of War, file with him a certified list showing the names and addresses of its stockholders and the number of shares of each class of stock respectively held. The corporation shall at all times keep on file with the Secretary of War certified reports showing the persons constituting its board of directors and the names of its president, secretary, and treasurer, and their respective addresses.

(9) The principal office and place of business of the corporation shall be located at Muscle Shoals, Ala. The corporation may have offices for the transaction of its business and hold meetings of its stockholders, directors, and committees at such other place or places as the by-laws may designate or permit.

LEASE

(10) All of the property and rights, real, personal, and mixed, of whatever kind and character and wherever located, now or hereafter constructed by or for, or owned by, the United States of America in connection with or forming a part of, or for use in connection with, the Muscle Shoals project, and the rents, income, issues, and earnings thereof, are, by virtue of this act, and without further act or deed, leased to the Farmers Federated Fertilizer Corporation at the rental and upon the terms and provisions in this act provided, together with full license for use of all processes, letters patent, formulas, shop practices, shop rights, and other rights appertaining to or connected with this project or available for use therewith, whether

located at Muscle Shoals, Ala., or at other places, owned or controlled by the Government, the latter guaranteeing the corporation against any and all actions which may be instituted because of use of same; and also all records, statements, lists, maps, schedules, and the property described therein, connected with this project, and these, when receipted for by the corporation, shall be parts of the said lease and this act as though written herein. The duration of this lease shall be 50 years from the date of passage of this act, but after the expiration of such 50-year period the lessee shall continue to hold, occupy, and use the leased property upon terms and conditions similar to the provisions of this lease, except as to date of expiration, until a new lease therefor has been fully consummated, and in the negotiation for and completion of such new lease the Farmers Federated Fertilizer Corporation will be given primary consideration.

(11) The corporation shall pay an annual rental for all of the leased property in completed condition as hereinafter provided; said rental to be taken from the receipts from the sale of power, commencing with the calendar year following the placing in commercial operation of Dam No. 2 with eight generating units, at the rate of $22.29 per kilowatt-year of 8,760 kilowatt-hours for all primary power generated and sold by the corporation from the power plants included in the leased property. After the completion of all of the items of uncompleted work mentioned in section (55) herein, the rental shall be raised to $22.50 per kilowatt-year for all primary power generated and sold by the corporation from the power plants included in the leased property. A kilowatt-year shall be taken as 8,760 kilowatt-hours and all calculations of the rental shall be made at such corresponding unit price per kilowatt-hour for the primary power sold. Primary power, as heretofore mentioned, is hereby defined to be all and any power which could be generated for 8,000 hours per year from the actual river flow or by any storage reservoirs, together with such portion of added power generated by the hydroelectric plant which would be brought up to the standard of primary power by means of power generated by the steam plants of the leased property. The corporation does not require that any further amounts be appropriated by the Government for the completion of additional facilities as enumerated in section (55) herein or for construction of further up-river power development; and the corporation will pay rental at the rates stated in this section for the use of any or all additional facilities installed for the generation either of hydroelectric or of steam-electric power, whether the completion of such facilities is financed directly by the Government or the corporation for the Government; and the Government shall exercise its right at any time to undertake any future power development, but upon failure by the Government to undertake such development, within one year after notice to the Government by the corporation that a specific power development is desirable, the corporation may, at its discretion, undertake the development of such necessary additional power facilities; but, in the event that the construction of such additional power facilities is financed by the corporation, for such expenses of the power division there shall be deducted from the gross rentals, before payment is made to the Government, a yearly amount sufficient both to amortize and to pay interest upon any bonds or other securities issued by the corporation for the specific purpose of financing the construction of such additional power facilities.

(12) If in any calendar year the receipts from the sale of power are not sufficient to pay the full gross rental due for that year and all other operating expenses, interest, and all general and miscellaneous expenses allocated to the power division, and including the actual expenditures for maintenance and repairs, together with the amounts mentioned in section (64) hereof and the amounts to be set aside each year for the farmers' board, research, the emergency fund, and for the amortization of the debenture bonds, then for such calendar year the said rental shall be reduced by the amount of the deficit; and the corporation shall not in subsequent years be required to make up such deficit.

(13) Any and all by-products, excess and waste, produced or recoverable from the processes used for the production of nitrates and fertilizers and/or fertilizer bases shall belong to the corporation for its own use and benefit and shall not in any way be credited to the cost of manufacturing fertilizers and/or fertilizer bases. Any cost of further treatment, refinement, or manufacture of such by-products, excess and waste, to make the same commercially salable shall be at the expense of the corporation, and all costs of plant and investment and all working capital incident to such further treatment or manufacture shall be the obligation of the corporation, except as mentioned in section 16 herein, and shall not be included in or considered in arriving at the cost of fertilizers and/or fertilizer bases.

(14) All letters patent, processes, and formulas now or hereafter discovered at the leased property or laboratories of the Government for and in connection with fertilizers and/or fertilizer bases shall be the property of the Government, but shall be included in the leased property and shall be held from publication in the same manner as other Government processes of like character; the Government having the right to use the same direct at all times without charge. All letters patent, processes, and formulas discovered and controlled by the incorporators of this corporation prior to the passage of this act which may be used in connection with the manufacture of products at this project shall be and remain the property of the incorporators individually; the Government having the right to use the same direct at all times without charge during the life of said lease in connection with the manufacture of explosive bases.

(15) Inasmuch as the corporation is to produce and deliver in the control of the farmers' board, as defined in section (38) of this act, fertilizers and/or fertilizer bases without any profit, it shall be exempt from tax of any sort whatsoever now enacted or later to be enacted.

(16) The decision of the Secretary of War shall be final in all matters pertaining to the nitrate plants or changes therein, as such changes may affect the use of the same for war purposes, preparedness for war, or other military purposes.

(17) If plant No. 1 or plant No. 2 or parts of either, or other plants or parts of same, or facilities are not required or fully used for the manufacture and storage of fertilizers and/or fertilizer bases, the corporation may make use of such plants, parts, and facilities for its own purposes not inconsistent with their regular use or restoration for war uses.

(18) Upon the termination of operations by the corporation under terms of the said lease, as heretofore defined in section (10), the entire project shall be returned to the Government in good condition and repair, the period of use duly considered, and any moneys then in the fertilizer fund, construction fund, salvage fund, research fund, emergency fund, and renewal and replacement funds shall be paid to the Government, together with all funds which may have accumulated for amortization of the Government's total investment in the dams and plants leased to the Farmers Federated Fertilizer Corporation.

(19) The corporation is hereby authorized, with the approval of the board of industrial development (hereinafter defined) to sell, transfer, rent, or otherwise dispose of any real estate, materials, supplies, or other property, real, personal, or mixed, pertaining to the project at the time of taking over the lease, which said board shall determine to be not needed for the construction, maintenance, and operation of the project, or for war, military, or navigation purposes, giving good and indefeasible title in fee simple to the purchasers thereof. The net consideration received upon any such sale or other disposition by the corporation, except moneys received for rents, shall be credited to a salvage fund, and said fund shall form part of the leased property and may be used by the corporation for the purchase of other useful property for the project and for working capital of the corporation. Upon the termination of operations by the corporation under terms of the lease, said fund, as then constituted, shall be turned over to the Government. Any of the property which may be sublet by the corporation under this act shall be sublet for such term, expiring not later than the termination of the lease period, for such rental and upon such terms as the corporation may determine.

(20) The corporation may construct at its own cost any additional buildings, structures, or facilities and equipment at any location on the project and for any use, with the approval of the board of industrial development, and the same shall remain the property of the corporation. Upon the termination of operations by the corporation under terms of the lease the Government may purchase such property from the corporation at its appraised value not to exceed the actual cost thereof, or, at the option of the corporation, the latter may remove the same; but if the lease is terminated by the Government prior to its expiration by reason of any default by the corporation in complying with the terms of the lease, then the Government shall, as penalty for such default by the corporation, acquire without cost all power and fertilizer facilities of any nature installed by the corporation upon the leased premises.

(21) The corporation shall have the power and authority to purchase, construct, appropriate, enter upon, or otherwise acquire, use, own, maintain, and operate any property or right, real or personal, tangible or intangible, which may, in the judgment of the board of directors, be necessary or desirable to accomplish the purposes of this act, including any water and/or flowage rights and lands along such portions of the Tennessee River and its tributaries above Dam No. 1 as are necessary or desirable for the development of water storage and/or water power, and the regulation of the flow of such river and tributaries. In case the owner of any such property or right and the corporation are unable to agree upon the damage or compensation to be paid for such property or right, or in case, by reason of the absence or legal incapacity of such owner, no such agreement can be made, the corporation shall have the right to acquire such property or right by the exercise of the right of eminent domain in the district court of the United States or in the State courts for the district in which said property or right, or the property in respect whereof such right is desired, may be located. In all cases where the parties can not agree as aforesaid, the corporation shall tender a bond, with sufficient security, to the party claiming or entitled to any damage, or to the attorney or agent of any absent person, or to the guardian, committee, or other representative of anyone under legal capacity, the condition of which bond shall be that the corporation will pay or cause to be paid such amount of damages as the party shall be entitled

to recover, if the amount thereof shall have been agreed upon or assessed in the manner provided for by this section: *Provided, however,* That in case the party or parties claiming or entitled to damages refuse or do not accept the bond as tendered, the corporation shall then give the party written notice of the time when the same shall be presented for filing in court, and thereafter the corporation may present said bond to the court having jurisdiction, and if approved, the bond shall be filed in said court for the benefit of those interested, and recovery may be had thereon for the amount of damages thereafter assessed, if the same is not paid. Upon the tender and acceptance of such bond, or the filing thereof as aforesaid, if not accepted, the corporation shall have the power to enter upon and take possession of the property condemned. The practice and procedure in any action or proceeding for the purpose aforesaid and for the assessment of the damages that any such owner shall be entitled to receive, instituted in the district court of the United States, shall conform as nearly as may be with the practice and procedure in similar actions in the courts of the State where the property aforesaid is situated. At the termination of operations by the corporation under terms of the lease, the Government may purchase property acquired by the corporation under the conditions of this section at its appraised value, not to exceed the actual cost thereof to the corporation.

(22) The corporation shall not sell, transfer, or license any of the letters patent, processes, and formulas forming part of the leased property, nor shall the corporation sell, transfer, or assign this lease or the leased property, except as otherwise provided in section (19) herein. Nothing in this section shall apply to the letting or subletting of construction contracts.

(23) The Secretary of War is hereby authorized to enter into and execute such agreements with the corporation, consistent with the provisions of this act, as will provide for omissions, if any, or as may be necessary in order to carry out the purpose of this act.

POWER DIVISION

(24) The power needed in the manufacture of fertilizers and fertilizer bases and/or explosive bases shall be furnished by the power division of the corporation on as favorable terms as supplied to any other customer under similar conditions and times of use, and the corporation, the research board, and the farmers' board (both of which boards are hereinafter defined), shall endeavor to discover or perfect processes and methods of manufacture and operation that will enable the corporation to produce fertilizers and/or fertilizer bases, using the cheapest classification of power consistent with maximum over-all economy.

(25) The rates to be charged by the corporation for electric service shall be subject to regulation by any State commission or other governmental body at the time having jurisdiction in the premises. For the purpose of determining the rate base, but for no other purpose, the corporation shall be deemed the owner in fee simple of such property, and any power used by the corporation, except that which is used only in the operation of the electric generating, transforming, and switching portions of the plants, shall be considered on the same basis as any other customer under similar conditions of use. The rates to be charged for any other public service rendered by the corporation shall be similarly based and regulated. Certain current will be supplied to the Government, free of charge, for navigation as set forth in section (69) herein.

(26) In order to use more completely and advantageously the power resources of the project, and if necessary for the purpose of giving wider distribution of electric power, the corporation is hereby authorized to use any amount in the salvage fund, provided in section (19) of this act, and/or moneys received from the sale of construction debenture bonds, to construct for the Government such transmission lines—including appurtenant substations, transformers, and other works—as in the judgment of the board of industrial development may be necessary and desirable, under the same terms and conditions as other construction work mentioned herein. Any transmission lines which may be so constructed shall immediately become a part of the leased property and shall be returned to the Government at the same time and under similar conditions as the other leased property of this project, upon the termination of operations by the corporation under terms of the said lease.

(27) The corporation may enter into agreements with the owners of electric generating stations and/or transmission lines, now or hereafter constructed, to bring about the exchange of power wherever the same can be advantageously done; may enter into contracts with persons, partnerships, corporations, municipalities, districts, and individual States of the United States of America for the joint construction and use of transmission lines and may organize, join with, or associate with, a superpower or other organization for the better distribution of electric energy through a combination of sources of supply or transmission systems or operating organizations, as and when such agreements or contracts, in the opinion of the board of directors of the corporation, can be advantageously made.

FERTILIZER DIVISION

(28) The corporation shall manufacture fertilizers and/or fertilizer bases as a separate department or division of the project, and shall make no profit and incur no loss in such fertilizer division.

(29) The "cost" of fertilizers and/or fertilizer bases shall include all items of expense and charge incident thereto, including provision for taking care of past deficits or previous unintended profits, to the end that no profit or loss will result to that division of the corporation.

(30) During the first year of production of fertilizers and/or fertilizer bases the corporation shall furnish the farmers' board with as reliable estimation of the cost of production thereof as circumstances will permit, and thereafter shall report regularly, and at such times and in such form as the farmers' board may reasonably prescribe, the actual cost of production.

(31) The methods or processes to be initiated for the production of fertilizers and/or fertilizer bases shall be recommended by the board of research, in accordance with the terms of this act. The extent of the production will be specified by the farmers' board (see section (40) hereof) and predicated on the expenditures for construction as specified in sections (55) and (63) hereof. The quantity shall be measured in tons of fixed nitrogen content of finished fertilizers and/or fertilizer bases, and is expected to be not less than 40,000 tons annually after the fourth year of operation; this amount is expected to be reached in increasing stages of 10,000 tons per year beginning the second year. The corporation agrees to further extend the quantity of fertilizers produced under this plan after consideration of the market demand and authorization of the farmers' board and only dependent on the requirements of further additions to the Government's plants for such production, which additions may, if found desirable, be financed from the fertilizer fund hereinafter defined. The methods and prices used in the distribution and sale of the fertilizers and/or fertilizer bases shall be determined and carried out by the farmers' board.

(32) All maintenance, repairs, renewals, and replacements on the plants and equipment solely incident to this division shall be made by the corporation, and such expense shall be considered as part of the cost of production.

(33) As an incentive to perfecting processes and formulas and to discovery of more efficient business and manufacturing methods and to cheapening in any other way the cost of the product the corporation shall be allowed and paid, as a bonus, an amount equal to 50 per cent of any such reduction in the production cost in each calendar year over the production cost of the preceding year, commencing after the contemplated changes in the nitrate plants are made and in use, which changes are to be made immediately; the amounts so paid to the corporation, if any, to be determined by the Secretary of Agriculture for each calendar year, are to become an item of production cost, anything in section (28) herein to the contrary notwithstanding.

CONTROLLING BOARDS

(34) A board of industrial development shall be constituted, as hereinafter provided, to consist of an executive officer of the corporation, who shall be the chairman thereof, the Secretary of War or a person appointed by him, the Secretary of Agriculture or a person appointed by him, the Secretary of Commerce or a person appointed by him, and three others (who may be employed or retained by the corporation) appointed by the directors of the corporation. Each member shall serve for a term of one year, and any vacancy in the board, whether caused by death, resignation, or expiration of term of any member, or for any other reason, shall be filled in like manner. No member of the board shall receive any compensation for his services as a member thereof. The board shall, for the guidance of the corporation—

(a) Confer with the Secretary of War, and work out, and from time to time whenever necessary or advisable, amend, alter, or supplement a general plan covering the war uses of the project, particularly as to the use thereof by the corporation being at all times subject to the use of the Government in time of war; and subject to such plan.

(b) Confer with the Secretary of Agriculture, and work out, and from time to time whenever necessary or advisable, amend, alter, or supplement a general plan covering the fertilizer uses of the project; and the corporation shall observe and conform to the provisions of such plans; and subject to the foregoing plans.

(c) Confer with the Secretary of Commerce, and work out, and from time to time whenever necessary or advisable, amend, alter, or supplement recommendations for the development of the industrial activities on the project and within transmission distance thereof, and as to classes of industry best suited to the locality, taking into consideration the industrial and commercial life of the Nation as a whole.

(35) A board of research, to consist of five members, shall be appointed by the Secretary of Agriculture, of which he may be a member. The remaining members shall be selected from the staff of the nitrogen research laboratory, Bureau of Soils, or other technical forces under his jurisdiction, as well as the technical staff of the corporation, except that the corporation shall be entitled at all times during the term of the lease to representation by two members on said board.

The corporation shall supply from the research fund, hereinafter provided for, $150,000 per annum toward the maintenance of the nitrogen research laboratory, as and when a like amount is contributed by the Government for the same purpose. The members of said board and the term of office of each member shall be one year, and all vacancies shall be filled and successors appointed by the Secretary of Agriculture, provided that at all times at least two members thereof shall be representatives recommended by the corporation. Each member of said board, other than the representatives of the corporation, shall receive such compensation as shall be fixed by the Secretary of Agriculture, the same to be approved by the farmers' board and paid out of the fertilizer fund.

(36) The board of research shall, as promptly as possible after the passage of this act, recommend processes and formulas for use by the corporation on the project for the production of fertilizers and/or fertilizer bases and the nature and extent of the changes, additions, and extensions to the nitrate and other plants, and shall have advisory powers in the completion of such construction and placing of same in operation and thereafter shall, through continued research and experimentation, recommend or advise as to changes, betterments, and substitutions required in connection with the processes and formulas to be employed by the corporation.

(37) Any action of this board shall be submitted for review to the Secretary of War, and, unless disapproved by him within 30 days thereafter, shall become available to the corporation as though with his approval.

(38) A farmers' board to consist of not more than five members shall be appointed by the Secretary of Agriculture, of which board he, or one of his assistants, shall be a member and shall act as chairman. The remaining members shall be appointed by him for one year, and the board originally selected by him shall include one representative from each of the following associations, or their successors, or others representing farmers' welfare:

American Farm Bureau Federation.

The National Grange.

National Farmers Union.

National Council of Cooperative Marketing Associations.

Each of said associations or their successors shall be requested by the Secretary of Agriculture to recommend its representative on said board at such time as in his judgment said board should commence to function, and the said Secretary of Agriculture shall fill all vacancies, by appointment, and the representatives on said board shall, in so far as possible, during the term of said lease be identified with said associations or their successors, or branches of the farm industry, or organizations nationally interested in the farmers' welfare. Compensation not to exceed $10,000 a year shall be paid to each member of the board at the direction of the Secretary of Agriculture, and such compensation shall be paid from the fertilizer fund.

(39) The said board shall hire a secretary whose whole time shall be devoted to the work of the board and the gathering of data for its use in the marketing and distribution of fertilizers and/or fertilizer bases to the farmers of the United States, and the salary and expenses of said secretary shall be paid from the fertilizer fund, not to exceed the sum of $20,000 per annum. The expenses will include an office for said secretary at Muscle Shoals and the necessary clerical help.

(40) The said farmers' board shall have full power and authority to prescribe the methods and policies to be carried out as to the marketing and distribution of the fertilizers and/or fertilizer bases and any expense in carrying out the said methods and policies shall be considered as an item of final cost of said products and paid from the fertilizer fund.

CONSTRUCTION

(41) If the foundations of the Dam No. 2 shall prove defective, and/or any of its equipment or the power house shall in any way be defective or unsatisfactory, after the completion of all the work incident to a complete operative hydroelectric project, and after all operative and other usual tests have been made, then the Government shall make all repairs, changes, or replacements at its expense to make the same an efficient, safe, and complete operative hydroelectric project, and the corporation shall take over the hydroelectric project at Dam No. 2 within 60 days thereafter and shall place the same in commercial operation as promptly as possible.

(42) The existing steam-electric plant at nitrate plant No. 2 shall be given an operative test, and any repairs, renewals, and replacements necessary to place it in an efficient operating condition shall be made by the Government, and when completed in such condition, it shall be taken over by the corporation.

(43) The corporation shall be notified in advance as to each such test and be permitted to have representatives present, and shall be furnished with all data and information as to the results of each such test.

(44) In case any other item of the leased property, when delivered into the possession of the corporation, shall be in need of any repairs, renewals, or replacements, the same shall be made by the Government and at its expense, and if not so made promptly the corporation shall have the right to make the same and the Government shall furnish or reimburse to the corporation all funds requisite therefor.

(45) The corporation shall, upon notice in writing in each case from the Secretary of War, act as agent for the Government for the designing and construction of each or any of several items of uncompleted work referred to in section (55) herein, or for any other construction work of the Government incident to the project now planned or hereafter to be planned, and in any such event the corporation shall, as soon as possible after receipt of such notice, submit to the Secretary of War plans and specifications for such work and estimate of the cost thereof.

(46) If the Secretary of War shall elect to have the corporation so act for the Government, the corporation shall in each case act as a Government engineering, construction, and purchasing department, and shall as such and for such capacities at all times be subject to instructions from the Secretary of War. As engineers, the corporation shall make or cause to be made all necessary studies, recommend the type and character of equipment and of construction required, and prepare plans and specifications for material, equipment, and construction work, and the estimate of the cost thereof. The corporation shall follow the usual commercial practice, without advertising for bids unless it shall so elect.

(47) All actions of the corporation, as defined in section (46) herein, and all contracts and orders for such construction for the Government which are handled or placed by the corporation, pay rolls and other obligations resulting therefrom, shall be in the name of the United States Government by the corporation as agent, and the corporation shall not thereby assume any financial liability under or by reason of such obligations.

(48) The corporation shall be paid a fixed fee equal to 6 per cent of the estimated cost of such work, which estimated cost shall be agreed upon by the Secretary of War and the corporation prior to the commencement of work. Such estimated cost shall include the following items, whether commitments therefor or expenditures are made or to be made by the Government or by the corporation for the Government:

(a) The cost of all property, real, personal, and mixed, rights, royalties, material, machinery, equipment, labor, tools, plant, and equipment purchased and the rental of any equipment hired, salaries and expenses of all officers and employees of the corporation for that portion allocated to construction work, and all expenses of office and office help and supplies for such officers and employees, in connection with exploration, investigation, preliminary and final engineering or designing, in the choice of materials and purchase of same, equipment and supplies, and the inspection thereof, at the works or elsewhere.

(b) The cost of expert and consulting services, including all legal services and expenses incident thereto.

(c) The cost of traveling and incidental expenses.

(d) Other expenditures made directly, incident to this work, but not including interest during construction.

Installments of the said fee shall be paid monthly to the corporation on the basis of 6 per cent of the actual expenditures made during the preceding month until 90 per cent of the total fixed fee shall have been paid, and the remaining 10 per cent shall be paid on completion of the work. If material change in the scope of the work shall be ordered by the Secretary of War at any time after the determination of the amount of the said fee, the amount of said fee shall be increased by an amount equal to 6 per cent of the estimated additional cost of such additional work. The amount of the said fee shall not be changed because of any difference between the actual cost and the estimated cost.

(49) The corporation shall make all payments incident to the construction work executed by it, for the account of the Government, out of funds supplied to the corporation, and if such funds are not supplied directly by the Government, but are acquired through the sale of obligations of the corporation, guaranteed by the Government, the cost of acquiring such funds shall be considered as an item of construction cost in arriving at the said estimated cost. All such payments shall be under such regulations as the Secretary of War may prescribe, and the Government shall reimburse the corporation each month for its expenditures for Government work made during the preceding month.

(50) All correspondence, records, vouchers, and books of account of the corporation relating to the construction work shall at all reasonable times be open to the inspection of the Secretary of War or his authorized representative.

(51) The Secretary of War shall have a representative inspector on the construction work at all times, and any official communication from him to the corporation, or any of its agents, shall be made in writing, and such communication shall be deemed an official communication of the Secretary of War. In case of disagreement, the decision of the Secretary of War shall be final as to the results to be accomplished.

(52) If at any time the Secretary of War shall become dissatisfied with the manner in which any construction work is being executed or

shall for any reason wish to discontinue such work, he shall have the right, after 10 days' notice in writing, to terminate the employment of the corporation as agent on such work and to take possession of such work and material for the construction thereof and complete the same. In case the Secretary of War shall take such action, the corporation shall, before possession is so taken, receive in payment for its services all installments of the fixed fee which shall have become due or accrued to it in connection with such work, reimbursement for all funds expended by it in connection therewith, and a release from the Government of all responsibility incident to such work. The approval by the Secretary of War of any expenditure made by the corporation shall be final.

(53) The refitting of the nitrate plants to manufacture the required fertilizers and/or fertilizer bases shall be commenced by the Government or by the corporation for the Government as soon as recommendations have been made by the board of research and the plans and specifications for the same have been made and the estimated cost thereof shall have been agreed upon.

(54) The corporation, if directed by the Secretary of War in writing, shall construct for the Government all storage dams and/or power plants or other works desired by the Government and designed for the regulation and augmentation of this project or its extensions and not mentioned in this act under the same terms and conditions as mentioned for the other construction work.

(55) In order to insure the development of the project to take full advantage of the natural resources at Muscle Shoals and above, the following items of uncompleted work are considered necessary for and included in the lease herein made, and shall be constructed and completed as quickly as shall be considered consistent with the provisions of this act and good engineering and commercial practice, namely:

(a) Changes and additions in the nitrate plants for their up-to-date use in the manufacture of fertilizers and/or fertilizer bases.

(b) Completion of Dam No. 2 with its full-power equipment of 18 generating units.

(c) Construction of Dam No. 3 with its full-power equipment and electric transmission tie line to Dam No. 2.

(d) Additions to the generating capacity of the steam electric plant located at Nitrate Plant No. 2 to bring the total generating capacity up to at least 120,000 kilowatts; such additions to be in the form of steam, gas, oil, or other forms of electric-generating equipment; the form and location of which being subject to the approval of the board of industrial development.

(56) The time of commencing work under item (a) shall be as defined in section (53), and the items (b), (c), and (d) on the approval of the board of industrial development of plans and specifications therefor, and when the estimated cost thereof shall have been agreed upon.

(57) After the completion of requisite tests, showing each item mentioned in section (55) hereof to be safe, satisfactory, and complete for operating conditions, they shall be taken over by the corporation and thereupon become part of the leased property.

(58) Immediately upon the enactment of this bill it shall become a law and the incorporators heretofore denominated shall have a period of six months thereafter in which to take over such portions of the leased property as at that time would be in functioning order and shall continue from that period until the entire project has been transferred as defined elsewhere herein.

SPECIAL FUNDS

(59) Research fund: The corporation shall deduct $300,000 annually from the rental, during the operation by the corporation under terms of the lease, for the purpose of a research fund, to be used under the direction of the corporation as provided in section (35) hereof, and additionally to partially reimburse the corporation for research work carried on other than that by the research board, but incident to the further development of the industrial, chemical, and/or power phases of the project. Any balance in the said fund at the termination of operations by the corporation under terms of the lease shall be paid to the Government.

(60) Emergency fund: The corporation shall deduct annually the sum of $100,000 from the rental, during the operation by the corporation under terms of the lease, and set aside for an emergency fund, to be used by the corporation for extraordinary repairs, renewals, or replacements of any part of the hydroelectric portion of the project, made necessary by some cause other than ordinary operation and customary depreciation, but directly incident to the operation of the hydroelectric portion of the project. Any such repairs or replacements which may be necessary prior to, or at any time in excess of the accumulated fund, and all restorations of any part or parts of the project necessary because of floods, fires, explosions, or other causes not directly incident to the operation of the hydroelectric portion of the project, shall be made by the corporation for the Government under the same terms and conditions as other construction work provided for in this act. Any balance in the said fund at the termination of operations by the corporation under terms of the lease shall be paid to the Government.

(61) Fertilizer fund: The annual net rental herein provided would, if treated as amortization payments and placed at compound interest, be sufficient to retire more than the total expenditures made and to be made on the project by the Government, but, inasmuch as a large part of this expenditure has been made directly incident to the World War and can and should be considered as part of the cost of that war, and as much of this project is, under this act, to be preserved for the Government's use in any future war, and in the meantime, if utilized, to aid in the national problem of improving the productivity of the soil, the total investment in war and fertilizer facilities can and should be carried by the Government without burdening such use with the cost of interest. Therefore such rental, in excess of amounts otherwise indicated or specified, shall be used directly to increase the production facilities and/or cheapen the cost of fertilizers and/or fertilizer bases by the corporation depositing such net rentals each year as due in a separate fund designated as fertilizer fund, and whereas the corporation is relieved of all taxes on this project, it does agree that after 8 per cent has been earned on its investment, then, thereafter all excess profits shall be divided equally (50-50) between the fertilizer fund and the corporation.

(62) Withdrawals from the fertilizer fund by the corporation will be made only as and when and for the purposes specified herein and by approval of the farmers' board.

(63) The farmers' board may each year direct the corporation by resolution to withdraw and use all or any part of said fertilizer fund as a credit against the cost of fertilizers and/or fertilizer bases in such manner as it may decide, except as otherwise specified herein.

(64) If at any time the farmers' board determine that all or any part of the then balance in the fertilizer fund is not needed for assisting the production and marketing of the fertilizer products on such basis as will encourage the purchase and use by the farmers, or that the interests of the Government will be better protected by such action, such board may instruct the corporation to set aside any part of the moneys in the said fertilizer fund in a construction fund for use in the establishment of other plants at other locations. The withdrawal from this construction fund shall be made only on approval of the farmers' board. Any balance in the said fertilizer fund or in the accumulating construction fund at the termination of operations by the corporation under terms of the lease shall be paid to the Government.

(65) Renewal and replacement fund (power division): The corporation shall deduct each year from the rental, commencing with the calendar year following the completion of all work referred to in section (54) herein, and during each calendar year thereafter until the termination of the lease, amounts as in this section specified, and set aside for a renewal and replacement fund to cover renewals and replacements of the hydroelectric and other electric generating, controlling, and transmission portions of the leased property incident to the operation thereof. The annual charge, to cover renewals and replacements, to be used for the purpose of setting up this fund, shall be not more than 3 per cent of the total cost, exclusive of navigation facilities, of Dam No. 2 with power house and all appurtenances, Dam No. 3 with power house and all appurtenances, and any and all other hydroelectric, controlling, and transmission installations now or later a part of the project, and the replacement value of the steam plant at Nitrate Plant No. 2, and actual cost of other thermic plants now or later a part of the project. This is a composite rate made up of varying rates for the different portions of the project. Any balance in this fund at the termination of operations by the corporation under terms of the lease shall be paid to the Government.

(66) Renewal and replacement fund (fertilizer division): The corporation shall set aside such amounts for renewals and replacements of the plants and equipment solely incident to the fertilizer division as may be ordered by the farmers board for the purpose of setting up a renewal and replacement fund, and these amounts shall be considered as part of the cost of fertilizer production. All renewals and replacements shall be paid from this fund unless otherwise provided by the Government or by the farmers' board. Obsolescence of plant and equipment shall be cared for by the corporation setting aside annually, as part of the cost of fertilizer production, sums, as determined by the corporation in collaboration with the research board, sufficient to keep the fertilizer division fully abreast of the most economic developments of the industry. All maintenance and repairs on the plants and equipment solely incident to the fertilizer division shall be made by the corporation and such expense shall be considered as part of the cost of production. Any balance in this fund at the termination of operations by the corporation under terms of the lease shall be paid to the Government.

(67) Retirement of debenture bonds (fertilizer division, power division): The corporation shall deduct each year from the rental amounts sufficient to amortize in series, in 20 years, the debenture bonds of the corporation (fertilizer debenture bonds, construction debenture bonds) issued for the purpose of acquiring funds for construction

and operation in the fertilizer division, and extensions and construction in the power division, beginning with the fourth year of issuance of such debenture bonds (fourth year after issue).

(68) Compound interest: All funds which are set aside by the corporation may be deposited in any bank or banks which, in the judgment of the corporation, considering safety and all other conditions, will permit of the accumulation at compound interest.

NAVIGATION

(69) The corporation shall furnish, free of charge to the Government, all power and lighting current necessary for the operation of the navigation facilities forming part of the leased property, the quantity to be determined by the Secretary of War when each of such facilities are ready for operation. This current, not being sold, is not subject to rental payments thereon.

(70) The Government may have first call on any excess power at the disposal of the corporation for use as additional facilities in navigation and shall pay for same at the regular rates charged for such class or classes of power.

(71) The Government shall furnish and pay for all labor, supervision, operation, maintenance, repairs, and depreciation connected with the navigation facilities.

(72) The Secretary of War shall have a representative located at Muscle Shoals continuously, with power to regulate navigation through the locks at Dams Nos. 2 and 3, within such hours and at such times as will materially conserve the water for use when it can be disposed of as power to the best advantage, or for accumulation above the dams.

FINANCE

(73) Inasmuch as it is herein provided that fertilizers and/or fertilizer bases are to be manufactured by the corporation without profit, as specified in section (28) hereof, and therefore the corporation will be unable to acquire capital through the sale of securities solely based upon that enterprise, and inasmuch as title to the present project and any extension made thereto will be vested in the United States of America, the said corporation is hereby authorized to issue debenture bonds (fertilizer debenture bonds and construction debenture bonds) in series, as may be needed, bearing such rates of interest as, in the judgment of its board of directors, may be required by market conditions at the time, for the best interests of the corporation, redeemable at the option of the corporation at any time after three years at such premium as the board of directors of the corporation may determine; secured as to principal and interest by the annual gross rental of the project, and the said fertilizer debenture bonds shall be a direct obligation of the fertilizer division and not a lien on the earnings of the other divisions of the corporation, except as to the amount paid by the corporation for rental of the project, and the said construction debenture bonds shall be a direct obligation of the power division and not a lien on the earnings of the other divisions of the corporation, except as to the amount paid by the corporation for rental of the project.

(74) The corporation is hereby authorized to sell the said debenture bonds, mentioned in section (73) hereof, through the usual commercial channels and to pay the usual charges for such sales, and this authority shall extend to the sales of its preferred stock, notes, other bonds, or other forms of securities issued for the purpose of acquiring capital.

(75) The interest on the said fertilizer debenture bonds, mentioned in section (73) hereof, shall be a direct charge or expense in calculating the manufacturing cost of said fertilizers and/or fertilizer bases. The interest on the said construction debenture bonds, mentioned in section (73) hereof, shall be deducted from the rental of the entire project.

(76) The capital acquired by the corporation through the sale of the said debenture bonds, mentioned in section (73) herein, shall be used for no other purposes than to meet the requirements of the fertilizer and power divisions of the project, either for the remodeling of existing plants, the building of new plants and facilities, including additions to the existing steam-electric generating plant, or for working capital in connection with fertilizer production, and extension of construction of other and additional power facilities.

(77) The Committee on Agriculture is hereby authorized and shall include manufactured fertilizers and/or fertilizer bases among the commodities eligible for storage under the provisions of the United States warehouse act (39 U. S. Stat. L. p. 436, as amended July 25, 1919, and February 23, 1923), and to make such rules and regulations under authority of said act as he may deem necessary.

(78) The Secretary of Agriculture is hereby authorized and shall issue warehouse certificates for all fertilizers and/or fertilizer bases produced by the corporation, which certificates shall be guaranteed by the Government and which shall bear on their faces, as the value of such materials, the cost of same as defined in this act, and the warehouse utilized for the purposes of storing such materials shall be under Government license and supervision in the same manner as provided in the United States warehouse act above described. Any costs, commissions, fees, interest, and other expenses incident to such storage and/or the issue and use of such warehouse certificates shall become a part of the cost of fertilizers and/or fertilizer bases as defined in section (29) hereof, and shall be paid out of the fertilizer fund.

(79) The farm loan bank, credit-extension division, shall be empowered and shall advance moneys and hold the United States fertilizer bonded warehouse certificates as it now functions in connection with cotton, wool, grain, etc.

(80) Upon the termination of operations by the corporation under terms of the lease all of the capital received through the sale of the debenture bonds mentioned in section (73) hereof, and remaining in the hands of the corporation as cash, shall be paid to the Government.

(81) Any other capital required by the corporation and not otherwise provided for shall be acquired through the sale of its own securities, entirely independent from responsibility or action of the Government or lien upon the rental.

(82) That portion of the expenses of the corporation in any calendar year, which is not in its nature directly allocated to its various divisions of the project, shall be allocated to such divisions in the ratio of the total expenditures of money in each such division in such calendar year.

(83) The account books of the corporation shall at all times be so kept that the elements of any one of the various divisions of the project may be easily segregated from other divisions, and the project, for accounting purposes, shall be divided into the following divisions:

(a) Construction division.

(b) Power division.

(c) Fertilizer division.

(d) Utilization division (all other activities of the corporation).

GOVERNMENT RECAPTURE IN TIME OF WAR

(84) The Government may in time of war take over the entire project and the whole or any part of the organization of the corporation, and the same shall be returned to the corporation in as good condition as when taken over as soon as the Secretary of War shall determine that the project is no longer needed for such purpose, but in no event shall the project be returned later than 90 days after the cessation of active hostilities.

(85) In the event of such taking over by the Government, the term of the lease and the term of the charter of the corporation shall be automatically extended for an additional time equal to the period during which the project shall be taken over and retained by the Government.

(86) In case the project is so taken over, all rental and all payments into the special funds in this act provided, and all obligations of the corporation to the Government shall be abated during the period in which the project is retained by the Government, without liability on the part of the corporation to make good the abated payments and obligations which may have been omitted during such period.

(87) During such period the Government, as full compensation to the corporation for the use of the project and all losses and damages sustained by the corporation by such taking over, shall pay to the corporation an amount equal to the sum of the following as and when the same shall become due and payable or shall be incurred by the corporation:

(a) All liabilities of the corporation accrued or accruing during the period of Government use, including interest: *Provided*, That the refunding of maturing capital liabilities of the corporation shall be deemed satisfaction of this clause exclusive of the interest.

(b) The expenses of the corporation in maintaining whatever part of its plant and organization is not taken over and compensated for by the Government.

(c) All taxes accrued or accruing for such period, if any, due to any taxing authority.

(d) All dividends on the corporation's preferred stock outstanding at the beginning of such taking over and accrued or accruing during such period.

(e) Yearly amounts equal to the amounts which the corporation has been setting aside into sinking funds to retire the debenture bonds, or which the corporation has planned to set aside for this purpose at a predetermined time or times.

(f) A fair return on all money invested by the corporation; such return to be equal to the average cost to the corporation of such moneys obtained from the sale of its securities and an equivalent rate on such moneys obtained from the sale of common stock, and from this amount shall be deducted all interest and dividend payments provided for in subdivisions (a), (b), (c), (d), and (e).

(88) If any breach of any of the covenants in this act and agreement contained, on the part of either party, be alleged by the other, or if any difference shall arise at any time between the parties hereto in

relation to the construction of this act and agreement, or the due performance of any of the covenants thereof, the question shall be submitted to arbitration. All questions or disputes relating to any matters or things under this act shall be submitted to arbitration in the following manner: The Secretary of War shall name an arbitrator and the Farmers Federated Fertilizer Corporation shall name an arbitrator, and the judge of the United States district court in which the principal part of the Muscle Shoals properties are located shall name an umpire, and the board of arbitrators thus constituted shall thereupon proceed to determine the matter in dispute. In any case in which arbitration is resorted to the party aggrieved or moving in the matter shall give to the other party written notice of its desire to have an arbitration, in which it shall state generally its grievance and name an arbitrator; the other party shall thereupon name an arbitrator within 30 days after the receipt of such notice. Then the Secretary of War and the Farmers Federated Fertilizer Corporation shall join in the application to the United States district judge to name an umpire as aforesaid. The board of arbitrators constituted as herein set out shall proceed to determine the matter in dispute as well as adjudge the costs of the arbitration, and shall make its award in writing. In case either party does not accept or act on the award of these arbitrators, then in that case the procedure shall be as in section (89) of this act. Any decision as to any clause, sentence, paragraph, section, or part of this act so arbitrated or adjudged shall not affect any other clause, sentence, paragraph, section, or part of this act, but such award shall be confined in its operation to the clause, sentence, paragraph, section, or part of this act directly involved in the controversy in which such award shall have been rendered, and shall not affect or invalidate any other clause, sentence, paragraph, section, or part of this act. No resort to the arbitration provision of this act shall be had in relation to the right of the United States to recapture the plant in time of war, as provided in sections (84), (85), (86), and (87) of this act.

(89) In the event of the failure of arbitration, as provided in section (88), to settle any dispute between the United States and the corporation, then the district court of the United States for any district shall have jurisdiction to hear and determine all claims of the United States against the corporation, and of the corporation against the United States, under this act, the lease or the contract herein.

(90) The corporation shall not at any time be obligated to manufacture, handle, or store on the project any war material or supplies of an explosive nature, but, subject to instructions as given from time to time by the Secretary of War, the corporation shall produce explosive bases for the Government incident to the operation of the fertilizer division, as herein provided, without either profit or loss to the corporation.

(91) If any clause, sentence, paragraph, section, or part of this act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall be confined in its operation to the clause, sentence, paragraph, section, or part thereof directly involved in the controversy in which such judgment shall have been rendered, and shall not affect or invalidate any other clause, sentence, paragraph, section, or part of this act.

(92) Appropriations necessary to carry out each and every one of the provisions of this act on the part of the Government are thereby authorized and made.

(93) All laws and parts of laws in conflict herewith shall be, and the same hereby are, repealed.

(94) This act shall take effect immediately.

WAR DEPARTMENT,
Washington, December 14, 1926.

Hon. CHARLES S. DENEEN,
Chairman Muscle Shoals Joint Committee,
Washington, D. C.

DEAR SENATOR DENEEN: In accordance with your request, I transmit herewith an analysis prepared by Lieut. Col. M. C. Tyler, Corps of Engineers, of the proposed offer of the Farmers Federated Fertilizer Corporation for the Muscle Shoals project.

Sincerely yours,

DWIGHT F. DAVIS,
Secretary of War.

Tabulated analysis

I. BIDDER

FARMERS FEDERATED FERTILIZER CORPORATION

A bill to provide for the preservation, completion, maintenance, operation, and use of the United States Muscle Shoals project for war, navigation, fertilizer manufacture, electric power production, and for other purposes, and in connection therewith, the incorporation of the Farmers Federated Fertilizer Corporation, and the lease to it of the said project

Be it enacted, etc.

(1) That this act shall constitute the charter of the Farmers Federated Fertilizer Corporation and a contract and lease by and between the United States of America and the said corporation covering the Muscle Shoals project, upon the terms and under the conditions as in this act set forth.

INCORPORATION OF THE FARMERS FEDERATED FERTILIZER CORPORATION

(2) There is hereby created and incorporated a corporation, under the name Farmers Federated Fertilizer Corporation, for the purposes and objects, and to have, possess, and exercise the power, rights, privileges, and authorities, in this act provided, and to exist for a period of 55 years from the passage of this act, or until 5 years after the termination of operation by the corporation under the terms of the lease of the Muscle Shoals project provided for in this act, whichever may be the later date.

(3) In addition to the purposes, objects, rights, powers, and authorities elsewhere in this act conferred upon the corporation, it shall have and possess the following: To exist and have succession by the name Farmers Federated Fertilizer Corporation, for the period of its corporate existence; to adopt, use, and, at pleasure, alter a common or corporate seal; to sue and be sued and to complain and defend in any court of law or equity; to make, amend, repeal, and reenact by-laws, not inconsistent with the Constitution of the United States of America or with this act, for the management of its property and business, the regulation and government of its affairs, the holding of meetings of its stockholders, directors, and committees, the certification, issue, transfer, and voting of its capital stock, the election, appointment, powers, duties, and terms of office of its directors, officers, committees, and agents, and the manner of filling vacancies, and fixing and electing the number of its directors (not less than five); to appoint such officers, attorneys, agents, and other employees as the business of the corporation shall require, and to allow them suitable compensation; to make and enforce all contracts, and to acquire, hold, own, and dispose of all property, real and personal, necessary, appropriate, convenient, or suitable in carrying on its business, including all processes, letters patent, formulas, and rights pertaining to or connected with the business of the corporation or available for use therewith, whether located at Muscle Shoals, Ala., or elsewhere; to borrow money for its proper corporate purposes, and to issue its bonds, notes, and other evidences of indebtedness therefor, bearing such rate of interest as the board of directors of the corporation may fix and determine; to engage in foreign trade; to conduct its business, and to hold, purchase, convey, and otherwise dispose of, real and personal property anywhere in the United States of America or elsewhere; to have, possess, and exercise all purposes, objects, rights, powers, and privileges provided for in, or conferred upon it by, this act, or requisite to carry out the provisions of this act and of the lease and contract provided for herein on its part to be observed or performed; to enter upon, take possession of, the Muscle Shoals project, as lessee under and by virtue of this act, to the extent herein leased and during the term of the lease herein provided, and to construct, extend, and complete, demolish, salvage, reconstruct, maintain, manage, use, and operate the same and each and every part or portion thereof; and to do any act or thing that any other corporation or individual may or could do.

(4) The business of the corporation shall be managed and controlled by a board of directors and executive committee, if so provided in the by-laws, a president, a vice president, a secretary, a treasurer, and any such other officers and agents as the by-laws shall provide. The president and vice president shall be directors, but the secretary and treasurer need not be directors. Any two offices, except that of president and vice president, may be held by one person. A director of the corporation need not be stockholder therein.

(5) Name	Address
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shall be and are hereby selected and designated as the incorporators of the corporation, and as such shall adopt its initial by-laws, shall prescribe the number of and elect the first board of directors, and take such other action as may be necessary to complete the organization of the corporation.

(6) If the by-laws of the corporation shall so provide, the board of directors may, by resolution, designate three or more of their number to constitute an executive committee, who, to the extent provided in said resolution or in the by-laws, shall have and may exercise the powers of the board of directors in the management and conduct of the business and affairs of the corporation between meetings of the board of directors, including the power to authorize the seal of the corporation to be affixed to all instruments which may require it.

(7) The corporation shall have such authorized capital stock divided into such number of shares and into such class or classes, each class to have such par value or to be without par value, and to have and be subject to such preference, privileges, limitations, and restrictions as to dividends, voting power, or otherwise as the by-laws of the corpora-

tion shall from time to time prescribe. Every provision contained in the by-laws dealing with the authorized capital stock of the corporation and the classification or reclassification thereof shall be adopted, and shall be subject to alteration, amendment, or repeal only with the vote or consent of the majority of the shares outstanding at the time entitled under the by-laws to vote therefor. Until otherwise provided by the by-laws the authorized capital stock of the corporation shall consist of 300,000 shares of nonvoting 7 per cent cumulative preferred stock, of the par value of $100 per share, redeemable at the option of the corporation at any time after three years at not to exceed $110 per share and accrued dividends, and of which 10,000 shares are to be immediately subscribed for; issued and paid for when and as called for by the board of directors.

Three hundred thousand shares of common stock without nominal value and $20,000,000 par value of fertilizer debenture bonds, said preferred stock may be issued from time to time and sold for cash at not less than par to such face amount as shall in the judgment of the board of directors be at the time necessary to provide the funds required by the corporation. Shares of stock of no par value may be issued for such consideration as shall be fixed by the board of directors if authorized to do so by the by-laws of the corporation and if not so authorized, then such shall be fixed by the stockholders of the corporation at the time entitled to vote. As and when any shares of stock of whatever class are issued, the corporation shall file within 30 days thereafter, with the Secretary of War, a certificate signed and verified by its president or a vice president and by its treasurer or an assistant treasurer, stating the number of and describing the shares so issued and the consideration to the corporation therefor. All shares of stock of the corporation of whatever class when issued shall be fully paid and nonassessable in the hands of the holders.

(8) The corporation shall file with the Secretary of War within 30 days after the adoption thereof certified copy of its by-laws and of each and every alteration, amendment, repeal, or reenactment thereof. The corporation shall also, as and when requested by the Secretary of War, file with him a certified list showing the names and addresses of its stockholders and the number of shares of each class of stock respectively held. The corporation shall at all times keep on file with the Secretary of War certified reports showing the persons constituting its board of directors and the names of its president, secretary, and treasurer, and their respective addresses.

(9) The principal office and place of business of the corporation shall be located at Muscle Shoals, Ala. The corporation may have offices for the transaction of its business and hold meetings of its stockholders, directors, and committees at such other place or places as the by-laws may designate or permit.

II. DURATION OF CONTRACT

(10) The duration of this lease shall be 50 years from the date of passage of this act, but after the expiration of such 50-year period the lessee shall continue to hold, occupy, and use the leased property upon terms and conditions similar to the provisions of this lease except as to date of expiration until a new lease therefor has been fully consummated and in the negotiation for and completion of such new lease the Farmers' Federated Fertilizer Corporation will be given primary consideration.

III. PROPERTY TO BE PURCHASED FROM THE UNITED STATES AND PAYMENTS TO BE MADE THEREFOR

No property to be purchased from the United States, but section (1) provides "That this act shall constitute * * * a contract and lease by and between the United States of America and the said corporation covering the Muscle Shoals project, upon the terms and under the conditions as in this act set forth."

IV. PROPERTIES TO BE LEASED

SEC. (1) That this act shall constitute * * * a contract and lease by and between the United States of America and the said corporation covering the Muscle Shoals project, upon the terms and under the conditions as in this act set forth.

SEC. (2) * * * to have, possess, and exercise all purposes objects, rights, powers, and privileges provided for in, or conferred upon it by this act, or requisite to carry out the provisions of this act and of the lease and contract provided for herein on its part to be observed or performed; to enter upon, take possession of, the Muscle Shoals project as lessee under and by virtue of this act to the extent herein leased and during the term of the lease herein provided, and to construct, extend and complete, demolish, salvage, reconstruct, maintain, manage, use, and operate the same and each and every part or portion thereof; * * *.

SEC. (10) All of the property and rights, real, personal, and mixed, of whatever kind and character and wherever located, now or hereafter constructed by or for, or owned by, the United States of America in connection with or forming part of, or for use in connection with the Muscle Shoals project, and the rents, income, issues, and earnings thereof, are, by virtue of this act, and without further act or deed, leased to the Farmers' Federated Fertilizer Corporation at the rental and upon the terms and provisions in this act provided, together with all processes, letters patent, formulas, shop practices, shop rights, and other rights, appertaining to or connected with this project or available for use therewith, whether located at Muscle Shoals, Ala., or at other places, owned or controlled by the Government, and also all records, statements, lists, maps, schedules, and the property described therein, connected with this project, and these, when receipted for by the corporation, shall be parts of the said lease and this act as though written herein.

LETTERS PATENT, FORMULAS

SEC. (14) All letters patent, processes, and formulas now or hereafter discovered at the leased property or laboratories of the Government, for and in connection with fertilizers and/or fertilizer bases, shall be the property of the Government, but shall be included in the leased property and shall be held from publication in the same manner as other Government processes of like character; the Government having the right to use the same direct at all times without charge. All letters patent, processes, and formulas discovered and controlled by the incorporators of this corporation, prior to the passage of this act, which may be used in connection with the manufacture of products at this project, shall be and remain the property of the incorporators individually; the Government having the right to use the same direct at all times without charge during the life of said lease, in connection with the manufacture of explosive bases.

EXEMPT FROM TAXES

SEC. (15) Inasmuch as the corporation is to produce and deliver in the control of the farmers' board, as defined in section 38 of this act, fertilizers and/or fertilizer bases, without any profit, it shall be exempt from tax of any sort whatsoever, now enacted or later to be enacted.

RETURN OF PROPERTY

SEC. (18) Upon the termination of the said lease, as heretofore defined in section (10) the entire project shall be returned to the Government in good condition and repair, the period of use duly considered, and any moneys then in the fertilizer fund, construction fund, salvage fund, research fund, emergency fund, and renewal and replacement funds shall be paid to the Government, together with all funds which may have accumulated for amortization of the Government's total investment in the dams and plants leased to the Farmers Federated Fertilizer Corporation.

CORPORATION AUTHORIZED TO SELL GOVERNMENT PROPERTY

SEC. (19) The corporation is hereby authorized, with the approval of the board of industrial development (hereinafter defined), to sell transfer, rent, or otherwise dispose of any real estate, materials, supplies, or other property pertaining to the project at the time of taking over the lease, real or personal, which said board shall determine to be not needed for the construction, maintenance, and operation of the project, or for war, military, or navigation purposes, giving good and indefeasible title in fee simple to the purchasers thereof. The net consideration received upon any such sale or other disposition by the corporation, except moneys received for rents, shall be credited to a salvage fund, and said fund shall form part of the leased property and may be used by the corporation for the purchase of other useful property for the project and for working capital of the corporation. Upon the termination of the lease, said fund, as then constituted, shall be turned over to the Government. Any of the property which may be sublet by the corporation under this act shall be sublet for such term, expiring, not later than the termination of the lease period, for such rental and upon such terms as the corporation may determine.

CORPORATION MAY CONSTRUCT ADDITIONAL FACILITIES

(20) The corporation may construct at its own cost any additional buildings, structures, or facilities and equipment at any location on the project and for any use, with the approval of the board of industrial development, and the same shall remain the property of the corporation. At the expiration of the lease the Government may purchase such property from the corporation at its appraised value, not to exceed the actual cost thereof, or at the option of the corporation the latter may remove the same; but if the lease is terminated by the Government prior to its expiration by reason of any default by the corporation in complying with the terms of the lease, then the Government shall, as penalty for such default by the corporation, acquire without cost all power and fertilizer facilities of any nature installed by the corporation upon the leased premises.

CORPORATION GIVEN RIGHT OF EMINENT DOMAIN

(21) The corporation shall have the power and authority to purchase, construct, appropriate, enter upon, or otherwise acquire, use, own, maintain, and operate any property or right, real or personal, tangible or intangible, which may, in the judgment of the board of directors, be necessary or desirable to accomplish the purposes of this

act, including water and/or flowage rights and lands on and along such portions of the Tennessee River and its tributaries above Dam No. 1 as are necessary or desirable for the development of water storage and/or water power and the regulation of the flow of such river and tributaries. In case the owner of any such property or right and the corporation are unable to agree upon the damage or compensation to be paid for such property or right, or in case, by reason of the absence or legal incapacity of such owner no such agreement can be made, the corporation shall have the right to acquire such property or right by the exercise of the right of eminent domain in the district court of the United States or in the States courts for the district in which said property or right, or the property in respect whereof such right is desired, may be located. In all cases where the parties can not agree as aforesaid the corporation shall tender a bond, with sufficient security, to the party claiming or entitled to any damage, or to the attorney or agent of any absent person, or to the guardian, committee, or other representative of anyone under legal capacity, the condition of which bond shall be that the corporation will pay or cause to be paid such amounts of damages as the party shall be entitled to recover, if the amount thereof shall have been agreed upon or assessed in the manner provided for by this section: *Provided, however,* That in case the party or parties claiming or entitled to damages refuse or do not accept the bond as tendered the corporation shall then give the party written notice of the time when the same shall be presented for filing in court, and thereafter the corporation may present said bond to the court having jurisdiction, and if approved the bond shall be filed in said court for the benefit of those interested, and recovery may be had thereon for the amount of the damages thereafter assessed if the same is not paid. Upon the tender and acceptance of such bond or the filing thereof as aforesaid, if not accepted, the corporation shall have the power to enter upon and take possession of the property condemned. The practice and procedure in any action or proceeding for the purpose aforesaid and for the assessment of the damages that any such owner shall be entitled to receive, instituted in the district court of the United States, shall conform as nearly as may be with the practice and procedure in similar actions in the courts of the State where the property aforesaid is situated. At the expiration of the lease the Government may purchase property acquired by the corporation under the conditions of this paragraph at its appraised value, not to exceed the actual cost thereof to the corporation.

(22) The corporation shall not sell, transfer, or license any of the letters patent, processes, and formulas forming part of the leased property, nor shall the corporation sell, transfer, or assign this lease or the leased property, except as otherwise provided in section (19) herein. Nothing in this section shall apply to the subletting of construction contracts.

(23) The Secretary of War is hereby authorized to enter into and execute such agreements with the corporation, consistent with the provisions of this act, as will provide for omissions, if any, or as may be necessary in order to carry out the purposes of this act.

TRANSMISSION LINES

(26) * * * The corporation is hereby authorized to use any amount in the salvage fund, provided in section (19) of this act, to construct for the Government such transmission lines, including appurtenant substations, transformers, and other works, as in the judgment of the board of industrial development may be necessary and desirable, under the same terms and conditions as other construction work mentioned herein. Any transmission lines which may be so constructed shall immediately become a part of the leased property and shall be returned to the Government at the same time and under similar conditions as other leased property of this project upon the termination of the said lease.

(88) If any breach of any of the covenants in this act and agreement contained on the part of either party be alleged by the other, or if any difference shall arise at any time between the parties hereto in relation to the construction of this act and agreement, or the due performance of any of the covenants thereof, the question shall be submitted to arbitration. All questions or disputes relating to any matters or things under this act shall be submitted to arbitration in the following manner: The Secretary of War shall name an arbitrator and the Farmers Federated Fertilizer Corporation shall name an arbitrator, and the judge of the United States district court in which the principal part of the Muscle Shoals properties are located shall name an umpire, and the board of arbitrators thus constituted shall thereupon proceed to determine the matter in dispute. In any case in which arbitration is resorted to the party aggrieved or moving in the matter shall give to the other party written notice of its desire to have an arbitration, in which it shall state generally its grievance, and name an arbitrator; the other party shall thereupon name an arbitrator within 30 days after the receipt of such notice. Then the Secretary of War and the Farmers Federated Fertilizer Corporation shall join in the application to the United States district judge to name an umpire as aforesaid. The board of arbitrators constituted as herein set out shall proceed to determine the matter in dispute, as well as adjudge the cost of the arbitration, and shall make its award in writing. In case either party does not accept or act on the award of these arbitrations, then in that case the procedure shall be as in section (89) of this act. Any decision as to any clause, sentence, paragraph, or part of this act so arbitrated or adjudged shall not affect any other clause, sentence, paragraph, or part of this act, but such award shall be confined in its operation to the clause, sentence, paragraph, or part of this act directly involved in the controversy in which such award shall have been rendered, and shall not affect or invalidate any other clause, sentence, paragraph, or part of this act. No resort to the arbitration provision of this act shall be had in relation to the right of the United States to recapture the plant in time of war as provided in sections (84), (85), (86), and (87) of this act.

(89) In the event of the failure of arbitration as provided in section (88) to settle any dispute between the United States and the corporation, then the district court of the United States for any district shall have jurisdiction to hear and determine all claims of the United States against the corporation and of the corporation against the United States, under this act, the lease, or the contract herein.

(91) If any clause, sentence, paragraph, or part of this act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered, and shall not affect or invalidate any other clause, sentence, paragraph, or part of this act.

(93) All laws and parts of laws in conflict herewith shall be, and the same hereby are, repealed.

(94) This act shall take effect immediately.

(58) Immediately upon the enactment of this bill it shall become a law, and the incorporators heretofore denominated shall have a period of six months in which to take over such portions of the leased property as at that time would be in functioning order and shall continue from that period until the entire project has been transferred as defined elsewhere herein.

V. ADDITIONAL EXPENSE FOR CONSTRUCTION BY THE UNITED STATES REQUIRED BY PROPOSAL

(11) The corporation does not require that any further amounts be appropriated by the Government for the completion of additional power facilities, either those enumerated in section (55) herein or for further up-river power development; and the corporation will pay rental at the rates stated in this section for the use of any or all additional facilities installed for the generation either of hydroelectric or of steam-electric power, whether the completion of such facilities is financed by the Government or the corporation; and the Government shall exercise its right at any time to undertake any future power development, but upon failure by the Government to exercise such right within one year after notice to the Government by the corporation that a specific power development is desirable the corporation may, at its discretion, undertake the development of necessary additional power facilities; but in the event that the completion of additional power facilities is financed by the corporation there shall be deducted from the gross rentals to be paid to the Government a yearly amount sufficient both to amortize and to pay interest upon any bonds or other securities issued by the corporation for the specific purpose of financing the completion of such additional power facilities.

BOARD OF INDUSTRIAL DEVELOPMENT

(34) A board of industrial development shall be constituted, as hereinafter provided, to consist of an executive officer of the corporation, who shall be chairman thereof, the Secretary of War or a person appointed by him, the Secretary of Agriculture or a person appointed by him, the Secretary of Commerce or a person appointed by him, and three others (who may be employed or retained by the corporation) appointed by the directors of the corporation. Each member shall serve for a term of one year, and any vacancy in the board, whether caused by death, resignation, or expiration of term of any member, or for any other reason, shall be filled in like manner. No member of the board shall receive any compensation for his services as a member thereof. The board shall for guidance of the corporation:

(a) Confer with the Secretary of War, and work out, and from time to time whenever necessary or advisable, amend, alter, or supplement a general plan covering the war uses of the project, particularly as to the use thereof by the corporation, being at all times subject to the use of the Government in time of war and subject to such plan.

(b) Confer with the Secretary of Agriculture, and work out, and from time to time whenever necessary or advisable amend or alter or supplement a general plan covering the fertilizer uses of the project; and the corporation shall observe and conform to the provisions of such plans and subject to the foregoing plans.

(c) Confer with the Secretary of Commerce, and work out, and from time to time, whenever necessary or advisable, amend, alter, or supplement recommendations for the development of the industrial activities on the project, and within transmission distance thereof, and as to the classes of industry best suited to the locality, taking into consideration the industrial and commercial life of the Nation as a whole.

BOARD OF RESEARCH

(35) A board of research, to consist of five members, shall be appointed by the Secretary of Agriculture, of which he may be a member. The remaining members shall be selected from the staff of the Nitrogen Research Laboratory, Bureau of Soils, or other technical forces under his jurisdiction, as well as the technical staff of the corporation, except that the corporation shall be entitled at all times during the term of the lease to representation by two members on said board. The corporation shall supply from the research fund, hereinafter provided for, $150,000 per annum toward the maintenance of the Nitrogen Research Laboratory, as and when a like amount is contributed by the Government for the same purpose. The members of the said board and the term of office of each member shall be one year, and all vacancies shall be filled and successors appointed by the Secretary of Agriculture, provided that at all times at least two members thereof shall be representatives, recommended by the corporation. Each member of said board, other than the representatives of the corporation, shall receive such compensation as shall be fixed by the Secretary of Agriculture. The same to be approved by the farmers' board and paid out of the fertilizer fund.

CHANGES, ADDITIONS, AND EXTENSIONS TO THE NITRATE AND OTHER PLANTS

(36) The board of research shall, as promptly as possible after the passage of this act, recommend processes and formulas for use by the corporation on the project for the production of fertilizers and/or fertilizer bases and the nature and extent of the changes, additions, and extensions to the nitrate and other plants, and shall have advisory powers in the completion of such construction and placing of same in operation, and thereafter shall, through continued research and experimentation, recommend or advise as to changes, betterments, and substitutions required in connection with the processes and formulas to be employed by the corporation.

(37) Any action of this board shall be submitted for review to the Secretary of War, and unless disapproved by him within 30 days thereafter shall become available to the corporation as though with his approval.

(53) The refitting of the nitrate plants to manufacture the required fertilizers and/or fertilizer bases shall be commenced by the Government or by the corporation for the Government as soon as recommendations have been made by the board of research and the plans and specifications for the same have been made and the estimated cost thereof shall have been agreed upon.

(55) In order to insure the development of the project to take full advantage of the natural resources at Muscle Shoals and above, the following items of uncompleted work are considered necessary for and included in the lease herein made, and shall be constructed and completed as quickly as shall be considered consistent with the provisions of this act and good engineering practice, viz:

(a) Changes and additions in the nitrate plants for use in the manufacture of fertilizers and/or fertilizer bases.

(b) Completion of Dam No. 2, with its full power equipment of 18 generating units.

(c) Construction of Dam No. 3, with its full power equipment and electric transmission tie line to Dam No. 2.

(d) Additions to the generating capacity of the steam electric plant located at Nitrate Plant No. 2 to bring the total generating capacity up to at least 120,000 kilowatts; such additions to be in the form of steam, gas, oil, or other forms of electric generating equipment, the form and location of which being subject to the approval of the board of industrial development.

(56) The time of commencing work under item (a) shall be as defined in section (53) and the items (b), (c), and (d) on the approval of the board of industrial development of plans and specifications therefor and the estimated cost thereof shall have been agreed upon.

(57) After the completion of requisite test, showing each item mentioned in section (55) hereof to be safe, satisfactory, and complete for operating conditions, they shall be taken over by the corporation and thereupon become part of the leased property.

(41) If the foundations of Dam No. 2 shall prove defective, and/or any of its equipment or the power house shall in any way be defective of unsatisfactory, after the completion of all the work incident to a complete, operative hydroelectric project, and after all operative and other usual tests have been made, then the Government shall make all repairs, changes, or replacements at its expense to make the same an efficient, safe, and complete operative hydroelectric project, and the corporation shall take over the hydroelectric project at Dam No. 2 within 60 days thereafter and shall place the same in commercial operation as promptly as possible.

(42) The existing steam-electric plant at Nitrate Plant No. 2 shall be given an operative test, and any repairs, renewals, and replacements necessary to place it in an efficient operating condition shall be made by the Government, and when completed in such condition it shall be taken over by the corporation.

(43) The corporation shall be notified in advance as to each such test and be permitted to have representatives present, and shall be furnished with all data and information as to the results of each such test.

(44) In case any other item of the leased property, when delivered into the possession of the corporation, shall be in need of any repairs, renewals, or replacements, the same shall be made by the Government at its expense, and if not so made promptly the corporation shall have the right to make the same, and the Government shall furnish or reimburse to the corporation all funds requisite therefor.

APPROPRIATIONS

(92) Appropriations necessary to carry out each and every one of the provisions of this act on the part of the Government are hereby authorized and made.

(45) The corporation shall, upon notice in writing in each case from the Secretary of War, act as agent for the Government for the designing and construction of each or any of the several items of uncompleted work referred to in section (55) herein, or for any other construction work of the Government incident to the project now planned or hereafter to be planned, and in any such event the corporation shall as soon as possible after receipt of such notice submit to the Secretary of War plans and specifications for such work and estimate of the cost thereof.

(46) If the Secretary of War shall elect to have the corporation so act for the Government, the corporation shall in each case act as a Government engineering, construction, and purchasing department, and shall as such at all times be subject to instructions from the Secretary of War. As engineers, the corporation shall make or cause to be made all necessary studies, recommend the type and character of equipment and of construction required, and prepare plans and specifications for materials, equipment, and construction work and the estimate of the cost thereof. The corporation shall follow the usual commercial practice, without advertising for bids unless it shall so elect.

(47) All contracts and orders for such Government construction which are placed by the corporation, pay rolls and other obligations resulting therefrom, shall be in the name of the United States Government by the corporation as agent, and the corporation shall not thereby assume any financial liability under or by reason of such obligations.

(48) The corporation shall be paid a fixed fee equal to 6 per cent of the estimated cost of such work, which estimated cost shall be agreed upon by the Secretary of War and the corporation prior to the commencement of work. Such estimated cost shall include the following items, whether commitments therefor or expenditures are made or to be made by the Government or by the corporation for the Government:

(a) The cost of all property, real, personal, and mixed, rights, royalties, material, machinery, equipment, labor, tools, plant, and equipment purchased and the rental of any equipment hired, salaries and expenses of all officers and employees of the corporation for that portion allocated to construction work, and all expenses of office and office held and supplies for such officers and employees, in connection with exploration, investigation, engineering, or designing, in the choice of materials and purchases of same, equipment and supplies, and the inspection thereof at the works or elsewhere.

(b) The cost of expert and consulting services, including all legal services and expenses incident thereto.

(c) The cost of traveling and incidental expenses.

(d) Other expenditures made directly incident to this work, but not including interest during construction.

Installments of the said fee shall be paid monthly to the corporation on the basis of 6 per cent of the actual expenditures made during the preceding month until 90 per cent of the total fixed fee shall have been paid, and the remaining 10 per cent shall be paid on completion of the work. If material change in the scope of the work shall be ordered by the Secretary of War at any time after the determination of the amount of the said fee, the amount of said fee shall be increased by an amount equal to 6 per cent of the estimated additional cost of such additional work. The amount of the said fee shall not be changed because of any difference between the actual cost and the estimated cost.

(49) The corporation shall make all payments incident to the construction work executed by it, for the account of the Government out of funds supplied to the corporation, and if such funds are acquired through the sale of obligations of the corporation, the cost of acquiring such funds shall be considered as an item of construction cost in arriving at the said estimated cost. All such payments shall be under

such regulations as the Secretary of War may prescribe, and the Government shall reimburse the corporation each month for its expenditures for Government work made during the preceding month.

(50) All correspondence, records, vouchers, and books of account of the corporation relating to the construction work shall at all reasonable times be open to the inspection of the Secretary of War or his authorized representative.

(51) The Secretary of War shall have a representative inspector on the construction work at all times, and any official communication from him to the corporation, or any of its agents, shall be made in writing, and such communication shall be deemed an official communication of the Secretary of War. In case of disagreement, the decision of the Secretary of War shall be final as to the results to be accomplished.

(52) If at any time the Secretary of War shall become dissatisfied with the manner in which any construction work is being executed or shall for any reason wish to discontinue such work, he shall have the right, after 10 days' notice in writing, to terminate the employment of the corporation as agent on such work and to take possession of such work and material for the construction thereof and complete the same. In case the Secretary of War shall take such action, the corporation shall, before possession is so taken, receive in payment for its services, all installments of the fixed fee which shall have become due or accrued to it in connection with such work, reimbursement for all funds expended by it in connection therewith and a release from the Government of all responsibility incident to such work. The approval by the Secretary of War of any expenditure made by the corporation shall be final.

VI. Conditions Covering other Constructions for Power Purposes as Stated by Bidder

(54) The corporation, if directed by the Secretary of War in writing, shall construct all storage dams and/or power plants or other works desired by the Government and designed for the regulation and augmentation of this project or its extensions, and not mentioned in this act, under the same terms and conditions as mentioned for other construction work.

VII. Payments to United States by Lessee

(11) The corporation shall pay an annual rental for all of the leased property in completed condition as hereafter provided; said rental to be taken from the receipts from the sale of power, commencing with the calendar year following the placing in commercial operation of Dam No. 2 with eight generating units, at the rate of $22.29 per kilowatt-year for all primary power generated and sold by the corporation from the power plants included in the leased property. After the completion of all of the items of uncompleted work, mentioned in section (55) herein, the rental shall be raised to $25.50 per kilowatt-year for all primary power generated and sold by the corporation from the power plants included in the leased property. A kilowatt-year shall be taken as 8,760 kilowatt-hours, and all calculations of the rental shall be made at such corresponding unit price per kilowatt-hour for the primary power sold. Primary power, as heretofore mentioned, is hereby defined to be all and any power which would be generated for 8,000 hours per year from the actual river flow or by any storage reservoirs together with such portion of added power generated by the hydroelectric plant which would be brought up to the standard of primary power by means of power generated by the steam plants of the leased property.

(12) If in any calendar year the receipts from the sale of power are not sufficient to pay the full gross rental due for that year, and all other operating expenses, interest, and all general and miscellaneous expenses allocated to the power division, and including the actual expenditures for maintenance and repairs, together with the amounts mentioned in section (64) hereof (sec. 64. Farmers' board to authorize corporations to deposit in a sinking fund part of the moneys in the fertilizer fund), and the amounts to be set aside each year for the research and emergency funds and for the amortization of fertilizer debenture bonds, then for such calendar year the said rental shall be reduced by the amount of the deficit, and the corporation shall not in subsequent years be required to make up such deficit.

(38) A farmers' board, to consist of not more than five members, shall be appointed by the Secretary of Agriculture, of which board he, or one of his assistants, shall be a member and shall act as chairman. The remaining members shall be appointed by him for one year, and the board originally selected by him shall include one representative from each of the following associations or their successors or others representing farmers' welfare:

American Farm Bureau Federation.

The National Grange.

National Farmers Union.

National Council of Cooperative Marketing Associations.

Each of said associations or their successors shall be requested by the Secretary of Agriculture to recommend its representatives on said board at such time as in his judgment said board should commence to function, and the said Secretary of Agriculture shall fill all vacancies by appointment, and the representatives on said board shall, in so far as possible, during the term of said lease, be identified with said associations or their successors or branches of the farm industry or organizations nationally interested in the farmers' welfare. Compensation not to exceed $10,000 a year shall be paid to each member of the board at the direction of the Secretary of Agriculture, and such compensation shall be paid from the fertilizer fund.

(39) The said board shall hire a secretary, whose whole time shall be devoted to the work of the board and the gathering of data for its use in the marketing and distribution of fertilizers and for fertilizer bases to the farmers of the United States, and the salary and expenses of said secretary shall be paid from the fertilizer fund, not to exceed the sum of $20,000 per annum. The expenses will include an office for secretary at Muscle Shoals and the necessary clerical help.

(40) The said farmers' board shall have full power and authority to prescribe the methods and policies to be carried out as to the marketing and distribution of fertilizer and/or fertilizer bases, and any expense in carrying out the said methods and policies shall be considered as an item of final cost of said products and paid from the fertilizer fund.

(59) Research fund: The corporation shall set aside $300,000 annually out of the rental, during the continuation of the lease, for the purpose of a research fund to be used by the corporation as provided in section (35) hereof, and additionally to reimburse the corporation for research work carried on other than by the research board, but incident to the further development of the industrial, chemical, and/or power phases of the project. Any balance in the said fund at the termination of operation by the corporation under the terms of the lease shall be paid to the Government.

(60) The corporation shall set aside annually the sum of $100,000 out of the rental, during the continuation of the lease, for an emergency fund to be used by the corporation for extraordinary repairs, renewals, or replacements of any part of the hydroelectric portion of the project, made necessary by some cause other than ordinary operation and customary depreciation, but directly incident to the operation of the hydroelectric portion of the project. Any such repairs or replacements which may be necessary prior to, or at any time in excess of, the accumulated fund, and all restorations of any part or parts of the project necessary because of floods, fires, explosions, or other causes not directly incident to the operation of the hydroelectric portion of the project, shall be made by the corporation for the Government under the same terms and conditions as other construction work provided for in this act. Any balance in the said fund at the termination of operation by the corporation under the terms of the lease shall be paid to the Government.

(61) Fertilizer fund: The annual net rental herein provided would if treated as amortization payments and placed at compound interest, be sufficient to retire more than the total expenditures made and to be made on the project by the Government, but inasmuch as a large part of this expenditure has been made directly incident to the World War and can and should be considered as part of the cost of that War, and as much of this project is, under this act, to be preserved for the Government's use in any future war, and in the meantime, if utilized, to aid in the national problem of improving the productivity of the soil, the total investment in war and fertilizer facilities can and should be carried by the Government without burdening such use with the cost of interest. Therefore such rental, in excess of amounts otherwise indicated or specified, shall be used directly to cheapen the cost of fertilizers and/or fertilizer bases by the corporation depositing such net rentals each year as due in a separate fund designated as fertilizer fund and whereas the corporation is relieved of all taxes on this project, it does agree that after 8 per cent has been earned on its investment then, thereafter, all excess profits shall be divided equally (50–50) between the fertilizer fund and the corporation. Withdrawals from the fertilizer fund by the corporation will be made only as and when and for the purposes specified herein and by the farmers' board.

(62) The farmers' board may each year direct the corporation by resolution to withdraw and use all or any part of said fertilizer fund as a credit against the cost of fertilizer and/or fertilizer bases in such manner as it may decide, except as otherwise specified herein.

(63) If at any time the farmers' board determine that all or any part of the then balance in the fertilizer fund is not needed for assisting the production and marketing of the fertilizer products on such a basis as will encourage the purchase and use by the farmers, or that the interest of the Government will be better protected by such action, such board may instruct the corporation to set aside any part of the moneys in the said fertilizer fund in a construction fund for use in the establishment of other plants at other locations. The withdrawal from this construction fund shall be made only on approval of the farmers' board. Any balance in the said fertilizer fund at the termina-

tion of operation by the corporation under terms of the lease shall be paid to the Government.

(64) From time to time during the life of this lease the farmers' board shall authorize the corporation to deposit in a sinking fund part of the moneys in the fertilizer fund in sums sufficient with interest to amortize, within the 50-year lease period, the Government's total investment in the dams and plants herein leased to the Farmers' Federated Fertilizer Corporation. This sinking fund shall be paid to the Government at the termination of operations by the corporation under terms of the lease.

(65) Renewal and replacement fund (power division): The corporation shall set aside each year out of the rental, commencing with the calendar year following the completion of all work referred to in section (54) herein, and during each calendar year thereafter until the termination of the lease, amounts as in this section specified, to a renewal and replacement fund to cover renewals and replacements of the hydroelectric and other electric generating portions of the leased property incident to the operation thereof. The annual charge, to cover renewals and replacements, to be used for the purpose of setting up this fund, shall be not more than 3 per cent of the total cost, exclusive of navigation facilities, of Dam No. 2 with power house and all appurtenances, Dam No. 3 with power house and all appurtenances, and any and all other hydroelectric installations now or later a part of the project, and the replacement value of the steam plant at Nitrate Plant No. 2, and actual cost of other steam plants now or later a part of the project. This is a composite rate made up of varying rates for the different portions of the project. Any balance in this fund at the termination of operations by the corporation under terms of the lease shall be paid to the Government.

(66) Renewal and replacement fund (fertilizer division): The corporation shall set aside such amounts for renewals and replacements of the plants and equipment solely incident to the fertilizer division as may be ordered by the farmers' board for the purpose of setting up a renewal and replacement fund, and those amounts shall be considered as part of the cost of fertilizer production. All renewals and replacements shall be paid from this fund unless otherwise provided by the Government or by the farmers' board. Any balance in this fund at the termination of the lease shall be paid to the Government. All maintenance and repairs on the plants and equipment solely incident to the fertilizer division shall be made by the corporation and such expense shall be considered as part of the cost of production. Any balance in this fund at the termination of operations by the corporation under terms of the lease shall be paid to the Government.

(67) Retirement of bonds (fertilizer division): The corporation shall set aside each year from the rental, amounts sufficient to amortize in series, in 20 years, the bonds of the corporation (fertilizer bonds) issued for the purpose of acquiring funds for construction and operation in the fertilizer division, beginning with the fourth year of issuance of such bonds (fourth year after issue).

(68) Compound interest. All funds which are set aside by the corporation may be deposited in any bank or banks which, in the judgment of the corporation, considering safety and all other conditions, will permit of the accumulation at compound interest.

NAVIGATION

(69) The corporation shall furnish, free of charge to the Government, all power and lighting current necessary for the operation of the navigation facilities forming part of the leased property, the quantity to be determined by the Secretary of War when each of such facilities is ready for operation. This current, not being sold, is not subject to rental payments thereon.

(70) The Government may have first call on any excess power at the disposal of the corporation for use as additional facilities in navigation, and shall pay for same at the regular rates charged for such class or classes of power.

(71) The Government shall furnish and pay for all labor, supervision, operation, maintenance, repairs, and depreciation connected with the navigation facilities.

(72) The Secretary of War shall have a representative located at Muscle Shoals continuously, with power to regulate navigation through the locks at Dams Nos. 2 and 3, within such hours and at such times as will materially conserve the water for use when it can be disposed of as power to the best advantage, or for accumulation above the dams.

VIII. PROGRAM FOR THE FIXATION OF ATMOSPHERIC NITROGEN

(7) The corporation shall have such authorized capital stock, divided into such number of shares and into such class or classes, each class to have such par value or to be without par value, and to have and be subject to such preferences, privileges, limitations, and restrictions as to dividends, voting powers, or otherwise as the by-laws of the corporation shall from time to time prescribe. Every provision contained in the by-laws dealing with the authorized capital stock of the corporation and the classification or reclassification thereof shall be adopted, and shall be subject to alteration, amendment, or repeal only with the vote or consent of the majority of the shares outstanding at the time entitled under the by-laws to vote therefor. Until otherwise provided by the by-laws, the authorized capital stock of the corporation shall consist of 300,000 shares of nonvoting, 7 per cent cumulative preferred stock, of the par value of $100 per share, redeemable at the option of the corporation at any time after three years at not to exceed $110 per share and accrued dividends, and of which 10,000 shares are to be immediately subscribed for, issued and paid for when and as called for by the board of directors.

Three hundred thousand shares of common stock without nominal value and $20,000,000 par value of fertilizer debenture bonds, said preferred stock may be issued from time to time and sold for cash at not less than par to such face amount as shall in the judgment of the board of directors be at the time necessary to provide the funds required by the corporation. Shares of stock of no par value may be issued for such consideration as shall be fixed by the board of directors if authorized to do so by the by-laws of the corporation and, if not so authorized, then such shall be fixed by the stockholders of the corporation at the time entitled to vote. As and when any shares of stock of whatever class are issued, the corporation shall file, within 30 days thereafter, with the Secretary of War, a certificate, signed and verified by its president or a vice president and by its treasurer or an assistant treasurer, stating the number of and describing the shares so issued and the consideration to the corporation therefor. All shares of stock of the corporation of whatever class, when issued, shall be fully paid and nonassessable in the hands of the holders.

(15) Inasmuch as the corporation is to produce and deliver in the control of the farmers' board, as defined in section 36 of this act, fertilizers and/or fertilizer bases, without any profit, it shall be exempt from tax of any sort whatsoever, now enacted or later to be enacted.

FINANCE

(73) Inasmuch as it is herein provided that fertilizers and/or fertilizer bases are to be manufactured by the corporation without profit, as specified in section (28) hereof, and therefore the corporation will be unable to acquire capital through the sale of securities solely based upon that enterprise, the said corporation is hereby authorized to issued debenture bonds in the sum of $20,000,000 (fertilizer bonds), in series, as may be needed, bearing such rates of interest as in the judgment of its board of directors may be required by market conditions at the time for the best interests of the corporation, redeemable at the option of the corporation at any time after three years at such premium as the board of directors of the corporation may determine, secured as to principal and interest by the annual gross rental of the project, and the said debenture bonds shall be a direct obligation of the fertilizer division and not a lien on the earnings of the other divisions of the corporation, except as to the amount paid by the corporation for rental of the project.

(74) The corporation is hereby authorized to sell the said debenture bonds, mentioned in section (73) hereof, through the usual commercial channels and to pay the usual charges for such sales, and this authority shall extend to the sales of its preferred stock, notes, other bonds, or other forms of securities issued for the purpose of acquiring capital.

(75) The interest on the said debenture bonds, mentioned in section (73) hereof, shall be a direct charge or expense in calculating the manufacturing cost of said fertilizers and/or fertilizer bases.

(76) The capital acquired by the corporation through the sale of the said debenture bonds, mentioned in section (72) herein, shall be used for no other purposes than to meet the requirements of the fertilizer division of the project, either for the remodeling of existing plants, the building of new plants and facilities, including additions to the existing steam-electric generating plant, or for working capital in connection with fertilizer production.

(77) The farm loan bank credit extension division shall be empowered and shall advance moneys and hold the United States fertilizer bonded warehouse certificates as it now functions in connection with cotton, wool, grain, etc.

(78) The Secretary of Agriculture is hereby authorized and shall include manufactured fertilizers and/or fertilizer bases among the commodities eligible for storage under the provisions of the United States warehouse act (39 U. S. Stat. L., p. 436, as amended July 25, 1919, and February 23, 1923), and to make such rules and regulations under authority of said act as he may deem necessary.

(79) The Secretary of Agriculture is hereby authorized and shall issue warehouse certificates for all fertilizers and/or fertilizer bases produced by the corporation; which certificates shall be guaranteed by the Government, and which shall bear on their faces, as the value of such materials, the cost of same as defined in this act, and the warehouse utilized for the purpose of storing such materials shall be under Government license and supervision in the same manner as provided in the United States warehouse act above described. Any costs, commissions, fees, interest, and other expenses incident to such storage and/or the issue and use of such warehouse certificates

shall become a part of the cost of fertilizers and/or fertilizer bases as defined in section (29) hereof, and shall be paid out of the fertilizer fund.

(80) Upon the termination of the lease all of the capital received through the sale of the debenture bonds mentioned in section (73) hereof, and remaining in the hands of the corporation as cash, shall be paid to the Government.

(81) Any other capital required by the corporation shall be acquired through the sale of its own securities, entirely independent from responsibility or action of the Government or lien upon the rental.

(82) That portion of the expenses of the corporation in any calendar year which are not in their nature directly allocated to the various divisions of the project shall be allocated to such divisions in the ratio of the total expenditures of money in each such division in such calendar year.

(83) The account books of the corporation shall at all times be so kept that the elements of any one of the various divisions of the project may be easily segregated from other divisions, and the project, for accounting purposes, shall be divided into the following divisions:

(a) Construction division.

(b) Power division.

(c) Fertilizer division.

(d) All other activities of the corporation.

(13) Any and all by-products, excess, and waste, produced or recoverable from the processes used for the production of nitrates and fertilizers and/or fertilizer bases, shall belong to the corporation for its own use and benefit, and shall not in any way be credited to the cost of manufacturing fertilizers and/or fertilizer bases. Any cost of further treatment, refinement, or manufacture of such by-products, excess, and waste, to make the same commercially salable shall be at the expense of the corporation, and all cost of plant and investment and all working capital incident to such further treatment or manufacture shall be the obligation of the corporation, except as mentioned in section (16) herein, and shall not be included in or considered in arriving at the cost of fertilizers and/or fertilizer bases.

(17) If Plant No. 1 or Plant No. 2, or parts of either, or other plants, or parts of same, or facilities, are not required for the manufacture and storage of fertilizers and/or fertilizer bases, the corporation may use such plants, parts, and facilities for other purposes not inconsistent with their restoration for war uses.

(19) The corporation is hereby authorized, with the approval of the board of industrial development (hereinafter defined), to sell, transfer, rent, or otherwise dispose of any real estate, materials, supplies, or other property pertaining to the project at the time of taking over the lease, real or personal, which said board shall determine to be not needed for the construction, maintenance, and operation of the project, or for war, military, or navigation purposes, giving good and indefensible title in fee simple to the purchasers thereof. The net consideration received upon any such sale or other disposition by the corporation, except moneys received for rents, shall be credited to a salvage fund, and said fund shall form part of the leased property and may be used by the corporation for the purchase of other useful property for the project and for working capital of the corporation. Upon the termination of the lease said fund, as then constituted, shall be turned over to the Government. Any of the property which may be sublet by the corporation under this act shall be sublet for such term expiring not later than the termination of the lease period for such rental and upon such terms as the corporation may determine.

(20) The corporation may construct at its own cost any additional buildings, structures, or facilities, and equipment at any location on the project and for any use, with the approval of the board of industrial development, and the same shall remain the property of the corporation. At the expiration of the lease the Government may purchase such property from the corporation at its appraised value, not to exceed the actual cost thereof, or, at the option of the corporation, the latter may remove the same; but if the lease is terminated by the Government prior to its expiration by reason of any default by the corporation in complying with the terms of the lease, then the Government shall, as penalty for such default by the corporation, acquire without cost all power and fertilizer facilities of any nature installed by the corporation upon the leased premises.

CONTROLLING BOARDS

(34) A board of industrial development shall be constituted, as hereinafter provided, to consist of an executive officer of the corporation, who shall be the chairman thereof, the Secretary of War or a person appointed by him, the Secretary of Agriculture or a person appointed by him, the Secretary of Commerce or a person appointed by him, and three others (who may be employed or retained by the corporation) appointed by the directors of the corporation. Each member shall serve for a term of one year, and any vacancy in the board, whether caused by death, resignation, or expiration of term of any member, or for any other reason, shall be filled in like manner. No member of the board shall receive any compensation for his services as a member thereof. The board shall, for the guidance of the corporation:

(a) Confer with the Secretary of War and work out, and from time to time, whenever necessary or advisable, amend, alter, or supplement, a general plan covering the war uses of the project, particularly as to the use thereof by the corporation being at all times subject to the use of the Government in time of war; and, subject to such plan—

(b) Confer with the Secretary of Agriculture and work out, and from time to time, whenever necessary or advisable, amend, alter, or supplement a general plan covering the fertilizer uses of the project; and the corporation shall observe and conform to the provisions of such plans; and, subject to the foregoing plans—

(c) Confer with the Secretary of Commerce and work out, and from time to time, whenever necessary or advisable, amend, alter, or supplement, recommendations for the development of the industrial activities on the project and within transmission distance thereof, and as to the classes of industry best suited to the locality, taking into consideration the industrial and commercial life of the Nation as a whole.

(35) A board of research, to consist of five members, shall be appointed by the Secretary of Agriculture, of which he may be a member. The remaining members shall be selected from the staff of the nitrogen research laboratory, Bureau of Soils, or other technical forces under his jurisdiction, as well as the technical staff of the corporation, except that the corporation shall be entitled at all times during the term of the lease to representation by two members on said board. The corporation shall supply from the research fund, hereinafter provided for, $150,000, per annum toward the maintenance of the nitrogen research laboratory, as and when a like amount is contributed by the Government for the same purpose. The members of the said board and the term of office of each member shall be one year, and all vacancies shall be filled and successors appointed by the Secretary of Agriculture, provided that at all times at least two members thereof shall be representatives, recommended by the corporation. Each member of said board, other than the representatives of this corporation, shall receive such compensation as shall be fixed by the Secretary of Agriculture. The same to be approved by the farmers' board and paid out of the fertilizer fund.

(36) The board of research shall, as promptly as possible after the passage of this act, recommend processes and formulas for use by the corporation on the project for the production of fertilizers and/or fertilizer bases and the nature and extent of the changes, additions, and extensions to the nitrate and other plants, and shall have advisory powers in the completion of such construction and placing of same in operation, and, thereafter, shall, through continued research and experimentation, recommend or advise as to changes, betterments, and substitutions required in connection with the processes and formulas to be employed by the corporations.

(53) The refitting of the nitrate plants to manufacture the required fertilizers and/or fertilizer bases shall be commenced by the Government or by the corporation for the Government as soon as recommendations have been made by the Board of Research and the plans and specifications for the same have been made, and the estimated cost thereof shall have been agreed upon.

(37) Any action of this board shall be submitted for review to the Secretary of War, and, unless disapproved by him within 30 days thereafter, shall become available to the corporation as though with his approval.

(38) A farmers board to consist of not more than five members, shall be appointed by the Secretary of Agriculture, of which board he, or one of his assistants, shall be a member and shall act as chairman. The remaining members shall be appointed by him for one year, and the board originally selected by him shall include one representative from each of the following associations or their successors, or others representing farmers welfare:

American Farm Bureau Federation.

The National Grange.

National Farmers Union.

National Council of Cooperative Marketing Associations.

Each of said associations or their successors shall be requested by the Secretary of Agriculture to recommend its representative on said board at such time as in his judgment said board should commence to function, and the said Secretary of Agriculture shall fill all vacancies by appointment, and the representatives on said board shall in so far as possible during the term of said lease be identified with said associations or their successors or branches of the farm industry or organizations nationally interested in the farmers' welfare. Compensation not to exceed $10,000 a year shall be paid to each member of the board at the direction of the Secretary of Agriculture, and such compensation shall be paid from the fertilizer fund.

(39) The said board shall hire a secretary, whose whole time shall be devoted to the work of the board and the gathering of data for its

use in the marketing and distribution of fertilizers and/or fertilizer bases to the farmers of the United States, and the salary and expenses of said secretary shall be paid from the fertilizer fund, not to exceed the sum of $20,000 per annum. The expenses will include an office for said secretary at Muscle Shoals and the necessary clerical help.

(40) The said farmers' board shall have full power and authority to prescribe the methods and policies to be carried out as to the marketing and distribution of the fertilizers and/or fertilizer bases, and any expense in carrying out the said methods and policies shall be considered as an item of final cost of said products and paid from the fertilizer fund.

FERTILIZER DIVISION

(28) The corporation shall manufacture fertilizers and/or fertilizer bases as a separate department or division of the project, and shall make no profit or incur any loss in such fertilizer division.

(29) The "cost" of fertilizers and/or fertilizer bases shall include all items of expense and charge incident thereto, including provisions for taking care of past deficits or previous unintended profits, to the end that no profit or loss will result to that division or the corporation.

(30) During the first year of production of fertilizers and/or fertilizer bases the corporation shall furnish the farmers' board with as reliable estimation of the cost of production thereof as circumstances will permit, and thereafter shall report regularly, and at such times and in such form as the farmers' board may reasonably prescribe, the actual cost of production.

(31) The methods of processes to be initiated for the production of fertilizers and/or fertilizer bases shall be those recommended by the board of research, in accordance with the terms of this act. The extent of the production will be determined by the expenditures for construction as specified in paragraphs (53) and (63). The quantity shall be measured in tons of fixed nitrogen content of finished fertilizers and/or fertilizer bases, and is expected to be not less than 40,000 tons after the fourth year of operation, this amount is expected to be reached in increasing stages of 10,000 tons per year beginning the second year. The corporation agrees to further extend the quantity of fertilizers produced under this plan after consideration of the market demand and authorization of the farmers' board and only dependent on the requirements of further additions to the Government's plants for such production, which additions would be financed from the fertilizer fund hereinafter defined. The method of distribution and sale of the product shall be determined by the farmers' board.

(32) All maintenance, repairs, renewals, and replacements on the plants and equipment solely incident to this division shall be made by the corporation and such expense shall be considered as part of the cost of production.

(33) As an incentive to perfecting processes and formulas and to discovery of more efficient business and manufacturing methods and to cheapening in any other way the cost of the product, the corporation shall be allowed and paid, as a bonus, an amount equal to 50 per cent of any such reduction in the production cost in each calendar year over the production cost of the preceding year, commencing after the contemplated changes in the nitrate plants are made and in use, which changes are to be made immediately; the amounts so paid to the corporation, if any, to be determined by the Secretary of Agriculture for each calendar year, are to become an item of production cost; anything in section (28) herein to the contrary notwithstanding.

POWER DIVISION

(24) The power needed in the manufacture of fertilizer and fertilizer bases and/or explosive bases shall be furnished by the power division of the corporation on as favorable terms as supplied to any other customer under similar conditions and times of use, and the corporation, the Research Board, and the farmers' board (both of which boards are hereinafter defined), shall endeavor to discover or perfect processes and methods of manufacture and operation that will enable the corporation to produce fertilizers and/or fertilizer bases, using the cheapest classification of power consistent with maximum over all economy.

(25) The rates to be charged by the corporation for electric service shall be subject to regulation by any State commission or other governmental body at the time having jurisdiction in the premises. For the purpose of determining the rate base, but for no other purpose, the corporation shall be deemed the owner in fee simple of such property, and any power used by the corporation, except that which is used only in the operation of the electric generating, transforming, and switching portions of the plants, shall be considered on the same basis as any other customer under similar conditions of use. The rates to be charged for any other public service rendered by the corporation shall be similarly based and regulated. Certain current will be supplied to the Government, free of charge, for navigation as set forth in section (69) herein.

IX. PROVISIONS FOR NATIONAL DEFENSE

(14) All letters patent, processes, and formulas now or hereafter discovered at the leased property or laboratories of the Government for and in connection with fertilizers and/or fertilizer bases shall be the property of the Government, but shall be included in the leased property and shall be held from publication in the same manner as other Government processes of like character, the Government having the right to use the same direct at all times without charge. All letters patent, processes, and formulas discovered and controlled by the incorporators of this corporation prior to the passage of this act, which may be used in connection with the manufacture of products at this project, shall be and remain the property of the incorporators individually, the Government having the right to use the same direct at all times without charge during the life of said lease in connection with the manufacture of explosive bases.

CONTROLLING BOARDS

(34) A board of industrial development shall be constituted, as hereinafter provided, to consist of an executive officer of the corporation, who shall be the chairman thereof, the Secretary of War or a person appointed by him, the Secretary of Agriculture or a person appointed by him, the Secretary of Commerce or a person appointed by him, and three others (who may be employed or retained by the corporation) appointed by the directors of the corporation. Each member shall serve for a term of one year, and any vacancy in the board, whether caused by death, resignation, or expiration of term of any member, or for any other reason, shall be filled in like manner. No member of the board shall receive any compensation for his services as a member thereof. The board shall, for the guidance of the corporation:

(a) Confer with the Secretary of War and work out, and from time to time, whenever necessary or advisable, amend, alter, or supplement a general plan covering the war uses of the project, particularly as to the use thereof by the corporation, being at all times subject to the use of the Government in time of war, and subject to such plan.

GOVERNMENT RECAPTURE IN TIME OF WAR

(84) The Government may in time of war take over the entire project and the whole or any part of the organization of the corporation, and the same shall be returned to the corporation in as good condition as when taken over as soon as the Secretary of War shall determine that the project is no longer needed for such purpose, but in no event shall the project be returned later than 90 days after the cessation of active hostilities.

(85) In the event of such taking over by the Government the term of the lease and the term of the charter of the corporation shall be automatically extended for an additional time equal to the period during which the project shall be taken over and retained by the Government.

(86) In case the project is so taken over, all rental and all payments into the special funds in this act provided and all obligations of the corporations to the Government shall be abated during the period in which the project is retained by the Government, without liability on the part of the corporation to make good the abated payments and obligations which may have been omitted during such period.

(87) During such period the Government, as full compensation to the corporation for the use of the project and all losses and damages sustained by the corporation by such taking over, shall pay to the corporation an amount equal to the sum of the following, as and when the same shall become due and payable or shall be incurred by the corporations:

(a) All liabilities of the corporation accrued or accruing during the period of Government use, including interest, provided that the refunding of maturing capital liabilities of the corporation shall be deemed satisfaction of this clause.

(b) The expenses of the corporation in maintaining whatever part of its organization is not taken over and compensated for by the Government.

(c) All taxes accrued or accruing for such period, if any, due to any taxing authority.

(d) All dividends on the corporation's preferred stock outstanding at the beginning of such taking over, and accrued or accruing during such period.

(e) Yearly amounts equal to the amounts which the corporation has been setting aside into sinking funds to retire the fertilizer bonds, or which the corporation has planned to set aside for this purpose at a predetermined time or times.

(f) A fair return on all money invested by the corporation; such return to be equal to the average cost to the corporation of such moneys obtained from the sale of bonds and preferred stock and an equivalent rate on such moneys obtained from the sale of common stock, and from this amount shall be deducted all interest and dividend payments provided for in subdivisions (a), (b), (c), (d), and (e).

(90) The corporation shall not at any time be obligated to manufacture, handle, or store on the project any war material or supplies of an explosive nature, but, subject to instructions as given from time to

time by the Secretary of War, the corporation shall produce explosive bases for the Government incident to the operation of the fertilizer division, as herein provided, without either profit or loss to the corporation.

(16) The decision of the Secretary of War shall be final in all matters pertaining to the nitrate plants, or changes therein, as such changes may affect the use of the same for war purposes, preparedness for war, or other military purposes.

X. PROVISIONS FOR EQUITABLE DISTRIBUTION OF POWER

POWER DIVISION

(24) The power needed in the manufacture of fertilizers and fertilizer bases and/or explosive bases shall be furnished by the Power Division of the corporation on as favorable terms as supplied to any other customer under a similar condition and times of use, and the corporation, the research board, and the farmers board (both of which boards are hereinafter defined), shall endeavor to discover or perfect processes and methods of manufacture and operation that will enable the corporation to produce fertilizer and/or fertilizer bases, using the cheapest classification of power consistent with maximum over all economy.

(25) The rates to be charged by the corporation for electric service shall be subject to regulation by any State commission or other governmental body at the time having jurisdiction in the premises. For the purpose of determining the rate base, but for no other purpose, the corporation shall be deemed the owner in fee simple of such property, and any power used by the corporation except that which is used only in the operation of the electric generating, transforming, and switching portions of the plants, shall be considered on the same basis as any other customer under similar conditions of use. The rates to be charged for any other public service rendered by the corporation shall be similarly based and regulated. Certain current will be supplied to the Government, free of charge, for navigation as set forth in section (69) herein.

(26) In order to use more completely and advantageously the power resources of the project, and for the purpose of giving wider distribution of electric power, the corporation is hereby authorized to use any amount in the salvage fund, provided in section (19) of this act, to construct for the Government such transmission lines—including appurtenant substations, transformers, and other works—as in the judgment of the board of industrial development may be necessary and desirable, under the same terms and conditions as other construction work mentioned herein. Any transmission lines which may be so constructed shall immediately become a part of the leased property and shall be returned to the Government at the same time and under similar conditions as the other leased property of this project, upon the termination of the said lease.

(27) The corporation may enter into agreements with the owners of electric generating stations and/or transmission lines, now or hereafter constructed, to bring about the exchange of power wherever the same can be advantageously done; may enter into contracts with persons, partnerships, corporations, municipalities, district, and individual States of the United States of America for the joint construction and use of transmission lines and may organize, join with, or associate with, a superpower or other organization for the better distribution of electric energy through a combination of sources of supply or transmission systems or operating organizations, as and when such agreements or contracts, in the opinion of the board of directors of the corporation, can be advantageously made.

CONTROLLING BOARDS

(34) A board of industrial development shall be constituted, as hereinafter provided, to consist of an executive officer of the corporation, who shall be the chairman thereof, the Secretary of War or a person appointed by him, the Secretary of Agriculture or a person appointed by him, the Secretary of Commerce or a person appointed by him, and three others (who may be employed or retained by the corporation) appointed by the directors of the corporation. Each member shall serve for a term of one year, and any vacancy in the board, whether caused by death, resignation, or expiration of term of any member, or for any other reason, shall be filled in like manner. No member of the board shall receive any compensation for his services as a member thereof. The board shall, for the guidance of the corporation:

(c) Confer with the Secretary of Commerce, and work out, and from time to time, whenever necessary or advisable, amend, alter, or supplement recommendations for the development of the industrial activities on the project and within transmission distance thereof, and as to the classes of industry best suited to the locality, taking into consideration the industrial and commercial life of the Nation as a whole.

DETAILED ANALYSIS, PROPOSAL OF FARMERS' FEDERATED FERTILIZER CORPORATION FOR MUSCLE SHOALS PROJECT

I. BIDDER

PARAGRAPH 1. The bill under sections 1 to 9, inclusive, sets up the organization and general powers of the Farmers' Federated Fertilizer Corporation. The powers of the corporation are very broad. It is not required to possess any capital before the lease of the Government's property to it is authorized but is to raise its capital by the sale of stock and of debenture bonds secured as to principal and interest by the gross rentals due for the use of the properties.

II. DURATION OF CONTRACT

PAR. 2. The duration of the lease is specified as 50 years from the date of passage of the act (sec. 10), but the company is to hold, occupy, and use the leased property upon terms and conditions similar to the provisions of the lease until a new lease has been fully consummated, and in the negotiations for and completion of such new lease the Farmers' Federated Fertilizer Corporation is to be given primary consideration.

PAR. 3. This provision seems to turn over to the corporation all the Government's property for an indefinite period, as it requires that the Government shall again lease at the end of the 50-year period and can not sell or operate the property. The lease therefore appears to deny to the Government the usual right of being a free agent at the end of the lease period.

III. PROPERTY TO BE PURCHASED

PAR. 4. The bill does not contemplate the purchase outright of any property from the Government by the bidder.

IV. PROPERTIES TO BE LEASED

PAR. 5. Section 1 defines the properties to be leased as the "Muscle Shoals project."

PAR. 6. There is no Muscle Shoals project authorized by Congress as such.

PAR. 7. Nitrate Plants Nos. 1 and 2 were built under authority of the national defense act approved June 3, 1916.

PAR. 8. A report by Maj. H. Burgess, Corps of Engineers, covering Dams No. 1, No. 2, and No. 3 was submitted to Congress June 28, 1916, and is printed in House Document No. 1262, Sixty-fourth Congress, first session. No action was taken by Congress. The construction of Dam No. 2 was begun under authority of the national defense act of 1916 and was completed by specific appropriations for continuing construction.

PAR. 9. Dam No. 1 was constructed under authority of the river and harbor act of March 3, 1925.

PAR. 10. Dam No. 3 has never been authorized by Congress and is not an adopted project.

PAR. 11. It is assumed that the bill contemplates the lease to the corporation of all the Government's property at and in the vicinity of Muscle Shoals, but the property to be leased should be clearly defined and Lock and Dam No. 1 and the locks, their appurtenances, and sufficient housing for their operating force, should be exempted therefrom.

PAR. 12. Section 3 gives the lessee the right to construct, extend, complete, demolish, salvage, reconstruct, maintain and manage, use, and operate all of the leased property; in short, to do anything without any apparent restrictions whatsoever except to sell it.

PAR. 13. Section 19, however, gives the corporation the right to sell any property on the approval of the board of industrial development. The proceeds are to be credited to a salvage fund, which may be used by the corporation for the purchase of other useful property for the project and for working capital of the corporation. A majority of the board of industrial development consists of the chairman, who is an executive officer of the corporation, and three other members who are appointed by the directors of the corporation. This section, therefore, appears to give the corporation the right to sell any property which a majority vote of the board of industrial development may authorize, and the corporation controls a majority of the said board.

PAR. 14. Section 10 grants the corporation full license for use of all processes, letters patent, formulas, shop practices, shop rights, and other rights appertaining to or connected with this project or available for use therewith, whether located at Muscle Shoals, Ala., or at other places owned or controlled by the Government, the latter guaranteeing the corporation against any and all actions which may be instituted because of use of same. Section 14 would appear to deny the use of discoveries made in Government laboratories of processes or formulas for fertilizer to others than the corporation.

PAR. 15. Section 15 exempts the corporation from all taxes.

PAR. 16. By section 21 the corporation is given the right of eminent domain anywhere on the Tennessee River and tributaries above Dam No. 1. This section would appear to nullify the Federal water power act in the Tennessee Valley.

PAR. 17. Section 26 authorizes the corporation to use funds secured from the sale of Government property and moneys received from the sale of construction debenture bonds to construct for the Government new transmission lines.

PAR. 18. Section 88 provides for arbitration in case of any breach of any of the covenants in the act and the agreement contained therein on the part of either party, or if any difference shall arise at any time between the parties thereto in relation to the construction of the act and

agreement, or the due performance of any of the covenants thereof, the question shall be submitted to arbitration. Such protection as the Government may have under the bill is contained in this section and in section 89. There is no statement as to what shall constitute a default by the lessee. There appears to be no remedy for waste, destruction, or mismanagement of the Government's property except arbitration. The Government may appeal from the award of the arbitrators to the United States district court, but, lacking a clear definition of what facts shall constitute cause for cancellation, it is not apparent how the lease may be terminated even by court action for good cause.

V. ADDITIONAL EXPENSE FOR CONSTRUCTION BY THE UNITED STATES REQUIRED BY THE BILL

PAR. 19. It is stated in section 11 that "the corporation does not require that any further amounts be appropriated by the Government for the completion of additional facilities as enumerated in section (55) herein or for construction of further up-river power development."

PAR. 20. This statement, however, is qualified in the same section (11) by "and the Government shall exercise its right at any time to undertake any future power development, but upon failure by the Government to undertake such development within one year after notice to the Government by the corporation that a specific power development is desirable, the corporation may, at its discretion, undertake the development of such necessary additional power facilities, but in the event that the construction of such additional power facilities is financed by the corporation, for such expenses of the power division there shall be deducted from the gross rentals, before payment is made to the Government, a yearly amount sufficient both to amortize and to pay interest upon any bonds or other securities issued by the corporation for the specific purpose of financing the construction of such additional power facilities."

PAR. 21. Now, section 21 grants to the corporation the right of eminent domain anywhere on the Tennessee River or its tributaries and power and authority as follows:

"The corporation shall have the power and authority to purchase, construct, appropriate, enter upon or otherwise acquire, use, own, maintain, and operate any property or right, real or personal, tangible or intangible, which may in the judgment of the board of directors, be necessary or desirable to accomplish the purposes of this act; including water and/or flowage rights and lands on and along such portions of the Tennessee River and its tributaries above Dam No. 1 as are necessary or desirable for the development of water storage and/or water power and the regulation of the flow of such river and tributaries."

PAR. 22. The corporation, therefore, "does not require that any further amounts be appropriated by the Government for the completion of additional facilities as enumerated in section 55 or for construction of further up-river power development," but it is clearly granted the right to construct any future power development in the Tennessee watershed, if the Government does not undertake it within one year after notification that such development is desired by the corporation.

PAR. 23. Further, the corporation has the right to condemn any property necessary for such development; and

PAR. 24. Further, the Government must finance such new developments desired by the corporation out of the rentals for property leased to the corporation.

PAR. 25. It is evident from the foregoing that the bill commits the Government to an indefinite amount of large-scale work on the Tennessee River and tributaries as and when desired by the corporation.

PAR. 26. Section 35 sets up a board of research to consist of five members appointed by the Secretary of Agriculture.

PAR. 27. Section 36: "The board of research shall, as promptly as possible after the passage of this act, recommend processes and formulas for use by the corporation on the project for the production of fertilizers and fertilizer bases and the nature and extent of the changes, additions, and extensions to the nitrate and other plants, and shall have advisory powers in the completion of such construction and placing of same in operation * * *."

PAR. 28. Section 53: "The refitting of the nitrate plants to manufacture the required fertilizers and/or fertilizer bases shall be commenced by the Government or by the corporation for the Government as soon as recommendations have been made by the board of research and the plans and specifications for the same have been made and the estimated cost thereof shall have been agreed upon."

PAR. 29. Section 55: "In order to insure the development of the project to take full advantage of the natural resources at Muscle Shoals and above, the following items of uncompleted work are considered necessary for and included in the lease herein made, and shall be constructed and completed as quickly as shall be considered consistent with the provisions of this act and good engineering practice; namely:

"(a) Changes and additions in the nitrate plants for their up-to-date use in the manufacture of fertilizers and/or fertilizer bases.

"(b) Completion of Dam No. 2, with its full power equipment of 18 generating units.

"(c) Construction of Dam No. 3, with its full power equipment and electric transmission tie line to Dam No. 2.

"(d) Additions to the generating capacity of the steam electric plant located at Nitrate Plant No. 2 to bring the total generating capacity up to at least 120,000 kilowatts, such additions to be in the form of steam, gas, oil, or other forms of electric generating equipment, the form and location of which being subject to the approval of the board of industrial development."

PAR. 30. Section 56: "The time of commencing work under item (a) shall be as defined in section 53 (viz, as soon as recommendations are made by the board of research) and the items (b), (c), and (d) on the approval of the board of industrial development of plans and specifications therefor and the estimated cost thereof shall have been agreed upon."

PAR. 31. In addition to these specified projects for new construction an indefinite amount of renewals and repairs at Government expense is required, as follows:

PAR. 32. Section 57: "After the completion of requisite test, showing each item mentioned in section (55) hereof to be safe, satisfactory, and complete for operating conditions, they shall be taken over by the corporation and thereupon become part of the leased property."

PAR. 33. Section 41: "If the foundations of the Dam No. 2 shall prove defective, and/or any of its equipment or the power house shall in any way be defective or unsatisfactory after the completion of all the work incident to a complete operative hydroelectric project, and after all operative and other usual tests have been made, then the Government shall make all repairs, changes, or replacements at its expense to make the same an efficient, safe, and complete operative hydroelectric project, and the corporation shall take over the hydroelectric project at Dam No. 2 within 60 days thereafter, and shall place the same in commercial operation as promptly as possible."

PAR. 34. Section 42: "The existing steam-electric plant at Nitrate Plant No. 2 shall be given an operative test, and any repairs, renewals, and replacements necessary to place it in an efficient operating condition shall be made by the Government, and when completed in such condition it shall be taken over by the corporation."

PAR. 35. Section 43: "The corporation shall be notified in advance as to each such test and be permitted to have representatives present, and shall be furnished with all data and information as to the results of each such test."

PAR. 36. Section 44: "In case any other item of the leased property, when delivered into the possession of the corporation, shall be in need of any repairs, renewals, or replacements, the same shall be made by the Government, and at its expense, and if not so made promptly the corporation shall have the right to make the same and the Government shall furnish or reimburse to the corporation all funds requisite therefor."

"SEC. (60). * * * and all restorations of any part or parts of the project necessary because of floods, fires, explosions, or other causes not directly incident to the operation of the hydroelectric portion of the project shall be made by the corporation for the Government under the same terms and conditions as other construction work provided for in this act * * *."

PAR. 37. Under sections 45, 46, 47, 48, 49, 50, 51, 52, the corporation, upon written notice in each case from the Secretary of War, shall act as agent for the Government for the design and construction of each or any of the several items of uncompleted work referred to in section 55 herein, or for any other construction work of the Government incident to the project now planned or hereafter to be planned, and for such services the corporation is to be paid a fixed fee equal to 6 per cent of the estimated cost of such work.

PAR. 38. Section 92 reads as follows:

"Appropriations necessary to carry out each and every one of the provisions of this act on the part of the Government are hereby authorized and made."

PAR. 39. This section, when read in connection with sections 36, 53, 55, 56, 41, 42, and 44, appears to appropriate funds for the following work to be done by the Government direct or by the corporation for a fee of 6 per cent of the estimated cost, viz:

Addition of 10 generating units to Dam No. 2.

Addition of 60,000 kilowatt capacity to Nitrate Plant No. 2, steam station.

Construction of Dam No. 3 complete, with tie line to Dam No. 2.

Changes, additions, and extensions to the nitrate and other plants, as recommended by the board of research.

Complete repairs, renewals, and replacements to all of the property to be leased.

PAR. 40. The additional expense for construction by the United States required by the proposal consists of two classes:

First. Definite items specifically mentioned in the act and for which funds are appropriated, and which may be done by the Government

direct or by the corporation as agent for a fee of 6 per cent of the estimated cost.

Second. An indefinite number of items up river from Dam No. 3, which may be built by the Government if Congress appropriates funds therefor, but which, at the option of the corporation, should the Government not appropriate funds, may be constructed at the Government's expense by deducting from the rentals for works completed all interest and sinking-fund charges on securities issued by the corporation for such up-river developments.

PAR. 41. The nitrate plants have not been operated since the spring of 1919, or nearly eight years. While the care taken of these plants has been the best that could be given with a small caretaking force and with very limited funds, the deterioration of machinery and piping over so long a period of idleness must be considerable. Nitrate Plant No. 1, moreover, never operated successfully, and to make it operative will cost a very considerable sum. The expense to put Nitrate Plant No. 2 in operating condition without changes in the chemical system on which designed also will be considerable.

PAR. 42. But all plans discussed for operating Nitrate Plant No. 2 by bidders and experts have contemplated extensive changes or additions at some point in the existing manufacturing process so as to produce a chemical more suitable to the fertilizer business than ammonium nitrate, for the production of which the plant was designed. It has been stated by one or more bidders that the most economical procedure would be to scrap Nitate Plant No. 2, or, at least, not to operate it, and instead to build a new plant to produce ammonia and nitric acid direct from coke.

PAR. 43. The research board (sec. 36) is to recommend "processes and formulas for use by the corporation on the project for the production of fertilizer and for fertilizer bases and the nature and extent of the changes, additions, and extensions to the nitrate and other plants * * *." It is not unlikely that such board may recommend an entire change in the process for the use of which Nitrate Plant No. 2 was designed and that by retaining certain parts of that plant, the construction of a practically new plant, using a more modern and economical process can be construed as "a change, addition, and extension" of Nitrate Plant No. 2. This could easily involve an expenditure of $8,000,000 to $10,000.000.

PAR. 44. Repairs to buildings, particularly to the housing of the two industrial villages, water and sewer systems, roads, and railway trackage, etc., required by the act will be a very considerable sum.

PAR. 45. While only a careful estimate of all necessary repairs could determine these items with any degree of accuracy, and while the cost of "changes, additions, and extensions" can be estimated only after the board of research has determined on the chemical process or processes to be used, it appears that the expenditures by the Government for these purposes may easily be $12,000,000, and that no limit can be set at this time.

PAR. 46. Summarizing, the additional expense for construction by the United States by the proposal may be approximately stated as follows:

I

PAR. 47. Items for which appropriations are made by the act and on which work may be done by the Government, or at the option of the Government, by the corporation for a fee of 6 per cent of the estimated cost:

Changes, additions, and extensions and repairs to nitrate plants	[1] $3,000,000
Ten additional generating units and accessory equipment in hydro plant at Dam No. 2	8,000,000
Increase in steam capacity, Nitrate Plant No. 2, steam station	4,000,000
Construction of Dam No. 3 and connection to Dam No. 2	32,000,000
Total work at Muscle Shoals to comply with act	47,000,000

II

PAR. 48. Items of up-river work for which no appropriations are made, which may be done by the Government, but if not done by the Government may be constructed by the corporation at the expense of the Government:

Preliminary estimate

(P. 15, H. Doc. No. 463, 69th Cong., 1st sess.)

Guntersville Dam	$15,000,000
Sherman	6,000,000
Soddy	13,000,000
White Creek	13,000,000
Marble Bluff	9,000,000
Coulter Shoals	10,000,000
Kingston	6,000,000
Melton Hill	8,000,000
Clinton	2,000,000
Cove Creek	20,000,000
Total	102,000,000

PAR. 49. The above does not include preliminary estimates for the War Ridge and Cumberland Gap sites, nor for sites on the Hiwassee or Pigeon Rivers, which on the basis of horsepower installation may run to $66,000,000, making a total for up-river sites of $168,000,000, or—

Work at Muscle Shoals	$47,000,000
Up-river work	168,000,000
Preliminary estimate of work which corporation may require under terms of the act and which the Government is required to build or finance out of rentals	215,000,000

[1] This may be $12,000,000 or more.

VI. CONDITIONS COVERING OTHER CONSTRUCTION FOR POWER PURPOSES AS STATED BY BIDDER

PAR. 50. Section 54: "The corporation, if directed by the Secretary of War in writing, shall construct for the Government all storage dams and/or power plants or other works desired by the Government and designed for the regulation and augmentation of this project or its extensions, and not mentioned in this act, under the same terms and conditions as mentioned for other construction work."

PAR. 51. This section gives the Government the option of employing the corporation as agent for up-river construction at a fee of 6 per cent of the estimated cost.

VII. PAYMENTS TO UNITED STATES BY LESSEE

PAR. 52. The corporation makes no payments to the Government during the lease period. All rentals are to be deposited in certain funds authorized by the act. The Government has no control over any of the funds. Rentals are to be computed on the basis of power, generated by the hydroplant or plants sold by the corporation. Beginning with the calendar year following the placing of Dam No. 2 with eight generating units in commercial operation, rentals are to be credited at $22.29 per kilowatt year of "primary" power generated and actually sold by the corporation until all the following items of uncompleted work are completed, viz:

(a) Changes, additions, and extensions to nitrate and other plants as recommended by the board of research.

(b) Addition of 10 generating units to Dam No. 2 hydrostation.

(c) Construction of Dam No. 3 with its full power equipment and electric transmission tie line to Dam No. 2.

(d) Additions to the generating capacity of the steam-electric plant located at Nitrate Plant No. 2 to bring the total generating capacity up to at least 120,000 kilowatts.

PAR. 53. And after these items are completed the rentals are to be credited at $25.50 per kilowatt-year for all "primary" power generated by hydro and actually sold by the corporation.

PAR. 54. However, section 12, "If in any calendar year the receipts from the sale of power are not sufficient to pay the full gross rental due for that year and all other operating expenses, interest, and all general miscellaneous expenses allocated to the power division, and including the actual expenditures for maintenance and repairs, together with the amounts mentioned in section 64 hereof and the amounts to be set aside each year for the farmers' board research and emergency funds and for the amortization of the debenture bonds, then for such calendar year the said rental shall be reduced by the amount of the deficit, and the corporation shall not in subsequent years be required to make up such deficit."

PAR. 55. Primary power is defined (sec. 11) to be all and any power which could be generated for 8,000 hours per year from the actual river flow or by any storage reservoirs, together with such portion of added power generated by the hydroelectric plant, which would be brought up to the standard of primary power by means of power generated by the steam plants of the leased property.

PAR. 56. A kilowatt-year is defined as 8,760 kilowatt-hours.

PAR. 57. It is to be noted that the method of computing rentals is unique.

PAR. 58. The usual method of buying and selling power on the horsepower-year or kilowatt-year basis is for the power producer to sell to the power consumer a certain number of horsepower or kilowatt capacity. The producer agrees to always have this power available, and the consumer pays at the stated rate whether he uses the power up to the limit purchased or not.

PAR. 59. The power producer knows that all consumers will not require the total power covered by their contracts at the same time; i. e., that there is a diversity factor for their maximum demands. He is therefore able to sell more power on the horsepower-year or kilowatt-year basis than the maximum capacity of his plant.

PAR. 60. Where a run-of-river plant, such as Dam No. 2, is backed up by a steam plant as a low-water reserve, the saleable primary power is the low-water capacity of the water power plus the capacity of the steam plant, plus the amount the plant is oversold, due to the diversity factor of the load. Depending upon the diversity factor, the plant may be oversold from 10 to 20 per cent, or even more.

PAR. 61. Now, in the set-up under this bill, rentals due the Government are not computed on the basis of primary power (low-water capacity of hydro plant plus steam capacity) available to the lessee and sold by him, but on the basis of the number of kilowatt-hours of power generated by the hydro plant only and sold by the corporation.

The Government receives no credit for steam power generated and sold, and the Government is penalized for all diversity in consumer's load, or, conversely, is credited, not with the amount of power sold by the lessee but with the actual number of kilowatt-hours produced by the hydroplant and sold by the corporation.

PAR. 62. The figures given in section 11, viz, $22.29 and $25.50 per kilowatt-year (or $16.63 and $19.02 per horsepower-year) are misleading, because all that the lessee is required to do is to credit the Government with a gross rental at the rate of 2.54 mills per kilowatt-hour of primary power generated by the hydro plant and sold by the corporation up to the time of the completion of the uncompleted work specified in the act, and thereafter for such power at the rate of 2.91 mills per kilowatt-hour.

PAR. 63. The gross-rental credit, however, may be materially less than the product of the number of kilowatt-hours of hydro power sold times the rate per kilowatt-hour, for, section (12): "If in any calendar year the receipts from the sale of power are not sufficient to pay the full gross rental due for that year and all other operating expenses, interest, and all general and miscellaneous expenses allocated to the power division, and including the actual expenditures for maintenance and repairs, together with the amounts mentioned in section (64) hereof, and the amounts to be set aside each year for the farmers' board, research, the emergency fund, and for the amortization of debenture bonds, then for such calendar year the said rental shall be reduced by the amount of the deficit; and the corporation shall not in subsequent years be required to make up such deficit."

PAR. 64. From the gross-rental credit for primary hydro power produced by the hydro plant and sold by the corporation the following deductions or payments are to be made:

"SEC. (59). *Research fund.*—The corporation shall deduct $300,000 annually from the rental, during the operation by the corporation under terms of the lease, for the purpose of a research fund * * *."

"SEC. (60). *Emergency fund.*—The corporation shall deduct annually the sum of $100,000 from the rental, during the operation by the corporation under terms of the lease and set aside for an emergency fund, to be used by the corporation for extraordinary repairs, renewals, or replacements of any part of the hydroelectric portion of the project, made necessary by some cause other than ordinary operation and customary depreciation, but directly incident to the operation of the hydroelectric portion of the project. Any such repairs or replacements which may be necessary prior to, or at any time in excess of the accumulated fund, and all restorations of any part or parts of the project necessary because of floods, fires, explosions, or other causes not directly incident to the operation of the hydroelectric portion of the project, shall be made by the corporation for the Government under the same terms and conditions as other construction work provided for in this act. * * *"

"SEC. (65). *Renewal and replacement fund (power division).*—The corporation shall deduct each year from the rental, commencing with the calendar year following the completion of all work referred to in section (54) herein, and during each calendar year thereafter until the termination of the lease, amounts as in this section specified, and set aside for a renewal and replacement fund to cover renewals and replacements of the hydroelectric and other electric generating, controlling, and transmission portions of the leased property incident to the operation thereof. The annual charge, to cover renewals and replacements, to be used for the purpose of setting up this fund, shall be not more than 3 per cent of the total cost, exclusive of navigation facilities, of Dam No. 2 with power house and all appurtenances, Dam No. 3 with power house and all appurtenances, and any and all other hydroelectric, controlling, and transmission installations now or later a part of the project, and the replacement value of the steam plant at Nitrate Plant No. 2, and the actual cost of other thermic plants now or later a part of the project. This is a composite rate made up of varying rates for the different portions of the project. * * *

"SEC. (67). *Retirement of debenture bonds (fertilizer division, power division).*—The corporation shall deduct each year from the rental amounts sufficient to amortize in series, in 20 years the debenture bonds of the corporation (fertilizer debenture bonds, construction debenture bonds) issued for the purpose of acquiring funds for construction and operation in the fertilizer division, and extensions and construction in the power division, beginning with the fourth year of issuance of such debenture bonds (fourth year after issue).

"SEC. (75). The interest on the said fertilizer debenture bonds, mentioned in section (73) hereof, shall be a direct charge or expense in calculating the manufacturing cost of said fertilizers and/or fertilizer bases. The interest on the said construction debenture bonds, mentioned in section (73) hereof, shall be deducted from the rental of the entire project."

PAR. 65. After the deductions from the rental listed in the preceding paragraph have been made the balance is to be deposited in a fertilizer fund:

"(61). *Fertilizer fund.*— * * * Therefore such rental in excess of amounts otherwise indicated or specified shall be used directly to increase the production facilities and/or cheapen the cost of fertilizers and/or fertilizer bases by the corporation depositing such net rentals each year as due in a separate fund designated as fertilizer fund, and whereas the corporation is relieved of all taxes on this project, it does agree that after 8 per cent has been earned on its investment, then, thereafter all excess profits shall be divided equally (50-50) between the fertilizer fund and the corporation."

PAR. 66. Certain payments, as follows, are to be made from the fertilizer fund:

"SEC. (38). A farmers' board to consist of not more than five members shall be appointed by the Secretary of Agriculture * * * compensation not to exceed $10,000 a year shall be paid to each member of the board at the direction of the Secretary of Agriculture, and such compensation shall be paid from the fertilizer fund."

"SEC. (39). The said board shall hire a secretary * * * and the salary and expenses of said secretary shall be paid from the fertilizer fund, not to exceed the sum of $20,000 per annum. The expenses will include an office for said secretary at Muscle Shoals and the necessary clerical help."

"SEC. (35). A board of research, to consist of five members appointed by the Secretary of Agriculture * * *. Each member of the said board, other than the representatives of the corporation, shall receive such compensation as shall be fixed by the Secretary of Agriculture, the same to be approved by the farmers' board and paid out of the fertilizer fund."

PAR. 67. After the payments listed in the preceding paragraph have been made out of the fertilizer fund the balance is to be used as follows:

"SEC. (62). Withdrawals from the fertilizer fund by the corporation will be made only as and when and for the purposes specified herein and by approval of the farmers' board.

"SEC. (63). The farmers' board may each year direct the corporation by resolution to withdraw and use all or any part of said fertilizer fund as a credit against the cost of fertilizers and/or fertilizer bases in such manner as it may decide, except as otherwise specified herein.

"SEC. (64). If at any time the farmers' board determine that all or any part of the then balance in the fertilizer fund is not needed for assisting the production and marketing of the fertilizer products on such basis as will encourage the purchase and use by the farmers, or that the interests of the Government will be better protected by such action, such board may instruct the corporation to set aside any part of the moneys in the said fertilizer fund in a construction fund for use in the establishment of other plants at other locations. The withdrawal from this construction fund shall be made only on approval of the farmers' board. * * *"

Any balance remaining in any fund set up by the act at the termination of operations by the corporation is to be paid to the Government.

PAR. 68. Since the corporation starts with nothing, the sale value of power that can be produced and sold from the power properties leased must be the basis of any sound analysis. The market for the sale of power by the corporation consists of the market already in existence and a prospective market.

(a) The two public utility power companies whose territory is contiguous to Muscle Shoals make up the existing market.

(b) The prospective market is power that the corporation can sell to itself and power that the corporation can sell to other industries which it may induce to locate at Muscle Shoals.

PAR. 69. Due to information obtained by over a year's operation of the Wilson Dam plant on the interconnected power system the department can make a good estimate of the public utility demand for a number of years in the future, and it is well established that all the primary power which can be developed at Muscle Shoals by water, supplemented by a proper steam reserve, can be absorbed within a reasonable time.

PAR. 70. The prospective market is more difficult to estimate. The quantity of power which the corporation may sell to itself is indeterminate until the manufacturing processes are determined and recommended by the board of research. If that board should recommend the retention of the cyanamide process as economical, the corporation will use a large quantity of power in its fertilizer business. On the other hand, if the board of research recommends ultimately discarding the cyanamide process, the corporation will need a comparatively small amount of power for its fertilizer operations and will have more power available to sell to the public utility corporations or to distribute and sell itself.

PAR. 71. Section 61 provides that the annual net rental shall be used directly to cheapen the cost of fertilizer and/or fertilizer bases by the corporation depositing such net rentals each year as due in a separate fund designated as fertilizer fund. Withdrawals from the fertilizer fund are determined by the farmers' board.

PAR. 72. Now, the gross rental (and therefore the net rental) is determined by the amount of power classified as primary generated annually by the hydro plant or plants and sold. The gross and net

rentals are, therefore, not affected by the particular use made of power. There is this difference to the corporation, however: If the power is largely sold to public utilities and to other industrial consumers, the difference between the amount received from sales and the amount credited to rental is an immediate cash profit to the corporation. If primary power is used in the cyanamide process to a large extent in the fertilizer business or reserved for that purpose, the profit from sale of power to the fertilizer division will accrue to the corporation only as the fertilizer is sold. The sale of fertilizer will probably depend upon the amount of rebate or subsidy from the fertilizer fund. Section 33 of the act provides that the corporation shall be paid as a bonus 50 per cent of any reduction in production cost of fertilizer in any calendar year.

PAR. 73. Now, by increasing the capacity of the cyanamide plant 50 per cent, upon the completion of Dam No. 3, 75 per cent of the 40,000 tons of nitrogen could be produced on secondary power, for which no rentals are allowed the Government. This, of course, would release for sale to industry 50 per cent of the primary power reserved for fertilizer production. The secondary power would be charged into fertilizer and the primary power thus released could be sold to the power companies or to other industries. Such a change in operation could easily produce an additional net return to the corporation of $1,000,000 per annum. Also, the corporation could get, as a bonus under section 33, approximately $400,000.

PAR. 74. The incentive is present in the act, therefore, for the corporation to use a minimum of primary power in the fertilizer business, and to go into the public utility power business on a large scale either directly or through the existing public utility power companies, as soon as it can do so.

PAR. 75. On the other hand, the operation of the cyanamide plant at Nitrate Plant No. 2 will immediately absorb a large quantity of primary power which under the act will be charged into fertilizer at the same cost as that at which other primary power is sold. The operation of Nitrate Plant No. 2 will advance by several years the date at which otherwise all primary power could be sold and will give the corporation greater profits for the first 10 years or so of the lease period. A reasonable assumption, therefore, is that the corporation will operate Nitrate Plant No. 2 in the beginning and later, when it can sell the power to better advantage, will use in the fertilizer business other methods which require less power.

PAR. 76. The amount of power which may be sold to new industry at Muscle Shoals is indeterminate.

PAR. 77. We have seen that the act definitely requires of the Government at its expense the installation of 10 additional generating units at Dam No. 2, the addition of 60,000 kilowatt capacity to the steam plant at Nitrate Plant No. 2, and the construction of Dam No. 3. We have also seen that the act gives the corporation the right to request the construction of any up-river project and that, if the Government does not construct such project, the corporation may build it with borrowed money, charging all interest and amortization costs against rentals accruing under the lease. As the construction of up-river developments is optional with the corporation, it appears necessary to estimate return to the Goverment, first, without headwater storage, and second, with headwater storage.

PAR. 78. For the first estimate, estimate No. 1, the following assumptions therefore are made:

The corporation will sell as much power—not needed in its own operations—to the public utility power companies as is available and they can use.

First year, power sold only to public utilities, as nitrate plants are not ready to operate.

Second year, power sufficient for fixation of 10,000 tons nitrogen by cyanamide process used by corporation and power sold to public utilities.

Third year, power sufficient for fixation of 20,000 tons nitrogen by cyanamide process used by corporation and power sold to public utilities.

Fourth year, power sufficient for fixation of 30,000 tons nitrogen by cyanamide process used by corporation and power sold to public utilities.

Fifth year, power sufficient for fixation of 40,000 tons nitrogen by cyanamide process used by corporation and power sold to public utilities.

PAR. 79. Thirty thousand kilowatts will be added to the steam-plant capacity and ready to operate the fourth year, and 30,000 kilowatts more the fifth year. Five generating units will be added at Dam No. 2 and ready to operate the sixth year and five more the eighth year.

PAR. 80. Dam No. 3 is in operation the eighth year.

PAR. 81. Primary power can be sold for 4 mills per kilowatt hour, and such secondary power as can be used by the power companies for steam replacement can be sold for 2 mills per kilowatt hour.

PAR. 82. We have seen that there is no limit, other than that imposed by the topography and geology of the Tennessee Valley above Dam No. 1, to the number of upstream storage and power developments, which under the act the corporation may finance out of rentals and construct.

PAR. 83. There is not sufficient information yet developed by the survey of the Tennessee River and tributaries to determine the effect at Dams Nos. 2 and 3 of all the storage possibilities. Preliminary studies of the effect at Dams Nos. 2 and 3 of the proposed Cove Creek reservoir on the Clinch River have been made, and estimate No. 2 is prepared on the basis of that project being financed and built by the corporation as provided in the act and completed and in operation the tenth year. Other bases for the estimate are the same as for estimate No. 1.

PAR. 84. This estimate is made for the purpose only of illustrating the effect on rental credits and on net profits accruing to the corporation from the sale of power of a single up-river development constructed by the corporation and financed out of rentals as provided in the act. The estimate is not intended to indicate that the corporation is limited to the construction of this one storage project or that it can not build any number of others, financing them out of rentals, whenever it desires.

PAR. 85. While certain funds set up by the act are considered as assets to the Government, in that at the end of the lease period the balances therein remaining are to become the property of the Government, there is no control of the depository in which same are placed.

"SEC. 68. *Compound interest.*—All funds which are set aside by the corporation may be deposited in any bank or banks which, in the judgment of the corporation, considering safety and all other conditions, will permit of the accumulation at compound iterest."

VIII. PROGRAM FOR THE FIXATION OF ATMOSPHERIC NITROGEN

PAR. 86. Section 28: The corporation shall manufacture fertilizers and/or fertilizer bases as a separate department or division of the project, and shall make no profit and incur no loss in such fertilizer division.

PAR. 87. The corporation assumes no responsibility for the processes to be employed but passes that function by the act to the board of research. Also it assumes no responsibility for methods and policies to be carried out as to marketing and distribution of fertilizer, this by the act being a function of the farmers' board.

PAR. 88. The extent of the production will depend upon the expenditures made by the Government (sec. 53) in refitting the nitrate plants and on the use of the fertilizer fund (net rentals) by the farmers' board.

PAR. 89. It is not apparent from the act that the corporation furnishes any money, technical skill, or experience in return for the large profits which it will make out of the sale of power, and which may be used to pay dividends on investments by the corporation in plants for the manufacture of by-products (sec. 13) or in "additional buildings, structures, or facilities and equipment at any location on the project and for any use" (sec. 20).

IX. PROVISIONS FOR NATIONAL DEFENSE

PAR. 90. The act provides for taking over the leased property by the Government in time of war. It protects the corporation from all financial loss due to such war use of the property and guarantees to the corporation a fair return on its investment during the period so used.

PAR. 91. It provides for the manufacture by the corporation of explosive bases, incident to the operation of the fertilizer division without profit or loss to the corporation.

X. PROVISIONS FOR EQUITABLE DISTRIBUTION OF POWER

PAR. 92. Section 25 provides for the regulation of power rates by any State commission or other governmental body at the time having jurisdiction. For the purpose of determining rates the corporation shall be considered as owner of the property.

PAR. 93. Section 26 authorizes the corporation to construct transmission lines, substations, and other works with funds obtained from the sale of Government property approved by the board of industrial development, and with funds received from the sale of construction debenture bonds.

PAR. 94. Section 27: "The corporation may enter into agreements with the owners of electric-generating stations and/or transmission lines, now or hereafter constructed, to bring about the exchange of power wherever the same can be advantageously done; may enter into contracts with persons, partnerships, corporations, municipalities, district and individual States of the United States of America for the joint construction and use of transmission lines and may organize, join with or associate with, a superpower or other organization for the better distribution of electric energy through a combination of sources of supply or transmission systems or operating organizations, as and when such agreements or contracts, in the opinion of the board of directors of the corporation, can be advantageously made.

PAR. 95. The corporation is therefore authorized to do a general public utility power business.

XI. COMPARISON WITH OTHER PROPOSALS

PAR. 96. Senate bill 4632, being the proposal of the Farmers' Federated Fertilizer Corporation, is not, in my opinion, susceptible of direct comparison with the proposal of the Muscle Shoals Fertilizer Co. and the Muscle Shoals Power Distributing Co., nor with the proposal of the Air Nitrates Corporation. In each of those proposals the subsidy to the fertilizer business deemed necessary by the bidder and the profit the bidder expects to make out of the operation of the power properties have been deducted by him prior to submitting his proposal. The monetary return to the Government, over and above the

subsidy to nitrogen production and the bidder's profits, is, therefore, reasonably definite.

PAR. 97. In the proposal of the Farmers' Federated Fertilizer Corporation all of the property of the Government at Muscle Shoals is devoted entirely to subsidizing nitrogen production, financing new construction, and profit to the bidder. The Government recovers no money payments during the life of the lease. At its termination it receives any balances remaining in the several funds set up by the act.

PAR. 98. Navigation is subordinated to the interests of the corporation by section (72):

"The Secretary of War shall have a representative located at Muscle Shoals continuously, with power to regulate navigation through the locks at Dams Nos. 2 and 3 within such hours and at such times as will materially conserve the water for use when it can be disposed of as power to the best advantage, or for accumulation above the dams.

PAR. 99. The Government has no control over the funds set up by the act, or the depositories in which they shall be kept.

"(68). *Compound interest.*—All funds which are set aside by the corporation may be deposited in any bank or banks which, in the judgment of the corporation, considering safety and all other conditions, will permit of the accumulation at compound interest."

M. C. TYLER,
Lieutenant Colonel, Corps of Engineers.

ESTIMATE No. 1.—*(Without headwater storage) of expenditures required of the United States, net profit to the corporation from sale of power and disposition of rental credits, under act incorporating the Farmers' Federated Fertilizer Corporation*

Year	Additional expenditures by the United States				Receipts by corporation from sale of power	Operating expense power plants	Corporation's net operating revenue	Gross rental credit due	Corporation's net profit from sale of power [1]	Gross rental credited (secs. 11, 12)
	Changes, additions, extensions to nitrate plants	Additional generating units Dam No. 2	Additions to steam plant nitrate plant No. 2	Construction of Dam No. 3						
	1	2	3	4	5	6	7	8	9	10
First	$1,000,000				$1,054,000	$315,000	$739,000	$1,196,000		$739,000
Second	2,000,000			$3,000,000	2,366,000	350,000	2,016,000	1,940,000	$76,000	1,940,000
Third				6,000,000	4,084,000	436,000	3,648,000	2,675,000	973,000	2,675,000
Fourth			$1,000,000	8,000,000	4,084,000	643,000	3,441,000	3,001,000	440,000	3,001,000
Fifth		[1] $4,000,000	3,000,000	8,000,000	5,382,000	1,076,000	4,306,000	3,662,000	644,000	3,662,000
Sixth				5,000,000	6,040,000	1,400,000	4,640,000	3,751,000	889,000	3,751,000
Seventh		[1] 4,000,000		2,000,000	6,828,000	1,661,000	5,167,000	3,776,000	1,391,000	3,776,000
Eighth					7,634,000	1,461,000	6,173,000	4,650,000	1,523,000	4,650,000
Ninth					8,300,000	1,510,000	6,790,000	4,673,000	2,117,000	4,673,000
Tenth					8,900,000	1,605,000	7,295,000	5,101,000	2,194,000	5,101,000
Eleventh					9,500,000	1,700,000	7,800,000	5,530,000	2,270,000	5,530,000
Twelfth					9,500,000	1,700,000	7,800,000	5,530,000	2,270,000	5,530,000
Thirteenth					9,500,000	1,700,000	7,800,000	5,530,000	2,270,000	5,530,000
Fourteenth					9,500,000	1,700,000	7,800,000	5,530,000	2,270,000	5,530,000
Fifteenth					9,500,000	1,700,000	7,800,000	5,530,000	2,270,000	5,530,000
Sixteenth					9,500,000	1,700,000	7,800,000	5,530,000	2,270,000	5,530,000
Seventeenth					9,500,000	1,700,000	7,800,000	5,530,000	2,270,000	5,530,000
Eighteenth					9,500,000	1,700,000	7,800,000	5,530,000	2,270,000	5,530,000
Nineteenth					9,500,000	1,700,000	7,800,000	5,530,000	2,270,000	5,530,000
Twentieth					9,500,000	1,700,000	7,800,000	5,530,000	2,270,000	5,530,000
Twenty-first					9,500,000	1,700,000	7,800,000	5,530,000	2,770,000	5,530,000
Twenty-second					9,500,000	1,700,000	7,800,000	5,530,000	2,270,000	5,530,000
Twenty-third					9,500,000	1,700,000	7,800,000	5,530,000	2,270,000	5,530,000
Twenty-fourth					9,500,000	1,700,000	7,800,000	5,530,000	2,270,000	5,530,000
Twenty-fifth					9,500,000	1,700,000	7,800,000	5,530,000	2,270,000	5,530,000
Twenty-sixth to fiftieth					237,500,000	42,500,000	195,000,000	138,250,000	56,750,000	138,250,000
Total	3,000,000	8,000,000	4,000,000	32,000,000	434,672,000	78,457,000	356,215,000	255,625,000	101,047,000	255,168,000

Year	Deductions from gross rental credited					Net rental to be credited to fertilizer fund (columns 10–15) (sec. 61)	Salaries and office expenses (secs. 35, 38, 39)	Net fertilizer fund to be expended by farmers' board (columns 16–17) (sec. 63, 64)
	Research fund (sec. 59)	Emergency fund (sec. 60)	Renewal and replacement fund (sec. 65)	Amortization fertilizer debenture bonds (sec. 67)	Total deductions (columns 11, 12, 13, 14)			
	11	12	13	14	15	16	17	18
First	$300,000	$100,000			$400,000	$339,000	$100,000	$239,000
Second	300,000	100,000			400,000	1,540,000	100,000	1,440,000
Third	300,000	100,000			400,000	2,275,000	100,000	2,175,000
Fourth	300,000	100,000			400,000	2,601,000	100,000	2,501,000
Fifth	300,000	100,000		$744,400	1,144,400	2,517,600	100,000	2,417,600
Sixth	300,000	100,000		744,400	1,144,400	2,606,600	100,000	2,506,600
Seventh	300,000	100,000		744,400	1,144,400	2,631,600	100,000	2,531,600
Eighth	300,000	100,000	$1,838,000	744,400	2,982,400	1,667,600	100,000	1,567,600
Ninth	300,000	100,000	1,838,000	744,400	2,982,400	1,690,600	100,000	1,590,600
Tenth	300,000	100,000	1,838,000	744,400	2,982,400	2,118,600	100,000	2,018,600
Eleventh	300,000	100,000	1,838,000	744,400	2,982,400	2,547,600	100,000	2,447,600
Twelfth	300,000	100,000	1,838,000	744,400	2,982,400	2,547,600	100,000	2,447,600
Thirteenth	300,000	100,000	1,838,000	744,400	2,982,400	2,547,600	100,000	2,447,600
Fourteenth	300,000	100,000	1,838,000	744,400	2,982,400	2,547,600	100,000	2,447,600
Fifteenth	300,000	100,000	1,838,000	744,400	2,982,400	2,547,600	100,000	2,447,600
Sixteenth	300,000	100,000	1,838,000	744,400	2,982,400	2,547,600	100,000	2,447,600
Seventeenth	300,000	100,000	1,838,000	744,400	2,982,400	2,547,600	100,000	2,447,600
Eighteenth	300,000	100,000	1,838,000	744,400	2,982,400	2,547,600	100,000	2,447,600
Nineteenth	300,000	100,000	1,838,000	744,400	2,982,400	2,547,600	100,000	2,447,600
Twentieth	300,000	100,000	1,838,000	744,400	2,982,400	2,547,600	100,000	2,447,600
Twenty-first	300,000	100,000	1,838,000	744,400	2,982,400	2,547,600	100,000	2,447,600
Twenty-second	300,000	100,000	1,838,000	744,400	2,982,400	2,547,600	100,000	2,447,600
Twenty-third	300,000	100,000	1,838,000	744,400	2,982,400	2,547,600	100,000	2,447,600
Twenty-fourth	300,000	100,000	1,838,000	744,400	2,982,400	2,547,600	100,000	2,447,600
Twenty-fifth	300,000	100,000	1,838,000		2,238,000	3,292,000	100,000	3,192,000
Twenty-sixth to fiftieth	7,500,000	2,500,000	45,950,000		55,950,000	82,300,000	2,500,000	79,800,000
Total	15,000,000	5,000,000	79,034,000	14,888,000	113,922,000	141,246,000	5,000,000	136,246,000

[1] Includes additional switching equipment and transformers.

Total additional expense required of the United States at Muscle Shoals, if research board retains cyanamid process, $47,000,000.

ESTIMATE No. 2.—*With headwater storage—Showing additional expenditures by the United States, net profits to the corporation from sale of power, and disposition of rentals under proposal of Farmers' Federated Fertilizer Corporation*

Year	Additional expenditures by the United States				Expenditures by the corporation for up-river development (sec. 11)	Receipts B corporation from sale of power	Operating expense, power plants	Corporation's net operating revenue	Gross rental credit due	Corporation's net profit from sale of power	Gross rental credited (secs. 11, 12)
	Changes, additions, and extensions to nitrate plants	Additional generating units Dam No. 2	Additions to steam plant, nitrate plant No. 2	Construction of Dam No. 3							
	1	2	3	4	5	6	7	8	9	10	11
First	$1,000,000					$1,054,000	$315,000	$739,000	$1,196,000		$739,000
Second	2,000,000			$3,000,000		2,366,000	350,000	2,016,000	1,940,000	$76,000	1,940,000
Third				6,000,000		4,084,000	436,000	3,648,000	2,675,000	973,000	2,675,000
Fourth			$1,000,000	8,000,000		4,084,000	643,000	3,441,000	3,001,000	440,000	3,001,000
Fifth		[1] $4,000,000	3,000,000	8,000,000		5,382,000	1,076,000	4,306,000	3,662,000	644,000	3,662,000
Sixth				5,000,000	$2,000,000	6,040,000	1,400,000	4,640,000	3,751,000	889,000	3,751,000
Seventh		[1] 4,000,000		2,000,000	3,000,000	6,828,000	1,661,000	5,167,000	3,776,000	1,391,000	3,776,000
Eighth					4,800,000	7,634.000	1,461,000	6,173,000	4,650,000	1,523,000	4,650,000
Ninth					7,000,000	8,300,000	1,510,000	6,790,000	4,673,000	2,117,000	4,673,000
Tenth					3,200,000	8,900,000	1,605,000	7,295,000	5,101,000	2,194,000	5,101,000
Eleventh						9,600,000	1,200,000	8,400,000	6,536,000	1,864,000	6,536,000
Twelfth						10,080,000	1,400,000	8,680,000	6,740,000	1,940,000	6,740,000
Thirteenth						10,560,000	1,586,000	8,974,000	7,952,000	2,022,000	6,952,000
Fourteenth						11,040,000	1,773,000	9,267,000	7,173,000	2,094,000	7,173,000
Fifteenth						12,000,000	2,186,000	9,814,000	7,266,000	2,548,000	7,266,000
Sixteenth						12,000,000	2,186,000	9,814,000	7,266,000	2,548,000	7,266,000
Seventeenth						12,000,000	2,186,000	9,814,000	7,266,000	2,548,000	7,266,000
Eighteenth						12,000,000	2,186,000	9,814,000	7,266,000	2,548,000	7,266,000
Nineteenth						12,000,000	2,186,000	9,814,000	7,266,000	2,548,000	7,266,000
Twentieth						12,000,000	2,186,000	9,814,000	7,266,000	2,548,000	7,266,000
Twenty-first						12,000,000	2,186,000	9,814,000	7,266,000	2,548,000	7,266,000
Twenty-second						12,000,000	2,186,000	9,814,000	7,266,000	2,548,000	7,266,000
Twenty-third						12,000,000	2,186,000	9,814,000	7,266,000	2,548,000	7,266,000
Twenty-fourth						12,000,000	2,186,000	9,814,000	7,266,000	2,548,000	7,266,000
Twenty-fifth						12,000,000	2,186,000	9,814,000	7,266,000	2,548,000	7,266,000
Twenty-sixth						12,000,000	2,186,000	9,814,000	7,266,000	2,548,000	7,266,000
Twenty-seventh						12,000,000	2,186,000	9,814,000	7,266,000	2,548,000	7,266,000
Twenty-eighth						12,000,000	2,186,000	9,814,000	7,266,000	2,548,000	7,266,000
Twenty-ninth						12,000,000	2,186,000	9,814,000	7,266,000	2,548,000	7,266,000
Thirtieth						12,000,000	2,186,000	9,814,000	7,266,000	2,548,000	7,266,000
Thirty-first to fiftieth, inclusive						240,000,000	43,720,000	196,280,000	145,320,000	50,960,000	145,320,000
Total	3,000,000	8,000,000	4,000,000	32,000,000	[2] 20,000,000	527,952,000	95,112,000	432,840,000	324,402,000	109,895,000	322,945,000

Year	Deductions from gross rental credited							Net rental credited to fertilizer fund (column 11-18)	Salaries and office expenses (sec. 35, 38, 39)	Net fertilizer fund to be expended by farmers' board (columns 19, 20)
	Research fund (sec. 59)	Emergency fund (sec. 60)	Renewal and replacement fund (sec. 65)	Amortization fertilizer debenture bonds (sec. 67)	Amortization construction debenture bonds (sec. 11)	Interest on construction debenture bonds (sec. 75)	Total deductions (columns 12, 13, 14, 15, 16, 17)			
	12	13	14	15	16	17	18	19	20	21
First	$300,000	$100,000					$400,000	$339,000	$100,000	$239,000
Second	300,000	100,000					400,000	1,540,000	100,000	1,440,000
Third	300,000	100,000					400,000	2,275,000	100,000	2,175,000
Fourth	300,000	100,000					400,000	2,601.000	100,000	2,501,000
Fifth	300,000	100,000		$744,400			,144,400	2,517,600	100,000	2,417,600
Sixth	300,000	100,000		744,400			1,144,400	2,606,600	100,000	2,506,600
Seventh	300,000	100,000		744,400		$120,000	1,264,400	2,511,600	100,000	2,411,600
Eighth	300,000	100,000	$1,838,000	744,400		300,000	3,282,400	1,367,600	100,000	1,267,600
Ninth	300,000	100,000	1,838,000	744,400		588,000	3,570,400	1,102,600	100,000	1,002,600
Tenth	300,000	100,000	1,838,000	744,400		1,008,000	3,990,400	1,110,600	100,000	1,010,600
Eleventh	300,000	100,000	1,838,000	744,400	$744,400	1,200,000	4,926,800	1,609,200	100,000	1,509,200
Twelfth	300,000	100,000	1,838,000	744,400	744,400	1,200,000	4,926,800	1,813,200	100,000	1,713,200
Thirteenth	300,000	100,000	1,838,000	744,400	744,400	1,200,000	4,926,800	2,025,200	100,000	1,925,200
Fourteenth	300,000	100,000	1,838,000	744,400	744,400	1,200,000	4,926,800	2,246,200	100,000	2,146,200
Fifteenth	300,000	100,000	1,838,000	744,400	744,400	1,200,000	4,926,800	2,339,200	100,000	2,239,200
Sixteenth	300,000	100,000	1,838,000	744,400	744,400	1,200,000	4,926,800	2,339,200	100,000	2,239,200
Seventeenth	300,000	100,000	1,838,000	744,400	744,400	1,200,000	4,926,800	2,339,200	100,000	2,239,200
Eighteenth	300,000	100,000	1,838,000	744,400	744,400	1,200,000	4,926,800	2,339,200	100,000	2,239,200
Nineteenth	300,000	100,000	1,838,000	744,400	744,400	1,200,000	4,926,800	2,339,200	100,000	2,239,200
Twentieth	300,000	100,000	1,838,000	744,400	744,400	1,200,000	4,926,800	2,339,200	100,000	2,239,200
Twenty-first	300,000	100,000	1,838,000	744,400	744,400	1,200,000	4,926,800	2,339,200	100,000	2,239,200
Twenty-second	300,000	100,000	1,838,000	744,400	744,400	1,200,000	4,926,800	2,339,200	100,000	2,239,200
Twenty-third	300,000	100,000	1,838,000	744,400	744,400	1,200,000	4,926,800	2,339,200	100,000	2,239,200
Twenty-fourth	300,000	100,000	1,838,000	744,400	744,400	1,200,000	4,926,800	2,339,200	100,000	2,239,200
Twenty-fifth	300,000	100,000	1,838,000		744,400	1,200,000	4,182,400	3,083,600	100,000	2,983,600
Twenty-sixth	300,000	100,000	1,838,000		744,400	1,200,000	4,182,400	3,083,600	100,000	2,983,600
Twenty-seventh	300,000	100,000	1,838,000		744,400	1,200,000	4,182,400	3,083,600	100,000	2,983,600
Twenty-eighth	300,000	100,000	1,838,000		744,400	1,200,000	4,182,400	3,083,600	100,000	2,983,600
Twenty-ninth	300,000	100,000	1,838,000		744,400	1,200,000	4,182,400	3,083,600	100,000	2,983,600
Thirtieth	300,000	100,000	1,838,000		744,400	1,200,000	4,182,400	3,083,600	100,000	1,983,600
Thirty-first to fiftieth, inclusive	6,000,000	2,000,000	36,760,000				44,760,000	100,560,000	2,000,000	98,560,000
Total	15,000,000	5,000,000	79,034,000	14,888,000	14,888,000	26,016,000	154,826,000	168,119,000	5,000,000	163,119,000

[1] Includes additional switching equipment and transformers.

[2] Estimated cost Cove Creek project, $20,000,000.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred as indicated below:

H. R. 11516. An act to authorize the payment of an indemnity to the Government of France on account of losses sustained by the owners of the French steamship *Madeleine* as a result of a collision between it and the United States steamship *Kerwood;* to the Committee on Foreign Relations.

H R. 12315. An act to amend section 8 of the food and drugs act, approved June 30, 1906, as amended; to the Committee on Agriculture and Forestry.

H. R. 13500. An act to amend section 176 of the Judicial Code; to the Committee on the Judiciary.

H. R. 14250. An act to authorize reimposition and extension of the trust period on lands held for the use and benefit of the Capitan Grande Band of Indians in California; to the Committee on Indian Affairs.

H. R. 13445. An act to provide for graduated special-handling postage charges, according to the weights of the parcels, and to extend special-delivery service to such parcels of fourth-class matter;

H. R. 13446. An act to restore the rate of postage of 1 cent each to private mailing or post cards;

H. R. 13447. An act to provide for an additional charge on first-class matter mailed short paid more than one rate;

H. R. 13448. An act authorizing the transmission of business reply cards in the mails and prescribing the rate of postage thereon; and

H. R. 13449. An act to amend section 203 of Title II of the act of February 28, 1925, by prescribing a more equitable rate for transient second-class mail matter; to the Committee on Post Offices and Post Roads.

H. R. 9564. An act providing for markers for the battle fields of Eastport, Miss., and Iuka, Miss.;

H. R. 9912. An act approving the transaction of the adjutant general of the State of Oregon in issuing property to sufferers from a fire in Astoria, Oreg., and relieving the United States property and disbursing officer of the State of Oregon and the State of Oregon from accountability therefor;

H. J. Res. 233. Joint resolution authorizing the Secretary of War to loan certain French guns which belong to the United States and are now in the city park at Walla Walla, Wash., to the city of Walla Walla, and for other purposes; and

H. J. Res. 298. Joint resolution authorizing the Secretary of War to lend 700 cots and 700 blankets for the use of the North Carolina Department of the American Legion at its annual convention at Washington, N. C., in August, 1927; to the Committee on Military Affairs.

FISH AND GAME WITHIN CERTAIN NEW YORK INDIAN RESERVATIONS

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 3728) to grant to the State of New York and the Seneca Nation of Indians jurisdiction over the taking of fish and game within the Allegany, Cattaraugus, and Oil Spring Indian Reservations, which were, on page 1, line 3, to strike out "effective date" and insert "passage"; and on page 1, line 4, to strike out "hereinafter" and insert "hereafter."

Mr. WADSWORTH. I move that the Senate concur in the House amendments. They are merely to correct obvious errors in the text.

The motion was agreed to.

RELIEF OF CERTAIN SPANISH-AMERICAN WAR SOLDIERS

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 3615) for the relief of soldiers who were discharged from the Army during the Spanish-American War because of misrepresentation of age, which were, on page 1, line 7, to strike out "August 12, 1898," and insert "July 4, 1902"; and to amend the title so as to read: "An act for the relief of soldiers who were discharged from the Army during the Spanish-American War, the Philippine insurrection, and the Boxer uprising because of misrepresentation of age."

Mr. WADSWORTH. This is a bill of the Senator from Oklahoma [Mr. HARRELD]. The House has extended the definition of service under the bill so as to include the Philippine insurrection and the Boxer uprising. It relates to men who have enlisted with misrepresentation as to their ages. The bill of the Senator from Oklahoma will give them the equivalent of an honorable discharge if their service has been excellent.

Mr. HARRELD. That is correct.

Mr. WADSWORTH. I move that the Senate concur in the House amendments.

Mr. KING. Mr. President, may I inquire of the Senator from New York the relevancy of the date 1902?

Mr. WADSWORTH. It is to cover the men who served in the Boxer uprising and the Philippine insurrection.

Mr. KING. But the main purpose of the bill is not changed? It is merely an extension to take within its benefits those to whom the Senator has referred?

Mr. WADSWORTH. That is true.

The VICE PRESIDENT. The question is on the motion that the amendments of the House be agreed to.

The motion was agreed to.

UNITED STATES BOTANIC GARDEN

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 4153) to provide for enlarging and relocating the United States Botanic Garden, and for other purposes, which was, on page 2, line 23, to strike out "Sixty-ninth" and insert "Seventieth."

Mr. FESS. I move that the Senate concur in the House amendment.

The motion was agreed to.

INTERSTATE COMMERCE COMMISSION—PERSONAL EXPLANATION

Mr. BLEASE. Mr. President, I notice in this morning's Washington Post, under the headline, "Woods named to Interstate Commerce Commission—Faces fight in Senate," the statement:

> Shortly after the nomination became known, former Senator Dial (Democrat), South Carolina, who was known to be a candidate for the position, appeared on the Senate floor in close conversation with Senators.

Mr. President, I happen to know that this statement, in part, is absolutely incorrect. At the time Senator Dial was upon the floor of the Senate he did not know the nomination had been made to the Interstate Commerce Commission and did not learn of it until afterwards. I also know that he was not a candidate for the position. In fact, former Senator Dial came upon the floor of the Senate to speak to me in reference to an increase in pension for a lady 91 years of age who lives in his county in South Carolina and whose husband was a soldier in the Mexican War. Former Senator Dial made no reference whatever to the appointment mentioned.

I make this statement in justice to former Senator Dial, who can not speak here for himself, and not at his request.

RIVER AND HARBOR BILL

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 11616) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. SHEPPARD. Mr. President, according to my view of the matter, one of the principal reasons for the acquisition of the Cape Cod Canal by the Government of the United States is that it may be considered a logical part of what will be one of the greatest coastal-waterway projects in the history of mankind—the American intracoastal canal, which is to extend from New England and New York along the coasts of the Atlantic and the Gulf of Mexico to Texas and which will establish a unified water system for two-thirds of the territory and nine-tenths of the population of the United States. Furthermore, ownership of the Cape Cod Canal by the Government will vastly facilitate our coastwise trade. The pending river and harbor bill provides not only for the acquirement of the Cape Cod Canal but for the construction of other important sections of this intracoastal project, notably the section from Beaufort, N. C., to Cape Fear River, N C., and the section from New Orleans, La., to Corpus Christi, Tex. I understand that the committee has reported an amendment authorizing the construction of the section from Jacksonville, Fla., to Miami, Fla., and I further understand that there are surveys provided for in the bill calling for an examination of the advisability of constructing other sections of this great waterway.

I desire at this time to emphasize the importance of the proposed American intracoastal canal and of canals and waterways in general. Historians tell us that canals are among the activities that signalized the earliest civilizations. With canals man has multiplied the sources of existence, made possible populations that ran into the hundreds of millions six centuries ago, shortened world routes of communication and trade, connected seas, united rivers, joined inland waters, and guided oceans to the gates of interior cities. Clearly canals are among the most important physical fundamentals of world unity and advancement.

In reference to the relationship of the canal to the development of vast populations, note the Grand Canal of China, extending from the capital, Peking, to tidewater at Canton. Its length, with intermediate branches, exceeds a thousand

miles. It will continue to be the longest waterway of its type on the globe until the completion of the American intracoastal canal. This parent canal of China is the heart of a canal system, with a total length of over 5,000 miles, a system which made possible the political and economic existence of hundreds of millions of people who, until recently, had not a mile of railroad in their entire territory. Tremendous as is this system, it will be far less extensive than the waterway system which will be brought into unified being by the American intracoastal canal. It is difficult to measure what China may accomplish when a railroad and highway system of corresponding proportion to her canal system shall have been secured.

In the United States we are approaching the transportation system from the apex rather than the base. We possess an all-embracing national system of railways; we are building highways on a proportional scale; but our people as a whole are not yet awake to the fact that a national waterway plan is essential to the most efficient development of all transportation, a development including rail, water, highway, and air.

Let me add here that the economic unity of Russia, a country embracing even now probably a seventh of the globe, was due primarily to its rivers and their connection by canals. The principal rivers of Russia, radiating in virtually every direction from the same plateau, have formed from early ages the main channels of irrigation and trade and have contributed more to national unity than has any political institution.

Boats were at first conveyed by flat and easy portages from one river bed to another, portages which were subsequently transformed into navigable canals, canals which to-day have a more important effect on traffic than have the Russian railways. By those canals and the rivers they connect, the plains of the central plateau of Russia are brought into connection with the Caspian and the Black Seas on the south and the Baltic and White Seas and the Gulf of Finland on the north. In India, Belgium, France, Germany, Great Britain, Canada, and the former area of Austria-Hungary, networks of canals, canalized rivers, and rivers in their natural state form the basis of a balanced transport system, including railroads and highways.

Let us for a moment look at the transportation situation in the United States. The dominating feature is the great distance commodities are shipped. We have an area extending about 3,000 miles from east to west and about 1,500 miles, on an average, from north to south. Many important articles are produced in largest quantity, as a rule, in widely separated parts of this territory. Transportation and interchange require routes of shipment of freight hundreds and thousands of miles in length. Iron ore is carried by water from the Lake Superior region, which contains three-fourths of the Nation's supply of that ore, to coal and smelter centers a thousand miles away. Grain, flour, provisions, and wool are transported by rail from States west of the Mississippi to the crowded East, 1,500 miles away. Cotton, sulphur, petroleum products, lumber, fruit, and vegetables are carried by rail from the South and Southwest to the North and East. The products of the Pacific coast are marketed mainly by rail throughout the other portions of the United States.

The commodities of our internal commerce are chiefly of large bulk, especially suited to water transportation. The railways, having largely destroyed the canal and river service of the country, with the exception of the Great Lakes route, assumed a decade ago the carriage of far the greater part of our tonnage of all types. From 1833 to 1916, a period of more than 80 years, new railway mileage was constructed every year, growing as the country grew. Since 1916 the construction of new railways in this country on anything like a continuous and substantial basis has practically ceased, although the Nation's growth has shown no signs of cessation.

Julius H. Barnes said in an address while president of the United States Chamber of Commerce in 1922 that if the twenty-four hundred million tons carried by our railroads the year before had not been supplemented by the fourteen hundred million tons carried by motor vehicles there probably would have been an utter collapse of all industry, certainly of agriculture. Keep in mind in this connection that auto transport is far more expensive per trade unit than either rail or water. The added traffic and the added revenue which water carriage always brings to railroads by virtue of the increased development of the country, the added facility of transport so imperatively required by our country's continuous growth, the relief of the railroads from bulky tonnage and their concentration on articles of smaller and more valuable type, requiring speed and regularity of transmission, thereby increasing their returns and giving new impetus to the manufacture and marketing of finished products in every section of the Republic, bringing about a more rapid interchange of commodities and a more extensive conversion of raw materials into the completed forms for human use—these, Mr. President, are some of the considerations that clamor for the development of waterways in the United States to the last practicable degree.

Let us examine at this point the extent and character of these waterways. East of the 11 Rocky Mountain and Pacific Coast States may be found two-thirds of the territory and nine-tenths of the population of the United States. The waterways east of these 11 States comprise nearly 300 rivers, nearly 200 harbors, and about 95 canals, nearly all of these rivers and harbors and canals being under some form of improvement or maintenance by the Federal Government. These rivers, generally speaking, flow east and south into the Gulf of Mexico and the Atlantic Ocean. To connect them and these canals and harbors by a channel on and near the Atlantic and Gulf coasts from New England and New York to Texas, from Cape Cod to Point Isabel, thereby establishing a unified waterway system for most of the Nation, is the effect and purpose of the American intracoastal canal. Thus would be established a waterway system corresponding in scope to our present rail system, capable of regulating and supporting and supplementing the latter to the fullest extent. At present our waterways are in the same disconnected state that marked the railways at the close of the Civil War. It was the union of separate railway lines into large systems that enabled the railroads, through a mistaken antagonism, almost entirely to destroy inland water transport in the United States.

The American intracoastal canal was officially recognized as a possible Government project when Congress passed the rivers and harbors act of 1909, directing surveys to determine the advisability of constructing a continuous waterway, inland where practicable, from Boston, Mass., to the mouth of the Rio Grande on the lower border of Texas. Let me say here that the extension of this waterway into Maine is practicable and is definitely contemplated; and let me say further that, while this great project has not been adopted as a whole, so many of the component sections have already been recognized by the Government and are already under improvement that they comprise a very large portion of the entire channel.

Pursuant to the direction of the rivers and harbors act of 1909, a route has been outlined by the Government engineers from Boston to the mouth of the Rio Grande. Some parts of it are already in use; some are on the way to completion; while some have not yet been approved. The land cuts are amazingly small in comparison with the total distance. Located almost entirely on or near the coast line, it traverses for the most part a succession of sounds, bays, lakes, lagoons, bayous, inlets, and rivers, with a minimum of expense and difficulty in the matter of dredging.

The project comprises five general divisions: That from Boston to Beaufort, N. C., 778 miles in length; that from Beaufort to Key West, Fla., with a length of 925 miles; that from the mouth of the Oklawaha River, Fla., in the St. Johns River link of the Beaufort-Key West division, across upper Florida to St. Georges Sound on the west shore of Florida, a route 350 miles long; that from St. Georges Sound to the Mississippi River at New Orleans, traversing a distance of 370 miles; that from New Orleans to the mouth of the Rio Grande, a channel 700 miles long. This means a waterway over 3,000 miles long, not counting that portion of the Beaufort-Key West division below the trans-Florida division, a portion about 400 miles long, and not including an additional supplementary division consisting of a shore-line route from Key West to the proposed junction of the trans-Florida division with the Gulf of Mexico on the west coast of Florida, a channel distance, roughly calculated, of over 400 miles.

Thus, we have in prospect a coast line channel for almost the entire length of the Atlantic and Gulf coasts of the United States—a channel having already a depth in many links and sections, some of them not yet connected, of 5 to 25 feet or more; a channel which, when completed and given a standardized depth, will connect the waterways of the greater part of the United States, forming them into a single gigantic unit, intensifying our capacity for production, distribution, and exchange, enabling us the better to supply our growing country and the world with the necessities, the facilities, and the comforts of existence.

Every link in this waterway is a matter of national concern; and nearly every link has, like the Cape Cod Canal, reasons to support its development, not only as a part of the intracoastal project but on its merits as an independent waterway.

In this connection let me call particular attention to that section of the Mississippi-Rio Grande division known as the

New Orleans-Corpus Christi section, a waterway which of itself will mean as much to this Nation in many respects as the channel through the Great Lakes from Duluth to New York.

The Duluth-Great Lakes-New York Channel gave easier access, based on water transport and water rates, to one of the basic materials for the making of steel, iron ore, and to a basic food product, wheat. The Louisiana-Texas intracoastal canal—that section of it running from the Mississippi to Corpus Christi—will give easier access, based on water transport and water rates, to a far larger number of elemental commodities of industry and life, to wit, cotton, sulphur, petroleum products, sugar, lumber, rice, and salt. The sulphur supply of the world lies on the Louisiana-Texas intracoastal canal. Sulphur is an essential element in the production of steel and is used in growing quantities in the very district in which the Great Lakes channel made the steel industry possible on so overwhelming a scale. On this Louisiana-Texas waterway and its Mississippi, Ohio, and other river connections, a barge loaded with sulphur will make a continuous voyage from the place of production to the Pittsburgh district. Of the scores of other important commercial, chemical, and industrial uses of sulphur, or of the uses of cotton, petroleum products, sugar, and so forth, it is unnecessary to speak.

The Louisiana-Texas intracoastal canal will connect at New Orleans with the Mississippi River and its tributaries—that is, with 16,000 miles of inland waterway—establishing a water-transport system to supplement, stabilize, and upbuild the rail system in a larger territory than that affected by the Great Lakes route.

Adverting to the local phase, it may accurately be said that nothing will contribute more effectively to the development of the region traversed by the Louisiana-Texas canal than the water transport which it will make possible for steel and finished steel products and manufactured articles in general. Furthermore, this region is intersected to a large extent by existing waterways—to such an extent as to make railway outlets impracticable for great stretches of territory. The canal in this section crosses and unites these waterways, providing adequate transport facilities and port outlets for one of the richest portions of the earth. Provision for the section between the Mississippi River and Corpus Christi is provided in this bill. I shall support this provision and the provisions for all the other sections, including the Cape Cod Canal, of the American intracoastal canal embodied in the present river and harbor bill.

Mr. KING. Mr. President, yesterday the Senator from Mississippi [Mr. HARRISON] called the attention of the Senate to the fact that taxes had been collected in excess of the needs of the Government, as a result of which a considerable sum, denominated "surplus," was in the Treasury of the United States. The fact that there was a surplus was used by him as a basis of an argument in favor of an immediate reduction in taxes.

May I add parenthetically that if the Republican Party had not played politics there would have been great reductions in taxation in 1919. Senators will recall that President Wilson, in the spring of 1919, strongly recommended the enactment of revenue legislation that would greatly reduce taxes, and that other legislation should be promptly passed in order that the country might be restored to peace-time standards at the earliest possible moment.

But the Republicans having control of the House and Senate, refused to heed the wise recommendations of the President, and cynically and brazenly announced that they would enact no revenue legislation and no important measures looking to the repeal of war-time legislation until their party had control of all branches of the Government. And when they secured the Presidency, they proceeded in a halting, irrational, and unscientific manner, to deal with the question of tax reduction. They were playing politics and not exercising wisdom, nor were they guided by the spirit of statesmanship and fair dealing toward the American people.

The Democrats insisted, in 1919, and also when the Republicans reported their revenue measures, that there should be greater reductions in taxes and that the expenses of the Government should be reduced far below the standard set by the Republican Party. All efforts of the Democrats to restore the country to peace-time conditions, to relieve the people from the burdens of taxation, to inaugurate reforms in administrative and governmental policies were met with the most violent opposition—opposition which unfortunately defeated the wise and patriotic policies for which the Democratic Party was contending.

The party in power has, with the utmost audacity, declared from time to time that it would attack the question of taxation in a piecemeal way; that it would enact a multitude of revenue bills, each one reducing taxes, but synchronize the passage of these measures with the campaigns conducted before elections for Congressmen, Senators, and President. When the last revenue bill was passed, Democrats insisted upon a greater reduction of taxes, and demonstrated that there could be further reductions to the extent of at least $250,000,000 without approaching the danger line, and indeed, after having provided an entirely satisfactory margin of safety. Appeals now for tax reduction will be heard in vain by the Republicans. They are demonstrating that they are politicians and not statesmen; that they are partisans always and predetermine their course with reference to the effect upon the coming elections. Undoubtedly when Congress meets in December the Republicans will beat the drum and sound the bugle and cry aloud for tax reduction. They will then be very patriotic and exceedingly solicitous for the welfare of the people, but those who think and who analyze the situation and try to understand the motives of Republicans, will not be misled. They will perceive the hypocrisy of the pretensions of the party in power, and reach the conclusion that their plan has been guided by political expediency, and their purpose has been to win elections and perpetuate the Republican Party in power.

Mr. President, experience has demonstrated that it is not a sound governmental policy to collect revenues in excess of the needs of the Government. A full Treasury is always an invitation to improvident and profligate expenditures and to the enactment of dangerous, and indeed evil, legislation. President Cleveland recognized that fact at a time when there was a surplus in the Treasury and he urged Congress to promptly enact measures for the reduction of the burdens of taxation.

The Treasury of the Government is always an inviting object of attack. There are in society criminal elements that seek, with burglarious intent, to break into vaults or to despoil people of their possessions. There are organizations in our country which exist for the purpose of formulating schemes to assault the Treasury of the United States and secure unwise and improper appropriations. One need not be in Washington very long, particularly if he is in the House or Senate, without discovering the countless groups and organizations constantly engaged in sapping and mining the Federal Treasury, and carrying on subtle and too often effective propaganda to secure large appropriations for schemes and projects utterly unworthy, and many of which are beyond the pale of national concern.

And it is remarkable the success which attends the efforts of propagandists and sinister organizations to burglarize the Treasury of the United States. A militant, persistent, cunning, and subtile organization, no matter how insignificant its personnel, achieves great triumphs, and forces upon the statute books measures not only impolitic and unwise but too often measures which are destructive of our form of government.

Mr. President, the measure before us which I propose to discuss will, in my opinion, take several hundred millions of dollars out of the Treasury of the United States. I regard the measure in its entirety not only as unwise but so unjust as, from my point of view, to be indefensible. Undoubtedly it is within the right of the Federal Government to appropriate for the improvement of some harbors, and for the development of some of the inland waterways of our country. But a review of the rivers and harbors bills that have been enacted into law during the past 50 or 60 years will furnish convincing evidence to dispassionate and fair-minded investigators that hundreds of millions of dollars have been taken from the Treasury of the United States for improper and illegitimate schemes.

Long ago rivers and harbors bills were denominated "pork-barrel" bills. Most measures dealing with rivers and harbors which have passed Congress justify the criticisms which have been made, and their characterization as "pork-barrel" measures. Undoubtedly there is obloquy attached to the words "pork barrel." But notwithstanding the indignation which has been aroused from time to time against these measures, they reappear with greater audacity and for increased amounts. A review of legislation upon this subject reveals the futile efforts which have been made to halt this powerful juggernaut which crushes all opposition beneath it. Party lines vanish; fundamental principles of government are forgotten, and the Treasury of the United States is thrown open in order that its contents, wrung from the people by exacting revenue laws, may with but slight impediment, be poured into the swamps and rivulets and bayous and inlets and alleged navigable streams which are wholly unnavigable, and declared harbors which never will be serviceable.

Mr. President, the bill before us will dissipate millions of the surplus now in the Treasury and will commit the Government to the appropriation of hundreds of millions of dollars, a considerable portion of which will have to be met within the

next few years. I may add that there are provisions in this bill that provide for continuing appropriations for indefinite periods of time. The bill is so drawn, and the data available with respect to many of the projects, are so incomplete, that no one can tell with any degree of certainty the aggregate amount which will finally be spent upon the projects dealt with in the pending measure. I have heretofore in the debate upon the bill stated that, as I recall, this bill will commit the Government to expenditures of more than $200,000,000. Further examination of the bill convinces me that I underestimated, rather than overestimated, the commitments carried in the bill. I have been told by several who are familiar with the projects with which this measure deals, that the Government will be compelled to appropriate more than $250,000,000 to meet the obligations which this bill carries.

Mr. President, one of the projects adopted in this bill relates to a section of the Missouri River, between Kansas City and Sioux City, Iowa. I have been advised by persons whose knowledge is worthy of consideration that these projects will cost the Federal Government $100,000,000. And this is only one of scores and scores of projects which are found in the bill. In addition to a large number of projects or so-called improvements which are now being carried in the arms of the Federal Government, which, in some instances have, for a number of years, been sucking money from the Treasury of the United States, there are provisions in the pending measure for approximately 150 new projects, and I am told that before the bill passes the Senate more than 50 additional projects will be added. When the bill was in the House, it was loaded down with 150 new schemes and projects. But the Senate must not permit the House to outdo it, and so the geography of the various States must be studied, topographical maps must be examined, and lost streams and creeks must be rediscovered and the Senate must provide for the survey of scores of creeks and rivulets and bayous and channels which it is intended shall be the excuse for drawing from the Federal Treasury tens of millions of dollars.

My friend the Senator from Mississippi need not be concerned about the surplus in the Treasury. It is too inviting a prize to remain secure. There will be organized raids upon the Treasury before we adjourn, and unless Congress exhibits courage and fidelity, this huge sum will be appropriated. Indeed, there are measures on foot now which contemplate the appropriation of hundreds of millions of dollars in excess of the Budget requirements and which, if carried into effect, will create a deficit to be met by increased taxation.

Mr. President, I confess that the attitude of the American people upon the question of Federal, State, and municipal expenditures is not only disquieting but in my opinion it is calculated to produce the most profound apprehensions in the minds of patriotic people as to the future of our country. When the people of any country seek to devolve upon the Government duties and responsibilities and obligations which rest upon local communities and upon individuals, then such country is in a dangerous condition. Our States, counties, and municipalities are expending hundreds of millions of dollars annually in excess of their revenues, and stupendous sums are being expended upon unworthy schemes and enterprises, on behalf of projects which should be developed and carried on by private individuals. And many of the States are plunging recklessly into dangerous undertakings and are assuming responsibilities which, under our theory of government, belong to local communities or individuals or groups of individuals.

Bureaucracy and socialism are more than spectres which appear far in the distance. They are powerful and concrete evils which are now in our midst. They grip State and Federal Government at every turn, and their all-embracing arms seek to encircle the people in every part of our land. Unless there is renaissance of individualism, a return to the sound theories of government, the future of our country will be filled with uncertainty. But, Mr. President, all appeals for economy seem to fall upon deaf ears. The American people in their private lives do not practice those homely virtues which found exemplification in the lives of the early settlers of this Republic. This is a day of profligate expenditure. We speak only of millions and billions; we are taught that it is a virtue to spend and we have economists in our midst who try to justify the most profligate expenditures upon the theory that waste and extravagance in expenditures call for more raw material and more finished products with the result that there will be additional opportunities for work and additional places to be filled by citizens. A cynic has said that a wise statesman of this day is the one who votes to reduce taxes and supports every proposition for expenditures.

Mr. President, this Congress will not be accused of tax reduction but it will have to bear in the future the obloquy of profligate expenditures. Mr. President, our country is apparently irrevocably committed to a program of increased expenditures. The President of the United States, who is by some proclaimed a devotee of retrenchment and economy, has announced that national expenditures will increase; and the inference is irresistible from his recent declarations, that Federal expenses will never, under Republican rule at least, be reduced lower than at present. Indeed, the President's position and the position of Republican leaders is, that the swollen stream of national expenditures will increase in volume as the years go by.

The appropriations for the next fiscal year will exceed those for the fiscal year ending June 30, 1927. Mr. President, I protest against the extravagance of the Government, against the waste and inefficiency in favor of every department, I denounce the statement of the President and his advisors that the Republican administration has practiced economy and that important administration reforms have been inaugurated during this or the preceding administration. These claims are utterly without foundation. There are more executive bureaus now than when the Republicans came into power and the annual expenses of the Government are three times what they were in 1916.

Mr. President, I call attention to the fact that the net total of appropriations for rivers and harbors, from the first appropriation in 1802 to the present time, is $1,397,684,576.63. This stupendous sum does not include, of course, many commitments under legislative enactments which will entail upon the Government expenditures aggregating hundreds of millions of dollars.

I have made an examination of all of the appropriations, so far as records are available, commencing with the year 1802, down to the present time, and the total I have just stated.

The first large appropriation made by Congress amounted to $1,000,000. This appropriation was made May 24, 1828, and appears under the heading of "Canals," but a portion of it was for the purpose of improving the Apalachicola River in Florida and to survey Charlotte Harbor, N. Y., and to improve the breakwater in the Delaware River.

From then until March 3, 1837, no appropriation exceeding $800,000 was made; indeed, the largest was $727,283, and was regarded as a general appropriation bill for rivers, harbors, examinations, surveys, and various contingencies.

At that early day the pernicious plan prevailed of linking together various items and projects in a "pork barrel" bill in order to secure the necessary support for the passage of rivers and harbors bills. The plan then adopted was so successful that it has been followed without deviation until the present hour.

On March 3, 1837, $1,666,722 was appropriated for rivers and harbors, examinations, surveys, and various contingencies.

The next appropriation bill in excess of $1,000,000 was passed on July 7, 1838, and carried $1,477,317.16. The same year a number of acts were passed providing for examinations, surveys, and what were called "contingencies."

On August 30, 1852, another appropriation was made by Congress, amounting to $2,099,290 for rivers, harbors, examinations, surveys, and contingencies.

On June 23, 1866, Congress appropriated for the same purpose $3,698,047.91.

Two years later a bill was passed carrying $4,702,781.70.

From 1867 to 1881, 27 acts were passed, covering items numerous in character; these items requiring from $2,000 to $500,000 each. Thirteen acts were passed during the same period, authorizing expenditures aggregating $8,980,755.36.

On March 3, 1881, the largest appropriation at any one time was made by Congress. The bill carried $11,441,300. Then followed four measures appropriating various sums, the smallest being $10,000 for a single item or project, up to $100,000; and in August, 1882, Congress appropriated for rivers and harbors $18,738,875.

Between June 30, 1882, and the year 1900, 20 measures were passed authorizing as a minimum $1,000,000 and as a maximum $25,000,000. During the same period 40 other measures were passed, carrying appropriations of from $1,500 for a single item or project up to more than $800,000 for a single particular item or project.

The largest appropriations were made between the year 1900 and the present time. During that period of less than 30 years, 39 rivers and harbors bills have been passed, carrying from $1,500,000 to more than $57,000,000 each, and in addition 15 measures were enacted appropriating from $10,000 for a single item to $982,000.

Without taking the time of the Senate to refer to all the appropriations and the various acts of Congress, I ask permission to insert in the RECORD, as a part of my remarks, a statement showing the appropriations, by each Congress,

beginning with the Seventh Congress up to and including the Sixty-eighth Congress, and also the bill which passed April 15, 1926, authorizing $50,200,000.

The PRESIDING OFFICER (Mr. DENEEN in the chair). Is there objection?

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

APPROPRIATIONS FOR RIVERS AND HARBORS IMPROVEMENTS COVERING THE PERIOD FROM APRIL 6, 1802, TO THE FISCAL YEAR ENDING JUNE 30, 1927

The following tabulation is a statement of total amounts, by acts, appropriated by Congress, giving dates and amounts of each act, as well as the Congress in which act was passed:

Seventh Congress: Apr. 6, 1802		$30,000.00
Ninth Congress: Apr. 18, 1806		448.71
Eleventh Congress: Feb. 10, 1809		25,000.00
Sixteenth Congress:		
Feb. 15, 1819	$6,500.00	
Apr. 14, 1820	8,500.00	
		16,000.00
Seventeenth Congress:		
Mar. 3, 1821	150.00	
Do	2,500.00	
May 7, 1822	34,200.00	
		36,850.00
Eighteenth Congress:		
Mar. 3, 1823	6,150.00	
Apr. 30, 1824	30,000.00	
May 24, 1824	75,000.00	
May 26, 1824	40,000.00	
		151,150.00
Ninteenth Congress:		
Feb. 21, 1825	28,567.00	
Mar. 2, 1825	52,972.56	
Mar. 3, 1825	300,000.00	
Do	12,112.00	
Mar. 3, 1826	20,000.00	
Mar. 25, 1826	70,184.90	
May 13, 1826	100,000.00	
May 18, 1826	150,000.00	
Do	50,000.00	
Do	85,320.00	
		869,156.46
Twentieth Congress:		
Mar. 2, 1827	32,000.00	
Do	82,176.45	
Do	5,383.40	
Mar. 3, 1827	30,000.00	
Mar. 19, 1828	2,000.00	
May 19, 1828	106,982.29	
May 23, 1828	311,313.00	
Do	250,000.00	
May 24, 1828	1,000,000.00	
Mar. 2, 1829	178,807.00	
Do	200,000.00	
Do	30,000.00	
Do	133,500.00	
Do	7,310.54	
Mar. 3, 1829	105,003.25	
		2,474,475.93
Twenty-first Congress:		
Apr. 23, 1830	367,123.48	
May 31, 1830	40,400.00	
		407,523.48
Twenty-second Congress:		
Mar. 2, 1831	5,000.00	
Do	436,551.84	
Do	225,000.00	
Feb. 24, 1832	9,000.00	
July 3, 1832	713,560.75	
July 4, 1832	3,000.00	
Mar. 2, 1833	40,500.00	
Do	505,800.00	
Do	8,430.62	
Do	48,266.60	
		1,995,109.81
Twenty-third Congress:		
June 27, 1834	265.00	
June 28, 1834	727,283.00	
June 30, 1834	28,337.55	
Do	500.00	
Do	70,000.00	
Do	6,240.63	
Feb. 24, 1835	30,000.00	
Do	17,000.00	
Mar. 3, 1835	458,057.03	
Do	25,000.00	
		1,362,683.21
Twenty-fourth Congress:		
July 2, 1836	704,319.95	
July 4, 1836	483,100.41	
Mar. 3, 1837	1,666,722.00	
Do	30,000.00	
		2,884,142.36
Twenty-fifth Congress:		
Apr. 20, 1838	70,000.00	
July 7, 1838	2,000.00	
Do	1,477,317.16	
Do	2,000.00	
Mar. 3, 1839	2,000.00	
Do	500.00	
Do	15,500.00	
Do	1,500.00	
		1,570,817.16
Twenty-sixth Congress:		
May 8, 1840	150.29	
July 20, 1840	1,075.39	
Mar. 3, 1841	17,500.00	
Do	4,369.00	
Do	75,000.00	
		98,094.68
Twenty-seventh Congress:		
Sept. 9, 1841	$45,000.00	
June 4, 1842	8,000.00	
Aug. 23, 1842	145,000.00	
Aug. 31, 1842	2,000.00	
Mar. 1, 1843	150,000.00	
Do	3,471.57	
Mar. 3, 1843	16,000.00	
Do	80,000.00	
Do	2,680.01	
		$452,151.58
Twenty-eighth Congress:		
June 11, 1844	655,000.00	
June 15, 1844	12,500.00	
Do	12,500.00	
Do	7,500.00	
Do	14,000.00	
Do	320.89	
Do	1,150.00	
Do	536.74	
Do	412.12	
Feb. 13, 1845	18,437.27	
Feb. 26, 1845	5,000.00	
Mar. 3, 1845	240.00	
Do	5,266.96	
Do	15,000.00	
Do	7,000.00	
		754,863.98
Twenty-ninth Congress:		
Aug. 10, 1846	4,988.00	
Mar. 2, 1847	7,751.92	
Mar. 3, 1847	6,479.25	
Do	645.30	
		19,864.47
Thirtieth Congress:		
July 20, 1848	40,000.00	
Mar. 3, 1849	1,500.00	
Do	5,000.00	
Do	651.76	
		47,151.76
Thirty-first Congress: Sept. 30, 1850		50,000.00
Thirty-second Congress:		
Aug. 30, 1852	2,099,290.00	
Aug. 31, 1852	50,000.00	
Mar. 3, 1853	877.42	
		2,150,167.42
Thirty-third Congress:		
July 22, 1854	140,000.00	
Mar. 2, 1855	922.65	
Mar. 3, 1855	161,000.00	
Do	1,696.15	
Do	8,617.81	
		312,236.61
Thirty-fourth Congress:		
July 8, 1856	330,000.00	
Do	100,000.00	
Do	45,000.00	
Aug. 16, 1856	100,000.00	
Do	200,000.00	
Mar. 3, 1857	20,833.00	
		795,833.00
Thirty-fifth Congress:		
June 7, 1858	2,502.11	
Feb. 9, 1859	809.65	
		3,311.76
Thirty-sixth Congress:		
June 9, 1860	1,350.00	
June 12, 1860	1,406.94	
		2,756.94
Thirty-eighth Congress:		
Apr. 9, 1864	1,778.36	
Do	2,224.00	
Do	99.00	
May 19, 1864	308.00	
June 28, 1864	350,000.00	
July 1, 1864	225,276.83	
July 2, 1864	87,500.00	
Feb. 28, 1865	23,000.00	
		690,186.19
Thirty-ninth Congress:		
June 12, 1866	125,000.00	
June 23, 1866	3,698,047.91	
July 28, 1866	8,000.00	
Mar. 2, 1867	4,702,781.70	
Do	38,500.00	
		8,572,329.61
Fortieth Congress: July 25, 1868		1,601,530.00
Forty-first Congress:		
Apr. 10, 1869	$2,000,000.00	
Dec. 23, 1869	200,000.00	
May 5, 1870	500.00	
June 11, 1870	3,945,900.00	
July 15, 1870	280,000.00	
Jan. 18, 1871	541,000.00	
Feb. 2, 1871	100,000.00	
Mar. 3, 1871	4,407,500.00	
		11,474,900.00
Forty-second Congress:		
June 10, 1872	13,713.97	
Mar. 3, 1873	5,588,000.00	
Jan. 8, 1873	15,000.00	
Mar. 3, 1873	6,102,900.00	
Do	34,988.53	
Do	8,132.95	
		11,762,735.45
Forty-third Congress:		
Feb. 25, 1874	20,000.00	
Feb. 27 1874	193,132.96	
Apr. 3, 1874	30,000.00	
May 11, 1874	1,675,354.31	
June 22, 1874	25,000.00	
June 23, 1874	5,228,000.00	
Do	10,000.00	
Mar. 3, 1875	6,648,517.50	
		13,830,004.77

Forty-fourth Congress:		
May 1, 1876	$2,100.28	
July 31, 1876	10,100.00	
Aug. 14, 1876	5,015,000.00	
		$5,027,100.28
Forty-fifth Congress:		
Feb. 7, 1878	46,000.00	
Apr. 30, 1878	7,500.00	
June 7, 1878	75,000.00	
June 18, 1878	8,201,700.00	
June 20, 1878	9,513.00	
Jan. 13, 1879	101,536.72	
Mar. 3, 1879	7,096,600.00	
		15,537,849.72
Forty-sixth Congress:		
June 28, 1879	175,000.00	
Jan. 23, 1880	25,000.00	
June 14, 1880	8,980,755.36	
June 16, 1880	5,010.00	
Do	150,000.00	
Jan. 13, 1881	50,000.00	
Mar. 3, 1881	160,000.00	
Do	11,441,300.00	
		20,987,065.36
Forty-seventh Congress:		
Mar. 4, 1882	100,000.00	
Mar. 21, 1882	100,000.00	
May 4, 1882	50,000.00	
June 19, 1882	10,000.00	
Aug. 2, 1882	18,738,875.00	
Aug. 7, 1882	152,000.00	
Mar. 3, 1883	2,460.00	
Do	150,000.00	
		19,303,335.00
Forty-eighth Congress:		
Jan. 18, 1884	1,000,000.00	
Mar. 12, 1884	8,100.00	
July 5, 1884	13,940,200.00	
July 7, 1884	81,479.32	
		15,029,779.32
Forty-ninth Congress:		
May 26, 1886	6,492.00	
Aug. 4, 1886	129,404.57	
Aug. 5, 1886	14,464,900.00	
		14,600,796.57
Fiftieth Congress:		
Feb. 1, 1888	176,380.32	
Mar. 5, 1888	5,000.00	
Mar. 30, 1888	8,800.00	
Apr. 2, 1888	7,572.48	
May 21, 1888	8,174.79	
Aug. 11, 1888	22,236,185.13	
Oct. 1, 1888	10,000.00	
Oct. 2, 1888	35,000.00	
Oct. 19, 1888	46,525.06	
Mar. 2, 1889	62,060.00	
Do	2,000.00	
		22,597,697.78
Fifty-first Congress:		
Feb. 22, 1890	150,000.00	
Mar. 17, 1890	6,100.00	
Apr. 4, 1890	10,000.00	
Aug. 30, 1890	3,735.00	
Sept. 19, 1890	25,036,611.85	
Sept. 30, 1890	162,178.04	
Jan. 19, 1891	2,128.87	
Mar. 3, 1891	1,950.00	
Do	1,951,200.00	
Do	1,000,000.00	
		28,323,903.76
Fifty-second Congress:		
July 13, 1892	21,154,218.00	
July 28, 1892	109,067.63	
Aug. 5, 1892	814,000.00	
Mar. 1, 1893	15,000.00	
Mar. 3, 1893	14,166,153.00	
Do	95,986.65	
		36,354,425.28
Fifty-third Congress:		
June 23, 1894	6,391.12	
Aug. 8, 1894	5,434.18	
Aug. 18, 1894	11,498,180.00	
Do	8,400,000.00	
Aug. 23, 1894	6,325.28	
Do	1,916.97	
Jan. 25, 1895	200,000.00	
Mar. 2, 1895	15,000.00	
Do	11,452,115.00	
		31,585,362.55
Fifty-fourth Congress:		
Feb. 26, 1896	300,500.00	
Do	1,500.00	
May 1, 1896	17,811.96	
May 11, 1896	1,289.33	
June 3, 1896	16,579,165.46	
June 11, 1896	3,299,597.00	
Do	8,265.19	
		20,208,128.94
Fifty-fifth Congress:		
Feb. 26, 1897	250,000.00	
Mar. 31, 1897	250,000.00	
June 4, 1897	19,291,412.91	
July 19, 1897	1,211,326.82	
Apr. 11, 1898	2,000.00	
July 1, 1898	14,507,459.56	
July 7, 1898	360,001.42	
Mar. 3, 1899	9,023,197.00	
Do	31.79	
Do	15,181,841.94	
		60,077,271.44
Fifty-sixth Congress:		
Feb. 9, 1900	$20,000.00	
June 6, 1900	15,240,605.75	
Do	18.00	
Do	260,000.00	
Mar. 1, 1901	10,200.00	
Mar. 3, 1901	7,061,623.00	
Do	4.59	
		$22,592,451.34
Fifty-seventh Congress:		
Feb. 14, 1902	1.96	
June 13, 1902	26,521,442.00	
June 28, 1902	5,783,757.50	
July 1, 1902	25,000.00	
Mar. 3, 1903	6.01	
Do	20,243,150.99	
		52,573,358.46
Fifty-eighth Congress:		
Apr. 28, 1904	7,887,200.00	
Do	835,274.34	
Mar. 3, 1905	18,181,875.41	
Do	10,559,132.00	
		37,463,481.75
Fifty-ninth Congress:		
Apr. 23, 1906	400,000.00	
June 28, 1906	10,000.00	
June 30, 1906	21.42	
Do	17,269,050.04	
Mar. 2, 1907	37,108,083.00	
Mar. 4, 1907	6,407,730.00	
		61,194,884.46
Sixtieth Congress:		
May 27, 1908	18,107,945.00	
Mar. 3, 1909	9,385,750.00	
Mar. 4, 1909	19,769,514.00	
		47,263,209.00
Sixty-first Congress:		
Jan. 19, 1910	10,000.00	
June 25, 1910	40,277,238.50	
Do	8,066,428.00	
Do	600.00	
Feb. 27, 1911	23,760,342.00	
Mar. 4, 1911	7,043,077.00	
		79,157,685.50
Sixty-second Congress:		
Apr. 3, 1912	350,000.00	
Apr. 16, 1912	300,000.00	
Apr. 30, 1912	1,500,000.00	
May 9, 1912	50,000.00	
July 25, 1912	29,455,370.50	
Aug. 24, 1912	9,515,250.00	
Aug. 26, 1912	181.88	
Mar. 4, 1913	41,221,364.00	
		82,392,166.38
Sixty-third Congress:		
June 23, 1913	10,060,795.00	
Aug. 1, 1914	7,003,500.00	
Oct. 2, 1914	20,000,000.00	
Mar. 3, 1915	3,997,000.00	
Mar. 4, 1915	25,000,000.00	
		66,061,295.00
Sixty-fourth Congress:		
July 1, 1916	982,800.00	
July 27, 1916	40,656,135.00	
		41,638,935.00
Sixty-fifth Congress:		
June 12, 1917	1,005,000.00	
Aug. 8, 1917	27,976,150.00	
July 1, 1918	750,000.00	
July 18, 1918	23,771,900.00	
July 19, 1918	50,000.00	
Mar. 2, 1919	33,378,364.00	
		86,931,414.00
Sixty-sixth Congress:		
June 5, 1920	382,700.00	
Do	12,400,000.00	
Mar. 4, 1921	100,000.00	
Mar. 1, 1921	15,250,000.00	
		28,132,700.00
Sixty-seventh Congress:		
June 30, 1922	43,140,661.00	
Mar. 2, 1923	57,046,760.00	
		100,187,421.00
Sixty-eighth Congress:		
June 7, 1924	37,600,000.00	
Feb. 12, 1925	40,275,000.00	
Apr. 15, 1926	50,200,000.00	
		128,075,000.00
Grand total appropriations, rivers and harbors		1,187,738,193.23

Mr. KING. Mr. President, the figures to which I have referred, as having been the net total expended for purposes of rivers and harbors amount to $1,397,684,576.63. The above statement, showing appropriations by Congresses, shows a total of $1,187,738,193.23. In addition to this stupendous sum, sundry appropriations were made the total of which are to be added to the amount of $1,187,738,193.23 presented in the above statement, and are as follows:

SUNDRY APPROPRIATIONS

Amount paid on contract settlement pursuant to provisions of act of Mar. 3, 1875, and amendatory acts, for the improvement of South Pass, Miss	$8,000,000.00
Expenditures under permanent indefinite appropriations provided by acts of June 14, 1880, and Mar. 3, 1899, for removing sunken vessels or craft obstructing or endangering navigation	3,134,413.30

Actual disbursements under permanent indefinite appropriations provided by acts of Mar. 3, 1881, July 5, 1884, and Mar. 3, 1909, for operating and care of canals and other works of navigation	$76,080,589.42
Actual disbursements under permanent appropriation provided by acts of Aug. 11, 1888, and June 13, 1902, for examinations and surveys at South Pass, Mississippi River	350,603.14
Actual disbursements under permanent annual appropriation provided by act of June 6, 1900, for maintenance by the United States of South Pass Channel, Mississippi River	2,333,274.17
Actual disbursements under permanent appropriation provided by act of Aug. 11, 1888, for operating snag boats and dredge boats on Upper Mississippi, Illinois, and Minnesota Rivers	889,120.33
Actual disbursements under permanent appropriation provided by act of Aug. 11, 1888, for removing snags and wrecks from Mississippi River	3,414,374.79
Actual disbursements under permanent appropriation provided by acts of Aug. 11, 1888, and June 13, 1902, for gauging the waters of Mississippi River and its principal tributaries	287,097.88
Actual disbursements under permanent appropriation provided by acts of Sept. 19, 1896, for operating snag boats on Ohio River	1,272,587.14
Total	95,762,060.17

The sundry appropriations above given total, as will be observed, $95,762,060.17, to which we must add the following statement:

Appropriations for flood control, Mississippi and Sacramento Rivers, 1917–1925	$69,156,500.00
Appropriations for Dam No. 2, Muscle Shoals, Tennessee River	46,027,823.13
Total	115,184,323.13

Making a grand total, as stated, of $1,397,684,576.63.

Mr. President, I propose now to analyze the present bill and to discuss generally the question of rivers and harbors.

The policy of promoting foreign and domestic commerce by prudent appropriations and expenditures of Government money, in aid of water navigation, has been accepted by a majority of the people of this country, and doubtless will continue to be approved, even by some of the most patriotic people of our country, and those who seek to restrict the Government to fields of operation into which it is authorized to enter under the Constitution of the United States.

The practice of the Congress to maintain harbors and waterways by regular and continuous appropriations has prevailed from the beginning of the Government under the Constitution. The first appropriation is noted as having been made on April 6, 1802, which may be taken as the inauguration of this policy.

The history of appropriations and expenditures for rivers and harbors has not been without charges of waste and extravagance. Many of the appropriation acts were opprobriously denoted as "pork-barrel" bills. Attempts have been made to obviate some of the objections to this species of legislation by having the Corps of Engineers of the Army make surveys and estimates of the cost of each project, and obtain the approval of the projects by general legislation before the appropriation bills are framed, and thus confine appropriations to the projects which have been previously approved.

But these attempts have not, in my opinion, achieved any considerable success. In many instances where surveys were ordered and adverse reports were made condemning and disapproving projects, Congress ignored the same and adopted the projects and made appropriations for their development. In some instances, after such adverse reports were rendered, no action was taken for a number of years, but finally local pressure was brought to bear upon Congress, and the reports of the engineers were overruled, their recommendations disregarded and large appropriations carried in rivers and harbors bills looking to their development. An examination of the hundreds of reports made by engineers and a scrutiny of the data available respecting projects which had been adopted, and appropriations which had been made, reveal the fact that improper methods have not infrequently been adopted to secure favorable recommendations by the Army engineers and to obtain Federal appropriations.

Mr. President, the record of many of these projects is a most unlovely and sordid one. It reveals the selfishness, the provincialism, and the sinister activities of individuals to promote unworthy and improper policies and to secure appropriations which Congress had no constitutional authority to make. The Government has been imposed upon in hundreds of instances and tens of millions of dollars have been taken from the Treasury under false pretenses and under circumstances and conditions which justify the charge that burglarious assaults were made upon the Treasury of the United States. Political pressure has been employed to secure appropriations, and "logrolling" of an offensive character has not infrequently secured the insertion in rivers and harbors bills of provisions and appropriations for projects that under no theory could be justified.

I have before me data concerning the projects authorized to be surveyed in the pending bill, and I shall show before I conclude, that many of them have been adversely reported upon years ago by the same officers whom Senators the other day eulogized so highly and said that Congress always followed their recommendations.

I shall show, if time permits, that many of the recommendations made were unwise and the result in some instances of political and local pressure by which the will or the judgment of officers was overridden and set as de.

Coupled with this arrangement, is the practice of making "lump-sum" appropriations, the actual allocation of the moneys being made by the Chief of Engineers of the Army among the various approved projects.

The appropriation of $40,000,000 carried under the head of "Rivers and harbors" in the War Department appropriation act approved February 12, 1925, was allocated to hundreds of separate projects. An examination of these allocations is not without the rather pointed inference that the moneys appropriated by Congress are being still scattered to inconsequential objectives, and that the motive behind the "pork-barrel" appropriations to secure something for each congressional district, is still influencing the expenditures of appropriations for the improvement and maintenance of rivers and harbors.

The disbursement of this appropriation of $40,000,000 is indicated by the following:

Summary of expenditures for the fiscal year ended June 30, 1926

Name of project	New work	Maintenance
Bar Harbor	$5.81	
Rockland Harbor		$6,573.28
Kennebec River		25,000.00
Newburyport Harbor		372.43
Boston Harbor	9,682.62	44,030.10
Beverly Harbor	2,471.75	
Weymouth Fore River	40,835.26	
Plymouth Harbor	40,084.14	9.25
Pollock Rip Shoals	4,320.53	38,900.57
Nantucket Harbor		41,598.76
New Bedford Harbor		1,744.17
Fall River Harbor		200.88
Providence Harbor	46,599.03	88.14
Point Judith Harbor		257.68
Black Island Harbor		122.05
Pawcatuck River		193.07
New London Harbor		140.52
Thames River		36,689.27
Connecticut River below Hartford	15,335.67	19,914.39
Duck Island Harbor		18.95
New Haven Harbor		56,840.18
Housatonic River		117.16
Bridgeport Harbor	13,373.56	13,975.60
Norwalk Harbor	45,601.65	
Stamford Harbor	373.03	35,090.32
Greenwich Harbor		150.81
Portchester Harbor	832.99	2,851.48
Mamaroneck Harbor	2,994.06	13.21
Eastchester Creek	2,779.12	2,342.59
Westchester Creek		58.22
Bronx River	149,075.04	6.21
New Rochelle Harbor		333.41
Flushing Bay Harbor		390.44
Hempstead Harbor		42.00
Huntington Harbor	20.00	
Port Jefferson Harbor		17.95
Great South Bay		48.25
Brown's Creek		723.53
Jamaica Bay	120,952.25	2,591.84
Sheepshead Bay		7.29
New York Harbor:		
Ambrose Channel		1,047,327.74
Anchorage Channel	271,479.24	377,970.44
Staten and Hoffman Island		455.19
Total	271,479.24	1,425,753.37
Coney Island Channel		22,876.93
Bay Ridge and Red Hook Channels		193.97
Buttermilk Channel		1,170.23
East River	2,165,366.99	10,404.83
Newtown Creek		347.22
Harlem River		10,339.19
Hudson River Channel	41,534.18	155,980.72
Tarrytown Harbor		82.91
Peekeskill Harbor		52.49
Waupinger Creek		37.41
Saugherties Harbor		2,087.16
Rondout Harbor	25,975.14	
Hudson River	114,712.19	202,924.72
Troy Harbor, narrows of Lake Champlain		485.86
Burlington Harbor		35,443.72
Plattsburg Harbor		1,352.36
Newark Bay	291,023.32	
New York and New Jersey Channels	1,308,805.16	
Woodbridge Creek		43.98
Raritan River		104.53
South River		91.95
Keyport Harbor		47.06
Shoal Harbor		9,067.90
Shrewsbury River		18,836.61

Summary of expenditures for the fiscal year ended June 30, 1926—Continued

Name of project	New work	Maintenance
Delaware River above Philadelphia		$1,786.77
Delaware River below Philadelphia	$485,266.60	2,233,523.44
Camden Harbor		212.30
Schuykill River	587.68	
Marcus Hook Harbor		1,700.00
Harbor of Refuge, Delaware Bay		20,771.35
Cooper River		15,506.57
Racoon Creek		79.00
Salem River		783.35
Alloway Creek		271.14
Maurice River		294.06
Cold Spring Inlet		2,427.21
Absecon Inlet	8,550.68	
Absecon Creek		9,837.57
Tuckerton Creek	500.00	18,392.06
Chester River		88.23
Wilmington Harbor		149,568.98
Chesapeake and Delaware Canal	1,874,908.43	
Appoquinimink River		138.87
Smyrna River		143.02
Leipsic River		
Little River		
St. Jones River	58,370.61	
Murderkill River		99.01
Mispillion River		42.88
Broadkill River		
Rehobeth Bay Waterway		1,038.78
Chincoteague Bay Waterway		574.79
Virginia Coastal Waterway		194.46
Baltimore Harbor		202,438.91
Washington Harbor		12,633.24
Alexandria Harbor		25,301.07
Potomac River		
Occoquan Creek		2,822.95
Aquia Creek		5,358.12
Nomini Creek		
Rappahannock River		10,235.05
Urbanna Creek		
Mattaponi River		1,211.36
Pamunkey River		2,513.38
Locklies Creek		149.05
Norfolk Harbor		53,953.85
Thimble Shoal Channel	139,909.17	1,933.55
Newport News Channel		1,146.24
James River		103,256.22
Appomattox River		773.20
Pagan River		958.91
Nansemond River		89.86
Onancock River		12.08
Norfolk-North Carolina Waterway		167.24
Norfolk-Beaufort Waterway	593,582.89	25,053.86
Roanoke River		4,813.37
Scuppernong River	10,172.47	
Pamlico and Tar River		19,878.73
Neuse River		10,187.15
Swift Creek		312.86
Contentnea Creek		471.40
Trent River		2,159.52
Thoroughfare Bay Channel		5,000.00
Beaufort Harbor		35,355.73
Core Sound Waterway		10,213.91
Beaufort-Jacksonville Waterway		181.42
Moorehead City Harbor		3,745.07
Cape Lookout Harbor		1,659.85
Cape Fear River below Wilmington	228,000.00	94,250.37
Cape Fear River above Wilmington		12,893.46
Northeast River		5,728.21
Black River		1,257.71
Winyah Bay		84,343.81
Waccamaw River		910.95
Great Peedee River		4,480.97
Charleston-Winyah Bay Waterway	433.36	21,260.11
Santee River		8,263.13
Congaree River		3,154.35
Charleston Harbor	18,244.81	43,825.14
Ashley River		97.22
Charleston-Beaufort Waterway		3,458.39
Savannah Harbor	85,417.03	529,783.80
Savannah River		26,383.66
Augusta Harbor		1,255.87
Savannah River above Augusta		49.06
Beaufort-St. John's Waterway	29,027.00	48,004.30
Sapello Harbor		737.06
Darien Harbor		176.06
Altamaha River		7,938.46
Oconee River		18,158.12
Ocmulgee River		14,537.11
Brunswick Harbor	65,134.87	34,834.51
Satilla River		1,600.29
St. Mary's River		1,576.82
Fernandina Harbor		64,784.04
St. Johns River below Jacksonville	67,417.73	876,835.80
St. Johns River above Jacksonville to Palatka		17.88
St. Johns River, Palatka to Lake Harney		547.83
Oklawaha River	11,880.54	5,801.88
Indian River		50,278.83
Miami Harbor	1,126.50	59,234.56
Key West Harbor		2,044.31
Kissimmee River		2,505.73
Kaloosahatchee River		4,080.47
Charlotte Harbor		39,703.67
Sarasota Bay		281.22
Tampa Bay, Clearwater Channel		7,961.07
Tampa Harbor	100,505.00	194,320.27
St. Petersburg Harbor		1,107.54
Removing hyacinths from navigable waters in Florida		1,929.08
Carrabelle Harbor		7,789.42
Apalachicola Harbor		19,459.87

Summary of expenditures for the fiscal year ended June 30, 1926—Continued

Name of project	New work	Maintenance
Apalachicola River		$6,638.76
Upper Chipola River		3,619.12
Flint River	$26,016.46	23,751.43
Chattahoochee River		121,003.01
Apalachicola-St. Andrews Channel		24,763.59
St. Josephs Bay		116.66
St. Andrews Bay		9,333.89
Chochtawhatchee River		9,147.28
Holmes River		1,745.78
Santa Rosa Sound		6,203.66
Blackwater River		1,216.10
Escambia River		849.75
Pensacola Harbor		15,368.45
Alabama River	30,468.73	171,497.96
Coosa River		2,727.46
Mobile Harbor	213,668.04	157,509.12
Mobile-Mississippi Channel		8,070.16
Black Warrior and Tombigbee Rivers	14,319.17	
Demopolis Channel		16,561.26
Tombigbee River from Demopolis to Walkers Bridge		188.57
Bayou Labatre	7,732.13	
Pascagoula Harbor		11,822.87
Gulfport Harbor		138,092.38
Biloxi River		424.05
Wolf River		91.99
East Pearl River		541.64
Removal of hyacinths from Mobile River		3,575.29
Southwest Pass		610,078.19
South Pass Channel		117,532.31
South Pass surveys		9,427.78
Amitie River		10,001.30
Barataria Bay	11,930.64	
Bayou Terrebonne		29,878.65
Bayou Plaquemine		18,568.24
Bayou Teche	19,577.03	
Plaquemine Lock		20,363.43
Keystone Lock		3,437.73
Atchafalaya River		1.87
New Orleans-Galveston Coastal Waterway	42,216.27	41,179.48
Harvey Lock		38,737.38
Hanson Canal		3,746.64
Schooner Bayou Lock		5,624.66
Removing water hyacinths in Louisiana		25,217.60
Sabine-Neches Waterway	547,128.24	248,043.83
Johnsons Bayou		397.04
Sabine-Galveston Waterway	10,875.35	
Galveston Harbor		591,534.06
Galveston Channel	188,492.90	234,686.85
Galveston-Texas City Channel		314,694.82
Port Bolivar Channel		13,400.72
Houston Ship Channel	326,200.08	594,529.85
Double Bayou		12,336.06
Anahuac Channel		21,764.32
Turtle Bayou		1,000.00
Trinity River		1,229.46
Cedar Bayou		8,895.49
Clear Creek		927.01
Dickinson Bayou		306.15
Bastrop Bayou		1,411.55
Freeport Harbor		100,470.44
West Galveston Bay-Brazos Canal		30,526.68
Brazos-Matagorda Channel		55,358.50
Cavallo-Aransas Channel		9,638.62
Aransas-Corpus Christi Channel	1,504,908.66	
Port Aransas		42,651.22
Brazos Island Harbor	24,636.22	
Cypress Bayou		66,609.71
Red River, below Fulton		33,033.61
Black River	6,454.50	29,846.37
Ouachita River, Locks and Dams	69,278.92	62,130.78
Tensas River		6,277.02
Boeuf River		5,978.00
Bayou D'Arbonne		500.00
Yazoo River		32,097.41
Tallahatchie River		14,096.28
Big Sunflower River		22,034.48
Big Sunflower Lock and Dam	139.35	5,456.45
Arkansas River		24,725.49
White River		42,653.82
Black River, Mo		15,251.90
Current River		3,513.71
St. Francis River		8,550.06
Upper White River Locks and Dams		49,972.87
Mississippi River between the Ohio and Missouri	1,120,377.25	469,773.41
Removing snags, Mississippi River, below Missouri		93,744.68
Mississippi River above the Missouri	1,414,516.95	188,789.50
Keokuk Lock		22,634.74
Moline Lock		5,246.22
Le Claire Canal		5,806.89
Operating snag boats on upper Mississippi		20,324.76
Removal of dams in Galena River		5,000.00
Illinois-Mississippi Canal		143,974.29
Leach River	8,626.66	11,548.48
Reservoirs at headwaters of Mississippi	4.50	
Twin City Lock and Dam		17,223.39
Care of reservoirs at head of Mississippi		17,322.25
Gauging Mississippi River at St. Paul		350.00
Minnesota River		3.20
Missouri River below Kansas City	687,777.97	324,404.48
Missouri River, Kansas City to Sioux City		9,276.96
Missouri River, Sioux City to Fort Benton	5,584.52	7,839.31
Osage River	1,531.69	9,176.92
Osage River Lock		12,062.47
Gasconade River		6.00
Cumberland River below Nashville	30,169.26	2,397.24
Cumberland River above Nashville	11,691.12	1,899.95
Cumberland Locks and Dams		116,697.67
Tennessee River below Riverton		111,240.94
Tennessee River above Chattanooga		21,990.91

Summary of expenditures for the fiscal year ended June 30, 1926—Continued

Name of project	New work	Maintenance
Tennessee River, Chattanooga to Hales Bar Lock		$16,542.93
Hales Bar Lock		10,486.85
Survey of Tennessee River	$161,352.26	
Tennessee River below Hales Bar to Browns Island	59,489.34	
Tennessee River, Browns Island to Riverton		6,056.49
Tennessee River at Muscle Shoals	3,690,726.70	
Tennessee River at Florence Bridge	723,566.85	
Widows Bar Lock		2,466.76
Muscle Shoals Canal		22,418.14
Muscle Shoals Lock and Dam		53,708.21
Lock No. 1 below Florence		1,877.32
Colbert Shoals Canal		18,142.26
Ohio Locks and Dams	8,419,181.99	1,744,551.64
Monongahela River	1,294,555.96	
Monongahela Locks and Dams		901,181.00
Allegheny River		2,418.70
Allegheny Locks and Dams	262,767.19	92,632.35
Little Kanawha Locks and Dams	256,836.62	22,977.28
Kanawha Locks and Dams		189,377.21
Big Sandy Locks and Dams		42,557.70
Ohio River, open channel work		364,626.62
Snag boats on Ohio River		47,263.35
Kentucky River Locks and Dams		239,244.70
Wabash Lock and Dam		583.19
Green River locks and dams		95,640.74
Rough River lock and dam		1,074.57
Grand Marais Harbor		10,106.85
Agate Bay Harbor		63,620.77
Duluth Harbor		98,136.61
Port Wing Harbor		3,407.53
Ashland Harbor		1,181.12
Ontonagon Harbor	400.00	18,574.98
Keeweenaw waterway	19,242.78	110,177.20
Marquette Bay Harbor of Refuge		204.81
Marquette Harbor		11,422.83
Grand Marais Harbor of Refuge		14,014.91
Warroad Harbor		3,284.95
Zippel Bay		1,247.08
Manistique Harbor		1,012.42
Menominee Harbor		3,513.09
Green Bay Harbor	65.57	17,134.78
Fox River	35,537.71	206,417.95
Fox River locks and dams		124,560.89
Sturgeon Bay Ship Canal		22,485.50
Algoma Harbor		247.11
Keewanee Harbor		4,798.23
Two Rivers Harbor		10,032.95
Manitowoc Harbor		83,262.17
Sheboygan Harbor		95,801.34
Port Washington Harbor		3,148.94
Milwaukee Harbor	337,288.19	56,163.76
Racine Harbor		54,806.94
Kenosha Harbor		25,804.59
St. Joseph Harbor		18,485.81
South Haven Harbor		14,993.48
Saugatuck Harbor		4,671.06
Holland Harbor		12,088.79
Grand Haven Harbor		20,582.02
Grand River		9,162.42
Muskegon Harbor		20,104.63
White Lake Harbor		2,621.60
Luddington Harbor		7,997.19
Manistee Harbor		12,557.15
Frankfort Harbor		6,581.68
Charlevoix Harbor		3,110.89
Waukegan Harbor		35,948.78
Chicago Harbor		60,348.11
Chicago River		10,235.27
Calumet Harbor		88,512.50
Indiana Harbor	16,582.10	22,854.00
Michigan City Harbor		44,756.47
Illinois River	63,173.87	30,614.33
Le Grange and Kampsville Locks		17,546.81
Snag boats on Illinois River		2,000.00
St. Marys River		36,791.92
St. Marys Falls Canal		261,834.20
St. Clair River		222,633.91
Lake St. Clair		32,222.48
Detroit River	79,379.48	14,655.31
Mackinac Harbor		35.55
Cheboygan Harbor		33.05
Rogers City Harbor		40.83
Alpena Harbor		25.55
Saginaw River		55,430.95
Harbor Beach Harbor of Refuge		8,311.10
Black River, Mich		1,005.58
Clinton River		137.56
Rouge River		9,189.46
Monroe Harbor		53.69
Toledo Harbor		42,747.75
Port Clinton Harbor		19.44
Sandusky Harbor		27,915.13
Huron Harbor		61,281.25
Vermillion Harbor		5.33
Lorraine Harbor		4,871.54
Cleveland Harbor		170,063.12
Fairport Harbor	40,610.70	91,614.08
Ashtabula Harbor		27,165.73
Conneaut Harbor	23,301.05	3,180.42
Erie Harbor		17,899.47
Dunkirk Harbor		48,791.42
Buffalo Harbor		121,560.36
Tonawanda Harbor	2,656.35	16,708.39
Black Rock Canal		82,863.06
Niagara River		21.00
Rochester Harbor		22,024.28

Summary of expenditures for the fiscal year ended June 30, 1926—Continued

Name of project	New work	Maintenance
Great Sodus Bay Harbor		$45,046.87
Little Sodus Bay Harbor		29,904.97
Oswego Harbor		21,319.59
Cape Vincent Harbor		212.81
Ogdensburg Harbor		8,407.60
San Diego Harbor	$39,928.81	14,322.29
Los Angeles Harbor	419,230.61	
San Francisco Harbor	88,287.68	15,319.51
Redwood Creek		130.01
Oakland Harbor	163,064.10	62,158.77
Richmond Harbor		14,652.91
San Pablo Bay and Mare Island Strait		161,552.21
Suisun Bay Channel		10,697.27
Suisun Channel		173.99
Petaluma Creek	3,742.00	33,811.58
San Rafael Creek		41,433.40
Humboldt Harbor	97,665.24	754,819.63
Crescent City Harbor		23,804.25
Noyo River		2,996.93
San Joaquin River		38,633.04
Stockton Channel		4,753.31
Mokelumne River		1,121.19
Sacramento River		124,276.60
Coquille River	12,149.88	11,437.33
Coos Bay	599,377.10	91,465.94
Coos River		3,004.50
Siuslaw River		343.36
Yaquina Harbor	46,242.65	
Tillamook Bay		3,068.45
Nehallen Bay		185.91
Umpqua River	115,533.68	57,512.50
Cascades Canal		336,406.30
Dalles Canal	2,234.64	198,235.75
Columbia River above Celio Falls		20.90
Snake River		525.28
Columbia River at mouth		6,940.04
Columbia River below Portland	158,889.00	491,027.22
Clatskanie River		4,657.32
Willamette River		47,561.17
Willamette Falls Canal		22,471.79
Yamhill Lock and Dam		2,760.58
Lewis River		384.83
Cowlitz River		495.44
Skamokawa Creek		1,419.00
Grays River		19.12
Willapa Harbor		29,357.73
Grays Harbor		193,241.74
Hoquiam River		302.37
Puget Sound and tributary waters		29,572.60
Olympia Harbor		181.62
Tacoma Harbor		183.82
Seattle Harbor		835.34
Lake Washington Ship Canal	192,243.48	4,580.00
Lake Washington Canal Locks		95,969.45
Snohomish River		209.93
Skagit River		4,715.00
Bellingham Harbor		125.83
Nome Harbor		26,392.22
Wrangel Harbor	3,374.38	
Wrangel Narrows	9,053.44	
Honolulu Harbor	231,081.69	26,328.02
Kahului Harbor		1,285.73
Hilo Harbor	194,402.15	2,533.95
Nawiliwili Harbor	133,345.10	
San Juan Harbor	129,458.92	137,504.40

The foregoing river and harbor projects are on the active list of the Corps of Engineers of the War Department. There are more than 600 of these projects. There are many of them upon which no money was expended in the fiscal year 1926, but these projects are merely waiting their turn in the annual allocation of funds provided by Congress for disposition by the War Department. The projects, which, as indicated by the tabulation were the beneficiaries of relatively small expenditures, in many cases, are the beneficiaries of commitments, allotments, and appropriations which are in course of expenditure. There are numerous cases where allotments have been made which obviously can not be prudently expended at this time. The intervention of the war precluded large expenditures on rivers and harbors which would otherwise have been made. It can not be contended, however, that the country lost anything by the interdiction or suspension of these expenditures. Scores upon scores of these so-called rivers and harbors are projects of little or no importance except in a very provincial and localized sense and of these the communities ostensibly benefited would not be warranted in laying out a dollar of their own funds for the benefit of these projects. With improved roads and motor transportation these little waterways and shallow channels can never become of any importance for the service of commercial navigation. The sooner this dribbling waste of public funds is terminated the better it will be for the country. Scores of these completed projects should be turned over by the Government to the States and communities concerned. If they are not worth maintenance by these communities, they are not worth maintenance by the Government. Now, that Congress has laid out the capital

sums required for the improvement of these local waterways and channels, the least that the States may do is to maintain them if the States or their municipal communities desire them to be maintained. The Government is no more warranted in maintaining these local channels and harbors than it would be in maintaining inland railway depots and roadbeds.

It were a great deal more prudent to concentrate the expenditures upon really important ports and channels and not to dissipate them in small amounts to creeks and inlets and channels and ports of no importance, but which by their relative great number consume an inordinate proportion of the appropriations to no purpose as far as the promotion of commerce is concerned.

OCEAN PORT

The work authorized and supported by appropriations made by Congress for the improvement and maintenance of harbors and waterways may be conveniently allocated to three general heads, and yet this allocation is subject to considerable modification. First, the improvement of harbors on the seaboard for the service of ocean navigation, and the deepening of channels which provide entrance to the harbors.

Second, the improvement of lake harbors, and the deepening and maintenance of interlake channels for the service of navigation on the Great Lakes.

Third, the improvement and maintenance of navigable channels in the Mississippi River and its principal confluents by which barge navigation may be served between Pittsburgh, Chicago, Minneapolis, Kansas City, and St. Louis, and the port of New Orleans and the Gulf of Mexico.

Then I might add a fourth category or division, namely, numerous unimportant, insignificant, inconsequential, microscopic streams, rivulets, bayous, and swamps, from which apparently there is no benefit to be derived, and appropriations for which have been made under a policy which has permitted "logrolling," to use an expression which I do not desire to use offensively, and which has led to the denomination of river and harbor bills as "pork-barrel measures." There are hundreds of items that come within the category last referred to.

The theory upon which the appropriations are made coming within the first three categories above indicated, is that the interstate and foreign commerce of the country is promoted by the expenditure of Government moneys in the three general fields above mentioned.

The proper test of the importance of seaboard ports is the annual amount of inbound and outbound cargo tonnage which is handled in the separate ports. The United States Shipping Board reported that for the calendar year 1925 the cargo tonnage handled in seaboard ports on the Atlantic coast, the Gulf coast, and the Pacific coast amounted to 268,633,111 cargo tons, of which all but 17,874,294 cargo tons were handled in 36 enumerated ports. This means, roundly, that 94 per cent of the cargo tonnage for the calendar year 1925, including foreign, intercoastal, and coastwise cargoes, was handled in these 36 ports to the exclusion of all other ocean ports on the Atlantic, the Gulf of Mexico, or the Pacific coast.

The Government investment in the 15 ports on the Atlantic coast which, for the calendar year 1925, handled 95 per cent of the cargo tonnage, together with the cargo tonnage for each port, is as follows—and I ask permission to insert as a part of my remarks, without reading, the figures under the designations just referred to.

The PRESIDING OFFICER. Without objection it is so ordered.

The matter referred to is as follows:

Port	Government investment		Cargo tons, 1925
Portland		$2,282,727.05	2,541,733
Boston:			
Boston Harbor	$13,304,827.58		
Mystic River	330,684.84		
Malden River	149,950.00		
Dorchester Bay, Neponset River	95,008.00		
Weymouth Fore River	633,750.00		
Weymouth Back River	27,000.00		
		14,541,220.42	12,600,724
Providence:			
Providence River and Harbor	4,065,858.97		
Pawtucket (Seekonk) River	726,713.49		
		4,792,572.46	4,216,762
New Haven:			
New Haven Harbor	1,379,940.92		
Breakwaters at New Haven, Conn	1,264,000.00		
		2,643,940.92	1,819,141
Hempstead (local sand and gravel tonnage only)		53,575.00	4,216,762
Port Jefferson (local sand and gravel tonnage only)		$180,052.15	1,266,080
New York:			
Port Chester Harbor, N. Y	$351,500.00		
Mamaroneck Harbor, N. Y	137,800.00		
Echo Bay Harbor, N. Y	66,104.06		
East Chester Creek, N. Y	281,500.00		
Westchester Creek, N. Y	138,780.00		
Bronx River, N. Y	981,500.00		
New Rochelle Harbor, N. Y	73,674.79		
Harbor at Flushing Bay, N. Y	309,888.67		
Jamaica Bay, N. Y	1,382,793.81		
Sheepshead Bay, N. Y	37,038.98		
New York Harbor, N. Y	14,662,971.73		
Coney Island Channel	149,300.00		
Bay Ridge and Red Hook Channels	4,806,100.00		
Buttermilk Channel	790,650.00		
Gowanus Creek Channel	188,228.76		
East River	24,933,019.04		
Wallabout Channel	36,700.00		
Newtown Creek	837,900.00		
Harlem River	2,313,955.82		
Hudson River Channel	3,819,479.12		
Newark Bay, Hackensack, and Passaic Rivers, N. J	4,951,320.22		
New York and New Jersey Channels	11,304,930.00		
Elizabeth River, N. J	60,925.60		
Woodbridge Creek	122,450.00		
Raritan River	1,053,389.59		
South River	218,559.26		
Cheesequake Creek	62,103.63		
Keyport Harbor	151,138.71		
Matawan Creek	91,358.17		
Shoal Harbor and Compton Creek	155,138.71		
		74,470,697.67	57,970,273
Philadelphia:			
Delaware River, Philadelphia to sea	42,521,021.24		
Delaware River at Camden, N. J	171,080.00		
Schuylkill River	2,000,000.00		
Ice Harbor at Marcus Hook	223,300.00		
Delaware River between Philadelphia and Trenton, N. J	1,185,735.75		
		46,101,136.99	13,997,755
Baltimore Harbor and channels		11,963,180.00	10,223,787
Norfolk:			
Norfolk Harbor	7,359,844.72		
Thimble Shoal Channel	2,437,000.00		
Channel to Newport News	1,147,500.00		
		10,944,344.72	12,060,521
Newport News			6,778,433
Charleston:			
Charleston Harbor	6,991,966.00		
Ashley River	83,650.00		
Shipyard Creek	4,150.00		
		7,079,766.00	2,415,166
Savannah		17,453,363.58	2,048,049
Jacksonville		11,887,521.35	2,345,049
Miami		1,891,024.73	1,170,770

Mr. KING. The Government investment in the 12 ports on the Gulf coast, which for the calendar year 1925 handled 95 per cent of the cargo tonnage, together with the cargo tonnage for each port, is as follows:

Port	Government investment		Cargo tons, 1925
Key West		$1,125,200.00	658,589
Tampa:			
Tampa Harbor	$6,065,956.76		
Manatee River	205,052.00		
		6,271,008.76	2,909,151
Pensacola		1,565,626.78	712,066
Mobile		10,872,441.95	2,044,793
New Orleans:			
Southwest Pass	21,599,570.95		
South Pass Channel	12,675,159.59		
Examinations and surveys at South Pass	508,006.52		
		34,274,730.54	11,113,462
Baton Rouge			4,880,440
Sabine			1,571,588
Beaumont			3,698,051
Port Arthur		13,049,243.90	7,399,781
Galveston:			
Galveston Harbor	12,863,053.07		
Galveston Channel	5,562,500.00		
Channel from Galveston to Texas City	3,528,000.00		
Channel to Port Bolivar	537,080.00		
		22,490,633.07	4,036,617
Texas City			3,908,021
Houston		12,520,405.75	6,297,767

The Government investment in the nine ports of the Pacific coast, which for the calendar year 1925 handled 92 per cent of the cargo tonnage, together with the cargo tonnage for each port, is as follows:

Port	Government investment		Cargo tons, 1925
Los Angeles		$10,166,627.73	18,316,228
San Luis Obispo		588,660.00	1,071,938
San Francisco:			
San Francisco Harbor	$1,895,603.74		
Oakland Harbor	6,212,137.19		
Redwood Creek	48,192.66		
Richmond Harbor	316,500.00		
		8,472,433.59	26,222,541
Portland:			
Columbia River at the mouth, Oregon and Washington	15,713,424.00		
Columbia and lower Willamette River below Vancouver and Portland	9,851,343.06		
		25,564,767.06	3,634.055
Grays Harbor:			
Grays Harbor and Bar entrance	3,910,500.00		
Grays Harbor, inner portion between Aberdeen and entrance to said harbor and Chehalis River	512,500.00		
		4,423,000.00	1,612,853
Tacoma		369,000.00	3,888,175
Seattle:			
Seattle Harbor	57,000.00		
Lake Washington Ship Canal	3,925,500.00		
Puget Sound and tributaries	734,000.00		
		4,716,500.00	7,684,905
Everett		697,577.77	1,659,832
Bellingham		182,250.00	1,205,897

The total expenditures alleged to be in aid of navigation on the Atlantic coast have amounted to $296,502,805.57, of which $206,285,123.04 have been invested in works for the improvement of the 15 major Atlantic coast ports above enumerated. This leaves a residue of $90,217,682.53 of expenditures which have not contributed to the service of the ports which handled 95 per cent of the cargo tonnage of the Atlantic coast.

Mr. President, I deny that all of the appropriations made for these various ports were necessary or wisely expended. Indeed, I contend that a considerable part of the money was wasted and improper projects were adopted upon which millions of dollars were lavished. I insist that the same pernicious practice prevails in securing appropriations for so-called harbors and ports as is adopted in obtaining appropriations for the microscopic streams, rivulets, bayous, springs, channels, and canals found within the various States.

The total expenditures for the aid of navigation on the Gulf coast have amounted to $157,851,795.19, of which $114,689,696.50 have been invested in works for the improvement of the 12 major Gulf coast ports above enumerated. This leaves a residue of $43,162,098.69 of expenditures which have not contributed to the service of the ports which handled 95 per cent of the cargo tonnage of the Gulf coast.

The total expenditures for the aid of navigation on the Pacific coast have amounted to $94,254,353.87 of which $55,180,816.15 have been invested in works for the improvement of the nine major Pacific ports above enumerated. This leaves a residue of $39,073,537.72 of expenditures which have not contributed to the service of the ports which handled 92 per cent of the cargo tonnage of the Pacific coast.

To recapitulate—the total expenditures for aid of navigation on the Pacific, Atlantic, and Gulf coasts, have amounted to $548,608,954.63 of which $376,155,635.69 have been invested in works alleged to be for the improvement of the 36 major ports above enumerated. This leaves a residue of $172,453,318.94 of expenditures which have not contributed to the service of the ports which handled 94 per cent of the cargo tonnage on the Atlantic, Gulf, and Pacific coasts.

It is in order at this point to make the observation that of the 4,208,162 cargo tons handled in Atlantic coast ports other than those enumerated, 6,239,001 was coastwise tonnage; that of the 3,089,043 cargo tons handled in Gulf coast ports other than those enumerated, 1,760,113 tons was coastwise tonnage; that of the 6,577,089 cargo tons handled in Pacific coast ports other than those enumerated, 5,357,859 tons was coastwise tonnage. This means that the great bulk of cargo tonnage handled in all seaboard ports other than the 36 ports above enumerated was carried in the coastwise trade and that these unenumerated ports were not material factors in the foreign or intercoastal trade of the country.

An analysis of the figures showing the investment in the 34 major Atlantic, Gulf, and Pacific ports, excluding the unimproved ports of Hempstead and Port Jefferson, in relation to the cargo tons handled in each of these ports during the calendar year 1925 indicates that the cargo tonnage handled in a full year when related to the Government investment in the port produces the following cargo tons per $1 of investment for the ports indicated:

Cargo tons per dollar of investment

Port of Portland, Me	1.11
Port of Boston	.86
Port of Providence	.87
Port of New Haven	.68
Port of New York	.77
Port of Philadelphia	.30
Port of Baltimore	.87
Port of Norfolk and Newport News	1.72
Port of Charleston	.34
Port of Savannah	.12
Port of Jacksonville	.19
Port of Miami	.62
Port of Key West	.58
Port of Tampa	.43
Port of Pensacola	.45
Port of Mobile	.18
Ports of New Orleans and Baton Rouge	.46
Ports of Sabine, Beaumont, and Port Arthur	.97
Ports of Galveston and Texas City	.22
Port of Houston	.50
Port of Los Angeles	1.80
Port of San Luis Obispo	1.83
Port of San Francisco	3.09
Port of Portland, Oreg	.14
Port of Grays Harbor	.36
Port of Tacoma	1.05
Port of Seattle	1.62
Port of Everett	2.37
Port of Bellingham	6.62

The outstanding uneconomical ports indicated in this list are the ports of Philadelphia, Savannah, and Portland, Oreg. These ports were established in the days of sail ships at the head of feasible navigation on the Delaware, Savannah, and Columbia Rivers, respectively, at situations which are not now convenient or adaptable for the accommodation of the modern steamships which carry the maritime commerce of the country. Albany, Alexandria, and Richmond, which occupy similar situations on the Hudson, Potomac, and James Rivers, have long since been abandoned as ocean ports, as should some of the others which I have enumerated in the table submitted.

The Government of the United States has sunk in the Delaware River, for the primary benefit of the port of Philadelphia, $48,847,450.45, and beside this, the Government has an investment in the League Island Navy Yard at Philadelphia, begun in 1868 and which on June 30, 1926, was carried on the Navy Department books, after deduction of depreciation, at $61,103,652.12. And in addition to this, the Government sunk $66,000,000 in and on Hog Island, also tributary to the port of Philadelphia, and there were other hundreds of millions of dollars of Shipping Board expenditures not to say graft, which were wasted in Delaware River shipyards. This all means that the Government investment for the benefit of Philadelphia, has exceeded $175,000,000, not including over $5,000,000 sunk in inconsequential creeks, swamps, and inlets, in the State of Delaware. If we add to this $10,000,000 spent on the Delaware Canal and also count the depreciation on the Government investment at League Island Navy Yard, we may assert, that the Government investment in the Delaware River for the benefit of the port of Philadelphia has reached the fabulous sum of nearly $200,000,000, and that this tremendous investment and the port works, and improvements upon which it has been expended, may only be reached through a channel of 88 miles from the sea, including 50 miles of dredged channel having a course so irregular and so indirect as to make it difficult of navigation. These facts interdict the development of the port of Philadelphia as a major port for the economical handling of maritime cargo tonnage in the foreign trade. Larger vessels will never enter the port of Philadelphia. There will never be room for them there. The provision of the pending bill authorizing a 40-foot channel in the Delaware River to Philadelphia is unwarranted. There is five times as much foreign trade in New York as there is in Philadelphia. There is more foreign trade in Baltimore than there is in Philadelphia, and the Government expenditures for the development of Baltimore Harbor have not been a quarter of the amount expended on the port of Philadelphia. The normal place for a harbor on the Delaware River is in the area between Delaware City and Newcastle, where there is an ample expanse of water for anchorage and ample waterfront acreage for port development. From this point there is afforded direct canal connection with Chesapeake Bay. The dredged channel would be limited to 10 miles, having a direct course and low maintenance cost.

But, Mr. President, of course the suggestion which I have just made will not be followed. We will continue to annually waste millions on scores of unimportant and inconsequential streams and so-called ports for the alleged purpose of promoting trade and commerce.

The Government has sunk over $19,000,000 in the Savannah River for the service of the port of Savannah, which port handled only 884,877 cargo tons of foreign commerce in the calendar year 1925.

The Government investment in the port of Portland, Oreg., is over $25,000,000. This port in the calendar year handled only 870,203 tons of foreign cargo tonnage.

The ports of Norfolk, Charleston, and Jacksonville are adequate for the service of the maritime commerce of the South Atlantic seaboard. The Government, in the interest of effectiveness and economy, ought to concentrate expenditures at a select number of the most commodious, accessible, economical, and well-located ports for the handling of the great bulk of the maritime commerce of the country and make real ports of these, and thus prevent a dissipation of expenditures in inconsequential and purely provincial projects.

MINOR PORTS AND COASTAL RIVERS

The indications are that $172,453,318.94 of expenditures which have been made ostensibly in the aid of maritime navigation on the Atlantic, Gulf, and Pacific coasts can not be regarded as contributing to the development of the ports which handle practically 95 per cent of the sea-borne commerce of the country. This tremendous amount approximates nearly one-third of the total expenditures for the aid of navigation on the Atlantic, Gulf, and Pacific coasts, and, taking the most liberal view of these expenditures, it must be said that altogether they have served but one-fifth of the maritime commerce of the country and that the great proportion of these expenditures on nonmajor ports has not contributed at all in a material way to the aid of maritime navigation and commerce. There ought to be a critical examination of all of these projects outside of the 36 major ports as well as some of them, and the useless expenditure of Government funds in this field should be interdicted. These harbors, creeks, and inlets are of only local and private interest. They should be maintained by the States if they are worth maintaining.

The probability is—indeed, I think it is a certainty—that the great majority of them are not worth maintenance, and, if this be the fact, it is an imposition upon the country to have further expenditures dissipated in these useless projects. The money would much better be spent upon the important ports where it will be of real service to the country.

I have here a partial list of these projects outside of the major ports on the Atlantic, Gulf, and Pacific coasts, together with the expenditures which have been made upon them as of June 30, 1926.

The list comprises 10 pages and contains the names of each one of these minor harbors, so-called, upon the Atlantic, Gulf, and Pacific coasts. I am sure that if I should read the names of all of them many Senators would be surprised to know that some of them have been the recipients of governmental expenditures and are constantly receiving large sums of money for their maintenance. Without reading the entire list, I ask unanimous consent to insert it in the RECORD as part of my remarks.

The PRESIDING OFFICER. Without objection, leave will be granted.

The list referred to is as follows:

	Appropriations
Maine:	
Bar Harbor	$406,591.12
Rockland Harbor	940,500.00
Kennebec River	921,911.03
Saco River	504,271.75
Massachusetts:	
Newburyport Harbor	500,900.00
Gloucester Harbor	538,183.00
Beverly Harbor	245,090.41
Salem Harbor	71,368.66
Lynn Harbor	471,637.00
Plymouth Harbor	420,459.80
Provincetown Harbor	348,062.72
Pollock Rip Shoals, Nantucket Sound	1,240,000.00
Harbor of refuge at Nantucket	633,473.50
New Bedford and Fairhaven Harbor	899,610.00
Taunton River	204,689.18
Rhode Island:	
Newport Harbor	704,253.31
Harbor of refuge at Point Judith	2,677,700.63
Harbor of refuge at Block Island	657,166.74
Great Salt Pond, Block Island	213,209.68
Rhode Island and Connecticut, Pawtucket River	263,500.00
Connecticut:	
Stonington Harbor	343,453.83
Mystic River	48,260.00
New London Harbor	517,200.00
Thames River	633,400.00
Connecticut River above Hartford	129,324.00
Connecticut River below Hartford	1,377,610.69
Duck Island Harbor	540,010.58
Branford Harbor	25,216.53
Milford Harbor	87,800.00
Housatonic River	380,450.00
Bridgeport Harbor	1,349,131.96
Westport Harbor and Saugatuck River	35,464.99
Norwalk Harbor	462,413.00
Stanford Harbor	417,360.53
Greenwich Harbor	82,499.88
New York:	
Huntington Harbor	87,416.19
Port Jefferson Harbor	180,052.15
Mattituck Harbor	153,750.00
New York—Continued.	
Great South Bay	$173,000.00
Browns Creek	59,722.00
Tarrytown Harbor	78,000.00
Peekskill Harbor	36,550.00
Wappinger Creek	32,550.00
Saugerties	133,750.00
Rondout	221,550.00
Hudson River	13,586,524.56
Narrows of Lake Champlain of New York and Vermont	697,500.00
Vermont:	
Burlington Harbor	875,650.62
Plattsburg Harbor	235,789.09
Port Henry Harbor	70,500.00
Delaware:	
Constructing pier in Delaware Bay, near Lewes	452,108.12
Harbor of refuge, Delaware Bay	2,294,205.34
New Jersey:	
Shrewsbury River	716,200.00
Cooper River	92,500.00
Woodbury Creek	59,450.31
Mantua Creek	171,250.00
Raccoon Creek	139,770.00
Oldmans Creek	50,500.00
Salem River	103,809.34
Alloway Creek	57,500.00
Cohansey River	117,300.00
Maurice River	152,500.00
Cold Spring Inlet	1,181,200.00
Absecon Inlet	772,430.41
Absecon Creek	34,700.00
Tuckerton Creek	128,380.00
Toms River	19,050.00
Delaware:	
Appoyuinimink River	77,596.91
Smyrna River	195,807.63
Leipsic River	68,600.00
Little River	36,500.00
St. Jones River	211,256.50
Murderkill River	143,450.99
Brodkill River	327,290.07
Inland waterway between Rehoboth Bay and Delaware Bay	272,725.00
Inland waterway from Chincoteague Bay, Va., to Delaware Bay near Lewes, Del	201,442.30
Waterway on the coast of Virginia	28,100.00
Maryland:	
Susquehanna River above and below Havre de Grace	314,920.00
Queenstown Harbor	71,173.11
Claiborne Harbor	67,161.54
Tred Avon River	13,833.80
Warwick River	46,681.82
Cambridge Harbor	68,308.43
Slaughter Creek	4,640.00
Delaware: Broad Creek River	78,134.40
Maryland:	
Wicomico River	156,622.65
Crisfield Harbor	90,579.50
Broad Creek	31,548.99
Twitch Cove and Big Thoroughfare River	3,400.00
Virginia: Tangier Channel	15,627.98
District of Columbia: Potomac River at Washington	3,840,875.21
Virginia: Potomac River at Alexandria	184,180.00
District of Columbia: Potomac River below Washington	195,400.00
Virginia:	
Occoquan Creek	132,399.41
Aquia Creek	64,214.84
Rappahannock River	773,895.97
Urbana Creek	68,900.00
Mattaponi River	134,739.71
Pamunkey River	96,461.97
Locklies Creek	12,100.00
James River	3,578,000.00
Appomattox River	1,000,698.30
Pagan River	89,471.01
Nansemond River	127,500.00
Onancock River	98,611.00
Waterway from Norfolk, Va., to the sounds of North Carolina	522,870.00
Inland waterway from Norfolk, Va., to Beaufort Inlet, N. C.	6,671,900.00
Virginia: Blackwater River	34,500.00
North Carolina:	
Meherrin River	25,584.53
Roanoke River	259,000.00
Newbegun Creek	7,000.00
Scuppernong River	95,737.20
Manteo (Shallowbag) Bay	31,350.00
Waterway connecting Swanquarter Bay with Deep Bay	17,664.76
Pamlico and Tar Rivers	445,113.47
Fishing Creek	31,347.95
South River	16,000.00
Bay River	26,900.00
Neuse River	534,200.00
Smiths Creek	14,726.04
Swift Creek	6,500.00
Contentnea Creek	93,500.00
Trent River	162,952.05
Channel connecting Thoroughfare Bay and Cedar Bay	17,000.00
Harbor at Beaufort	371,626.00
Waterway connecting Core Sound and Beaufort Harbor	79,200.00
Inland waterway, Beaufort to Jacksonville	315,871.13
Harbor at Morehead City	38,900.00
Beaufort Inlet	124,312.83
Harbor of refuge, Cape Lookout	1,400,000.00
Cape Fear River at and below Wilmington	8,479,193.92
Cape Fear River above Wilmington	1,437,932.23
Northeast (Cape Fear) River	69,700.00
Black River	55,900.00
Charlotte River	13,945.00

	Appropriations
South Carolina: Winyah Bay	$3,580,002.67
North Carolina and South Carolina: Waccamaw River	336,700.00
South Carolina:	
Great Pedee River	329,000.00
Mingo Creek	30,400.00
Santee River and Estherville-Minim Creek Canal	436,815.03
Congaree River	730,798.64
Waterway from Charleston to Winyah Bay	370,690.00
Wappoo cut	83,239.22
Waterway from Charleston to Beaufort	50,000.00
Georgia:	
Savannah River below Augusta	1,243,700.00
Savannah River at Augusta	220,000.00
Savannah River above Augusta	75,470.00
Waterway between Beaufort and St. Johns River, Fla	1,357,833.15
Sapelo Harbor	35,000.00
Darien Harbor	191,365.96
Fancy Bluff Creek	12,200.00
Satilla River	25,300.00
St. Marys River, Ga. and Fla	57,750.00
Altamaha River	326,675.00
Oconee River	418,250.00
Brunswick Harbor	2,709,250.00
Florida:	
Fernandina Harbor	3,908,500.00
St. Johns River, Jacksonville to Palatka	297,440.00
St. Johns River, Palatka to Lake Harney	311,133.71
Lake Crescent and Dunns Creek	16,000.00
Oklawaha River	345,621.85
Indian River	308,012.04
St. Lucie Inlet	49,993.36
Kissimmee River	50,926.00
Caloosahatchee River	330,968.00
Orange River	8,100.00
Charlotte Harbor	323,734.54
Sarasota Bay	325,500.00
Channel from Clearwater Harbor through Boca Ciega Bay to Tampa Bay	162,121.87
Anclote River	100,742.10
Crystal River	34,000.00
Withlacoochee River	337,361.72
Suwanee River	98,812.02
Harbor at St. Petersburg	68,124.49
Removing the water hyacinths from navigable waters in Florida	216,500.00
Carrabelle Bar and Harbor	218,365.43
Apalachicola Bay	654,850.29
Apalachicola River, the cutoff Lee Slough, and Lower Chipola River	246,750.00
Upper Chipola River from Marianna to its mouth	80,000.00
Georgia, Flint River	672,000.00
Georgia and Alabama, Chattahoochee River	2,044,653.50
Florida:	
Channel from Apalachicola River to St. Andrews Bay	576,900.00
Entrance to St. Joseph's Bay	22,000.00
St. Andrews Bay	563,560.00
Choctawhatchee River	364,976.62
La Grange Bayou	10,000.00
Holmes River	48,280.00
Narrows in Santa Rosa Sound	43,500.00
Blackwater River	98,600.00
Florida and Alabama: Escambia and Conecub Rivers	201,900.00
Alabama: Alabama River	2,116,131.81
Georgia and Alabama: Coosa River	2,737,804.24
Alabama:	
Channel between Mobile Bay and Mississippi Sound	87,300.00
Black Warrior, Warrior, and Tombigbee Rivers	10,327,905.54
Tombigbee River from mouth to Demopolis	597,518.79
Tombigbee River from Demopolis to Bridge, Miss	426,850.03
Bayou La Batre	20,000.00
Mississippi:	
Pascagoula Harbor	1,933,330.00
Gulfport Harbor and Ship Island Pass	2,147,849.23
Pascagoula River	122,283.80
Biloxi Harbor	118,632.27
Wolf and Jordan Rivers	56,754.55
East Pearl River	60,174.90
Removing water hyacinths, Mobile River, Ala., and tributaries	29,550.00
Louisiana:	
Lake Pontchartrain	58,138.77
Chefuncte River and Bogue Falia	51,664.73
Pass Manchac	5,804.17
Tickfaw, Natalbany, Ponchatoula, and Blood Rivers	25,095.60
Amite River and Bayou Manchac	79,143.84
Barataria Bay	87,500.00
Bayou Lafourche	258,380.86
Bayou Terrebonne	183,063.83
Bayou Plaquemine, Grand River, and Pigeon Bayous	2,157,830.87
Bayou Grossetete	46,000.00
Atchafalaya River, Morgan City to Gulf of Mexico	658,444.70
The Louisiana and Texas intracoastal waterway from Mississippi River at or near New Orleans, La., to Galveston Bay, Tex. (New Orleans-Sabine River section)	3,510,292.00
Bayou Vermilion	123,300.00
Mermentau River, Bayou Nezpique, and Bayou Des Cannes	46,753.45
Bayou Queue de tortue	39,000.00
Bayou Plaquemine Brule	40,000.00
Calcasieu River and Pass	676,294.35
Removing water hyacinths	505,080.00
Johnsons Bayou	34,557.04
Louisiana intracoastal waterway from Mississippi River at New Orleans to Galveston Bay (Sabine River-Galveston Bay section)	800,000.00
Texas:	
East Bay Bayou (Hanna Reef)	3,323.82
Double Bayou	85,261.09
Texas—Continued.	
Anahuac Channel	$122,417.49
Turtle Bayou	49,200.00
Mouth of Trinity River	91,411.39
Trinity River	2,358,996.29
Cedar Bayou	77,432.10
Clear Creek	66,980.16
Dickinson Bayou	42,841.11
Chocalate Bayou	39,760.29
Bastrop Bayou	39,498.41
Oyster Creek	14,498.97
Freeport Harbor	1,865,111.08
Brazos River from Velasco to Old Washington	440,000.00
West Galveston Bay and Brazos River Canal	522,093.25
Channel between Brazos River and Matagorda River	688,627.13
Channel from Pass Cavallo to Aransas Pass	275,931.11
Channel from Aransas Pass to Corpus Christi	2,506,985.83
Channel from Pass Cavallo to Port Lavaca	15,000.00
Guadalupe River to Victoria	278,647.64
Port Aransas	5,273,750.00
Brazos Island Harbor	434,413.78
Red River from Fulton, Ark., to mouth of Ouachita River, Okla	560,730.87
Cypress Bayou and waterway between Jefferson, Tex., and Shreveport, La	373,618.61
California:	
San Diego Harbor	1,804,748.37
San Pablo Bay and Mare Island Strait	2,656,390.81
Suisun Bay Channel	106,500.00
Suisun Channel	39,500.00
Napa River	61,554.16
Petaluma Creek	371,357.44
San Rafael Creek	79,300.00
Monterey Harbor	200,000.00
Humboldt Harbor and Bay	7,474,015.00
Crescent City Harbor	246,000.00
Noyo River	28,500.00
San Joaquin River	1,109,802.00
Stockton and Mormon Channels (diverting canal)	314,395.00
Mokelumne River	38,200.00
Sacramento River	2,330,061.83
Feather River	504.81
Oregon:	
Coquille River	645,292.70
Coos Bay	5,438,163.76
Coos River	51,000.00
Siuslaw River	538,662.00
Yaquina River	42,800.00
Tillamook Bay and Bar	701,999.86
Nehalem Bay	304,155.80
Umpqua River	379,742.29
Cascade Canal, Columbia River	3,903,780.30
Dalles-Celilo Canal	4,729,564.88
Columbia River and tributaries above Celilo Falls to mouth of Snake River, Oreg. and Wash	614,500.00
Snake River, Oreg., Wash., and Idaho	498,665.46
Washington:	
Willamette Slough	18,777.82
Clatskanie River	68,726.29
Willamette River above Portland and Yamhill River, Oreg	1,165,248.12
Washington:	
Lewis River	135,150.00
Cowlitz River	154,850.00
Skamokawa Creek	10,300.00
Grays River	7,500.00
Willapa River and Harbor	845,482.00
Waterway connecting Port Townsend Bay and Oak Bay	112,900.00
Port Gamble Harbor	12,500.00
Olympia Harbor	204,000.00
Skagit River	127,000.00
Swinomish Slough	229,602.36

Mr. KING. The foregoing list contains specifications of expenditures on about 315 projects tributary to the Atlantic, Gulf, and Pacific coasts which do not represent any contribution to the improvement or maintenance of the harbors which handled approximately 95 per cent of the ocean-borne commerce in the calendar year 1925.

Is it not apparent, Mr. President, that those more than 350 so-called harbors receiving into their ports or sending out of their ports only 3 or 4 per cent of the ocean-borne commerce are, many of them at least, useless and to continue them is most unwise? It is a shocking and indefensible dissipation of public funds. Large sums of money running into millions are now being expended upon scores of the useless projects in this list.

The commitments of the Government under existing law for future work on rivers and harbors now run to $200,000,000. We ought to scrutinize and reduce these commitments rather than add to them, as is done in the pending bill.

The Government has sunk over $7,000,000 on the Massachusetts coast which had no relation to the port of Boston.

The Government has squandered nearly $8,000,000 in 100 miles of Connecticut coast line in expenditures which serve, in the main, local and coastwise traffic. The Federal Government, on this short Connecticut coast, maintains 13 harbors at Stonington, New London, Duck Island, Brantford, New Haven, Milford, Bridgeport, Southport, Norwalk, Five Mile River, Stamford, Greenwich, and Westport. One harbor, the harbor at New Haven, ought to be the only harbor to be maintained by the Federal Government in the State of Connecticut. The Government outlay on New Haven Harbor already approximates $2,000,000. One Federal harbor is sufficient for any of

the Atlantic Coast States. Connecticut thrift should not be exercised at the cost of the whole country. This thing has gone far enough.

The Government has expended $6,211,492.21 on waterways and so-called harbors in the State of Virginia (not including those on the eastern shore) which have no proper relation to the service of the port of Norfolk, and this amount does not include over $7,000,000 expended on the inland waterway from Norfolk to Beaufort Inlet, N. C.

The Government has sunk over $6,000,000 in less than 200 miles of South Carolina coast in expenditures which have no relation to the port of Charleston; nearly $25,000,000 in less than 100 miles of Georgia coast.

The Government has expended $10,422,674.14 on the coasts and rivers of Florida in expenditures which have no relation to the ports of Jacksonville, Miami, Key West, Tampa, or Pensacola.

The Government has sunk $22,331,206.31 in Mobile Bay, port of Mobile, Mobile River, and its tributaries, all for the benefit of the port of Mobile. The cargo tonnage handled in that port in 1925 was 2,044,793 cargo tons, of which about half was foreign trade tonnage. If we refer the total cargo tonnage handled in 1925 to the Government expenditures in the port and its tributary waters, we produce the result that the cargo tonnage in the port of Mobile for a full year does not amount to one-tenth of a cargo ton per dollar of the Government investment in the port. The Government is laying out its money for the development of two ports—Pensacola and Mobile—which are within 40 miles of each other. The Government expenditures ought to be limited to one port in this region. The division of Government moneys between these two ports represents an unwise dissipation of public funds.

The Government has sunk $9,396,344.21 on the coasts and bayous of Louisiana having no relation to the ports of New Orleans and Baton Rouge, and $16,156,530.42 in the coasts and rivers of Texas having no relation to the service of the ports of Port Arthur, Beaumont, Sabine, Orange, Galveston, Texas City, or Houston.

The condition revealed by these figures calls for correction by Congress. It is time that the petty peddling of appropriations to hundreds of useless creeks, inlets, indentations, and shallow and supernumerary harbors on the Atlantic seaboard especially, should be discontinued in the interest of economy or rather in the interest of prudent expenditure of public funds. Moneys appropriated and expended for the maintenance of harbors, channels, and waterways ought to be expended where they will serve maritime commerce, and not where they gratify some local interest and vanity.

But there is no evidence that such a course is in contemplation. The hundreds of useless projects enumerated in the foregoing list is supplemented by some 35 new projects proposed to be approved in the pending bill, of which at least 25 or 30 are quite as useless as those enumerated in the foregoing list.

These projects, except those for the benefit of New York Harbor, Norfolk Harbor, Charleston Harbor, Sabine waterway, Duluth Harbor, Illinois River, St. Marys River, Buffalo Harbor, San Francisco Harbor, are of doubtful utility, and even those enumerated as of possible usefulness should be subjected to scrutiny to ascertain if they contemplate any warrantable improvements to increase the effectiveness of the harbors and waterways to which they are severally related.

With respect to the Cape Cod Canal, I agree with the views which have been expressed by the Senator from Nebraska [Mr. HOWELL]. I feel that the Government is not justified in acquiring that property; and so I shall vote against the acquisition of the Cape Cod Canal by the Government, and I shall vote against the bill which is before us because of the many unwise, reckless, and unwarranted appropriations and authorizations which it carries.

There are, on the Atlantic coast, 20 ports having customhouses which handled but 1,000,000 of the 26,000,000 cargo tons of inbound foreign commerce in the calendar year 1925. Of these 20 supernumerary Atlantic coast customhouses, 12 are in New England at Bar Harbor, Rockland, Gloucester, Salem, Plymouth, New Bedford, Fall River, Newport, New London, Bridgeport, Stamford, and Greenwich—and 8 are on the South Atlantic seaboard—Wilmington, Del.; Cambridge, Md.; Washington, D. C.; Alexandria, Va.; Wilmington, N. C.; Beaufort, S. C.; Brunswick, Ga; and Fernandina, Fla. In the fiscal year 1926, the customs collections at Bar Harbor were $1,214.73; at Rockland were $432.11; at Salem were $13,922.78; at Plymouth were $1,029.07; at Newport were $8,451.01; at Alexandria were $209.20; at Brunswick were $2,177.85; and at Fernandina were $61.05. No reports are on file as to any collections at Stamford, Greenwich, Cambridge, or Beaufort. Gloucester, Fall River, New London, Bridgeport, Wilmington, Del., Wilmington, N. C., and Washington, D. C., are of lesser importance even as inland ports. Whatever customs are collected in those ports are only in part paid by water-borne imports.

There are three customhouse ports on the Gulf coast not enumerated in the Shipping Board list as ports having notable tonnage in 1925. They are Apalachicola, Fla.; Gulfport, Miss.; and Corpus Christi, Tex. The customs collections for the fiscal year 1926 at Apalachicola were $341.05; at Gulfport were $1,839.93; and at Corpus Christi were $4.81.

GREAT LAKES

The total expenditures for the benefit of navigation on the Great Lakes as of June 30, 1926, was reported at $163,368,403.27.

The United States Shipping Board reports that for the calendar year 1925 28 lake ports handled 95 per cent of the total cargo tonnage. This total cargo tonnage for 1925 was reported at 210,366,920 cargo tons, divided into 105,476,077 inbound and 104,620,843 tons outbound. The actual cargo tonnage must be accepted as around 105,000,000 cargo tons, inasmuch as this lake tonnage is handled in the port of origin and also in the port of destination, both of which are lake ports. The result of this is that the tonnage is counted twice in the total recorded by the Shipping Board.

Expenditures on the Great Lakes may be roughly allocated as follows:

Lake Superior	$15,794,061.47
Lake Michigan	45,177,877.96
Lake Huron, including Lake St. Clair and the St. Marys and Detroit Rivers	52,841,581.12
Lake Erie	39,563,040.62
Lake Ontario	6,899,590.01

The 28 lake harbors which in 1925 handled 95 per cent of the total cargo tonnage moving on the Great Lakes, together with the cargo tonnage handled and the Government investment in each port, are indicated in the following table:

	Cargo tons	Government investment
Duluth	45,604,323	$8,587,528.00
Buffalo	15,917,489	7,685,950.81
Toledo	14,171,694	3,702,440.00
Calumet	10,831,051	4,123,118.98
Cleveland	10,803,443	8,237,566.60
Conneaut	9,639,901	1,982,365.59
Ashtabula	8,800,420	2,453,574.31
Calcite	7,590,859	(1)
Ashland	7,356,764	687,900.00
Agate Bay	6,199,549	365,708.00
Detroit	[2] 6,148,033	19,465,109.38
Lorraine	6,088,682	1,333,854.77
Milwaukee	6,061,033	4,780,475.36
Escanaba	6,060,431	(1)
Gary	6,035,714	(1)
Sandusky	5,601,085	1,998,539.45
Indiana Harbor	4,722,219	1,725,210.18
Fairport	3,875,688	1,547,775.08
Marquette	3,768,969	1,308,430.00
Luddington	2,261,862	2,182,424.81
Chicago	2,043,565	4,625,949.83
Manitowoc	1,977,894	1,212,060.00
Huron	1,700,499	733,773.71
Frankfort	1,472,977	788,788.35
Erie	1,371,444	1,969,776.56
Rockport	1,274,319	(1)
Green Bay	1,267,595	1,054,578.39
Alpena	1,245,046	218,887.76
St. Marys River (Soo Canal)		27,032,788.00

[1] No Government investment.
[2] Interlake channels at Detroit.

The investment of the Government in interlake channels and in the harbors which handled 95 per cent of the cargo tonnage on the Lakes amounts to $112,474,341.04 out of a total of $163,368,403.27 Government funds which have been expended ostensibly in aid of navigation on the Great Lakes. This means that over $50,000,000 of the Government expenditures on the Great Lakes have been for the benefit of ports and projects which handle but 5 per cent of the cargo tonnage of the Great Lakes.

It may be that some of these expenditures were for channels which serve the 28 ports which handled 95 per cent of the cargo tonnage; but the outstanding fact is that there are nearly 70 harbors on the Great Lakes upon which Government money is being presently expended. The same problem is presented here as elsewhere. The need is for fewer harbors and for concentrated expenditure on well-selected harbors which will best serve the lake commerce and the trade of its tributary territory.

The following tabulation indicates the expenditures which have been made as of June 30, 1926, upon harbors and other works on the Great Lakes which serve but 5 per cent of the commerce on the Lakes:

Harbor at Grand Marais, Minn	$227,350.00
Harbor at Port Wing, Wis	99,792.00
Harbor at Ontonagon, Mich	541,175.00
Keweenaw waterway, Mich	2,861,500.00
Harbor of refuge, Marquette Bay	181,900.00
Harbor of refuge at Grand Marais, Mich	720,598.32
War-roads Harbor, Minn	163,300.00
Zippel Bay, Minn	39,080.15
Baudette Harbor, Minn	8,800.00
Manistique Harbor, Mich	362,990.50
Menominee Harbor, Mich	578,020.00
Fox River, Wis	4,709,076.69
Sturgeon Bay, Wis	790,114.21
Algoma Harbor, Wis	359,277.21
Keewaunee Harbor, Wis	335,800.00
Two Rivers Harbor, Wis	416,250.00
Sheboygan Harbor, Wis	1,306,268.12
Port Washington Harbor, Wis	277,900.00
Racine Harbor, Wis	1,396,742.21
Kenosha Harbor, Wis	738,307.41
St. Joseph Harbor, Mich	1,117,812.20
South Haven Harbor, Mich	732,791.40
Saugatuc Harbor, Mich	591,439.00
Holland Harbor, Mich	894,866.12
Grand Haven Harbor, Mich	1,590,190.65
Grand River, Mich	540,500.00
Muskegon Harbor, Mich	1,227,383.72
White Lake Harbor, Mich	411,128.45
Manistee Harbor, Mich	1,119,302.97
Charlevoix Harbor, Mich	261,900.00
Waukegan Harbor, Ill	933,600.00
Michigan City Harbor, Ind	2,075,633.77
Sheboygan Harbor, Mich	230,750.00
Roger City Harbor, Mich	6,109.38
Saginaw River, Mich	1,952,572.96
Harbor Beach, Mich	2,617,749.77
Black River, Mich	224,555.85
Clinton River, Mich	101,250.06
Monroe Harbor, Mich	262,015.27
Port Clinton Harbor, Ohio	109,089.69
Mackinac Harbor, Mich	78,354.90
Vermillion Harbor, Ohio	181,122.73
Dunkirk Harbor, N. Y	1,213,877.94
Tonawanda Harbor, N. Y	6,334,978.48
Niagara River, N. Y	102,562.50
Charlotte Harbor, N. Y	1,095,787.70
Great Sodus Bay Harbor, N. Y	841,984.80
Little Sodus Bay Harbor, N. Y	666,262.73
Oswego Harbor, N. Y	3,313,083.99
Cape Vincent Harbor, N. Y	226,000.00
Ogdensburg Harbor, N. Y	653,908.29

The foregoing list of inactive harbors, and the appropriation indicated as having been expended on them, carries a strong inference that there has been egregious waste of public moneys upon these inconsequential projects, and that further expenditures upon them should be interdicted. If these scattered and supernumerary harbors are of any local interest or utility, they should be maintained at local expense. The communities and the States concerned should take care of them. It is possible that there are a number of harbors in the foregoing list, particularly those on Lake Ontario, which should be maintained by Government appropriations; but even these are in the group of harbors which altogether handled but 5 per cent of the Great Lakes cargo tonnage in the calendar year 1925. The Ontario ports, of which there are not many, serve international commerce with Canada. The ports on the lakes Superior, Huron, Michigan, and Erie, serve, for the most part, interstate commerce.

MISSISSIPPI RIVER SYSTEM

The Mississippi River and its navigable tributaries or, rather, confluents upon which the great interior cities of St. Louis, Pittsburgh, Chicago, Minneapolis, and Kansas City have been built, constitute an internal system of waterways of importance. On the lower Mississippi we have the ports of New Orleans, Baton Rouge, Memphis, Cairo, and St. Louis. On the Ohio we have the ports of Pittsburgh, Wheeling, Cincinnati, and Louisville. On the Illinois and the Chicago Canal we have the ports of Chicago and Peoria. On the upper Mississippi we have the ports of St. Paul and Minneapolis. And on the Missouri we have the port of Kansas City, not to mention the ports of St. Joseph, Omaha, and Sioux City upon the upper reaches of the river.

These are the only confluents of the Mississippi River which serve cities of any commercial importance, cities which are capable of supplying inbound and outbound cargo tonnage for the service of the Mississippi system of waterways. Ample experience has demonstrated that river channels are of little or no utility except as they connect cities of commercial importance, and are thus able to serve the water traffic between such cities. Expenditures upon the Mississippi River system should, therefore, be restricted to the waterways which connect Pittsburgh, Chicago, Minneapolis, and Kansas City with the main river.

There is no present or immediately potential utility in expenditures laid out upon other projects related to the Mississippi River system.

The tributaries of the Mississippi and its main branches other than the Ohio, the Illinois, and the Missouri Rivers do not serve any important commercial center, and therefore expenditures upon these other tributaries are not warranted.

There has been expended on the Mississippi River and its tributaries in aid of navigation as of June 30, 1926, the sum of $327,246,479.93.

The expenditures which have been made upon the Mississippi River and its important confluents are as follows:

Mississippi River from Cairo to Minneapolis	$75,266,861.59
Missouri River	29,779,109.19
Ohio River	133,572,955.71
Illinois River	3,048,650.00
Total	241,667,576.49

This total of $241,667,576.49 does not include the expenditures at the mouth of the Mississippi for the service of the ports of New Orleans and Baton Rouge, which as of June 30, 1925, amounted to $34,274,730.54, and does not include the total appropriations for flood control on the Mississippi, which as of June 30, 1926, amounted to $167,917,258.07. But the total of $241,667,576.49 does represent the entire expenditures which have been made in aid of navigation on the Mississippi River above Cairo, and upon the Ohio, the Illinois, and the Missouri Rivers. Expenditures upon projects related to the Mississippi River system, but which have not served navigation on the principal confluents above indicated and which have not served commerce or river traffic to the important cities enumerated and which represent largely a waste of Government funds as far as the actual promotion of river navigation is concerned, are indicated in the following tabulation:

Red River	$3,139,631.91
Black River and Ouachita River	5,808,369.00
Tensas River	109,500.00
Boeuf River	124,169.22
Bayou Bartholomew	88,730.78
Saline River	39,691.67
Bayoux d'Arbonne and Corney	53,600.00
Yazoo River	637,193.23
Tallahatchie and Coldwater Rivers	210,878.78
Big Sunflower River	819,890.15
Steele and Washington Bayous	27,049.81
Mouth of Yazoo River	1,260,296.18
Arkansas River	4,087,136.69
White River	826,644.84
Black River, Mo	397,380.50
Current River	114,185.00
St. Francis and L'Anguille Rivers and Blackfish Bayou	240,537.53
Osage River	1,170,000.00
Gasconade River	230,000.00
Cumberland River	9,141,727.87
Tennessee River, not including Muscle Shoals and Florence Dams	8,880,634.01
Big Sandy River	1,649,593.74
Wabash River	810,712.07

The Cumberland, Tennessee, Big Sandy, and Wabash are tributaries of the Ohio. The expenditures on these four rivers have amounted to $20,482,667.60. Existing laws authorize the expenditure of more than $14,000,000 more in aid of navigation on the Tennessee and Cumberland Rivers, to serve a territory better served by railroads than it can ever be by river navigation.

The Government could better afford to build railroads along the course of the upper Cumberland above Nashville than to sink millions in a purely provincial and futile scheme for ineffective river navigation. The expenditures made and authorized of $15,882,727.87 for the aid of navigation on the Cumberland River and of $16,456,359.61 for the aid of navigation on the Tennessee are examples of the most egregious waste of Federal money in the history of waterway appropriations. To spend over $32,000,000 on these parallel waterways largely in the State of Tennessee is nothing less than a national scandal. Over $14,000,000 are yet to be expended on the Cumberland above Nashville and upon the Tennessee above Chattanooga. Congress, in the interest of public economy, ought to forthwith repeal the authorization for the expenditure of $14,000,000 upon the upper reaches of these rivers.

The Tennessee, Cumberland, Green, Kentucky, Big Sandy, Kanawha, and Little Kanawha Rivers, upon all of which considerable sums in aid of navigation have been expended, are affluents to the south bank of the Ohio River, and are of interest primarily for their potential power resources.

It will bear repetition that the rivers enumerated in the foregoing list do not serve important cities or commercial centers, and therefore ought not to be regarded as integral parts of the main Mississippi River system of waterways. In the most favorable aspects they are but ancillary projects, and their development ought to be postponed until the main waterways from Pittsburgh, Chicago, Minneapolis, and Kansas City to the sea are complete and in actual use. If, after this is

accomplished, the facts indicate that these ancillary waterways may be improved for the use of river commerce, that will be time enough to consider the expenditure of Government funds for their improvement. In the meantime the further dissipation of funds either for the improvement or maintenance of these merely ancillary waterways ought to be foregone and interdicted. It is against the interest of those who are sincerely in favor of the Mississippi River project as such to support the dissipation of Government moneys in projects which do not aid or contribute to the development of the main Mississippi River waterway and its important branches.

The Missouri River from the mouth of the Yellowstone in North Dakota, near the Montana boundary, to its junction with the Mississippi above St. Louis, presents throughout its course the same general characteristics of instability of channel and shifting sand bars in the flood bed of the river. The problem of rectification of the channel may be regarded as one peculiar to this river. It is believed that a series of water gates fixed and supported by concrete walls transverse to the course of the flood will define the channel for navigation and prevent the longitudinal washing of the flood bed of the river. If the channel for navigation be fixed by successive water gates, and the flood bed be stabilized, it is believed that the banks will take care of themselves with the aid of such levees as may be advisable to confine the known flood plane of the river.

If, for example, a channel 200 feet wide is to be obtained the wall ends which define the water gates should be 200 feet apart. If the gate be installed in the center of a flat or shallows where the flood bed is 2,000 feet wide, or 1,000 feet upon either side of the gate, the concrete walls will extend 1,000 feet to the bank on either side. These concrete walls may be 1 foot thick, 10 feet deep, and 1,000 feet long. They should be set at least 1 foot below the level of the projected channel bottom. By this means a 9-foot channel may be set out in the flood bed away from the banks, thus taking current pressure off the banks. While the walls in a general sense are to be set at right angles to the direction of the stream, it is believed that they should have sufficient inflection toward the current to prevent any tendency of flow along the walls away from the gate and toward the banks.

The walls may be placed when the water is at low stage. They should by preference be located across flats or shallows where the channel is most erratic and changeable. The concrete may be poured into open trenches in the flood bed. The wall will rest upon the natural bottom of the trench. There will be little or no lateral pressure on the walls. The length of these embedded concrete walls, which may be 1,000 feet or more in the wider flats, will hold them in place even if the wall ends at the gates are washed clear or the wall at a given point becomes undermined by a casual current or eddy. These walls will offer an impenetrable barrier to the longitudinal movement of the flood bed with the flood current; will prevent the intrusion of currents or channels, and will permit the flood itself to pass over them without impediment. The fact that they are covered with the mud and silt and are not visible will not affect their effectiveness, but will assist their function for channel control and for flood-bed stabilization. The river would be cleared of considerable silt by the stabilization of the bed.

The influence of a given water gate upon the channel passing to it from upstream will determine the proper location for the next water gate in the series.

It is believed that this plan will fix the course of the stream, stabilize the flood bed, take current pressure off the banks, reduce the quantity of suspended silt, and afford withal the best available channel for navigation.

THE PENDING BILL

This brings me to a consideration of the pending bill. I have already indicated that perhaps 25 of the projects presented for approval by the bill are not for the service of important ports on the Atlantic, Gulf, or Pacific coasts, or for the service of important lake ports, or for the development of integral parts of the Mississippi River system of waterways.

The pending bill as it passed the House of Representatives approved projects which call for the expenditure of $37,558,000. The Senate amendments bring the estimated cost of the projects, it is stated, to $59,419,000; but in my opinion the bill before us, if we pass it in the form in which it now appears, will impose upon the Government of the United States burdens exceeding $200,000,000. The ultimate cost of one section alone of the Missouri River between Kansas City and Sioux City, according to estimates which I have and according to information which I have received, will be between seventy-five and one hundred million dollars. So, if Senators intend voting for this bill under the belief that it will take but fifty or sixty million dollars, I wish to advise them that they are greatly mistaken. This bill will commit the Government of the United States to the payment of more than $150,000,000, and as it will finally pass the Senate the total amount which the Government will ultimately have to meet may be more than $200,000,000.

THAMES RIVER, CONN.

The first of these projects is for a channel 20 feet deep in Norwich, Conn., on the Thames River. There is now a channel 33 feet deep from New London to the mouth of this river. The Government has already spent a great deal more than is warranted in aid of navigation on the Connecticut coast. There are harbors at Providence and the great harbor of New York which are adequate for the service of this territory, not to speak of the ports of New London, New Haven, and Bridgeport, upon which Government money is constantly being expended.

Mr. President, just a word as to what is said by the engineers respecting this delectable project:

> The division engineer is doubtful of the cost estimates submitted by the district engineer, and in a supplementary communication recommends an increase in unit figures which would raise the first cost of the 18-foot channel to $350,000. He does not believe that the benefits resulting either from the more economical movement of bulk commodities or from the possibilities of further package-freight service would be sufficient to justify the necessary Federal expenditure, and recommends against the improvement.

What matters it if he does recommend against it? Congress gives no heed to the recommendation; and so we are now to hand out a little gift and benefaction to Norwich.

The request for this channel to Norwich is purely provincial and local. It should be disapproved. Think of it! A proposed expenditure of $350,000, with the local engineer recommending against it! Well, it matters not. It will pass, of course; any other project, no matter how indefensible, that is suggested here will be promptly added to the bill.

GRAVESEND BAY, N. Y.

The second project for approval carried by the bill is for a waterway from Gravesend Bay to Jamaica Bay by way of Coney Island Creek. The report says that there are a number of bridges across the creek which at times carry very heavy traffic. The waterway is designed entirely for the benefit of light-draft pleasure craft and scows. The whole Jamaica Bay improvement is essentially a reclamation and real-estate promotion. The parties who have the reclaimed land to sell include the city of New York, which should, of course, together with the other landowners, take care of this scheme.

It is of no interest to Congress or the country, and does not represent a material improvement to the port of New York. The engineers estimate on this work is $2,000,000. The Government commitments on this Jamaica Bay scheme under existing law amount to $11,806,000, of which $10,541,000 remains to be expended. This scheme is an unmitigated extravagance. It should be stopped now. The Government will save $12,500,000 by this wholesome action.

Of course, we should help the poor real estate agents of New York put millions of dollars into their pockets. That is one of the reasons we enact river and harbor bills.

GREAT KILLS, N. Y.

The third project for approval carried by the bill is the improvement of the minor harbor at Great Kills, Staten Island. The House report says local interests have offered to bulkhead the southerly side of the harbor and—

> to provide spoil-disposal areas, and a land company offered, at the time the survey was made, to pay $500 an acre for land filled in by dredged material to a height of 10 feet above low water. The district engineer believes that more extensive bulkheads should be provided and that, in view of the large local benefits and the high value of the reclaimed land (estimated at $14,000 an acre) more liberal cash cooperation should be afforded.

This scheme bears all the earmarks of real estate and promotion projects. The scheme is recommended by the Board of Engineers as a harbor of refuge for light-draft barges and small vessels. The report continues:

> It can not be said from available data that the need for such a harbor is extremely urgent, but it would undoubtedly be desirable and convenient.

That is all there is to it—the mere service of local convenience and useless expenditure of Government money to serve such interests.

PASSAIC RIVER, N. J.

The fourth project for approval carried by the bill is for a channel 12 feet deep and 150 feet wide to the Garfield Bridge in Passaic River. The Government has already provided a channel 20 feet deep and 300 feet wide up this river for 7 miles and above this point is a channel 16 feet deep and 200 feet wide for over a mile. It is now proposed that a channel 12 feet deep be carried up the river for the distance of 14 miles in order to facilitate the movement of coal, lumber, sand, crushed stone, and petroleum.

This improvement is ancillary to the port of New York. The private interests for whose service this project is brought forward already have a great advantage in their proximity to the great port of New York. They have the benefit of the tremendous expenditures which the Government has made for the service of the port of New York. The House report says:

Three years ago the department recommended unfavorably on the improvement; since then, however, new industries have developed in the Passaic district, the movement of commerce by water has considerably increased, and there are definite indications that increased channel facilities would produce pronounced savings and benefits.

The engineer recommends a channel 10 feet deep and 150 feet wide. There is no need for this improvement at this time. It serves purely private interests—interests which, if represented by industrial plants off the water front, would not think of asking Congress to provide roads or railroads for their private accommodation. It is an improper and immoral use of money which belongs to the whole country to authorize this expenditure, which does not, in any proper sense, represent an improvement in New York Harbor. The estimate for this project is $858,000.

APPOMATTOX RIVER, VA.

The fifth project for approval carried by the bill is the plan to deepen the channel in the Appomattox River to Petersburg, Va. The Government has already provided a channel 12 feet deep and 80 feet wide at ordinary high water from the James River through the Appomattox to Petersburg. Local interests want a channel 100 feet wide and 12 feet deep to Petersburg. The report of the House states that—

Shipments of sand and gravel constitute the major part of the annual business. Besides sand and gravel, about 6,000 tons of fertilizer moves on the river.

It is contended by local interests that 100,000 tons of traffic which now moves by rail would move by the Appomattox River if the improvement were made. There is, of course, no insurance that the railroads operating in that territory would permit the diversion of 100,000 tons of freight away from rails to the water. We know they would do no such thing. The report states:

From information presented by local interests, it appears that greater depth in the channel would result in saving of 20 to 30 per cent in the cost of moving bulk commodities in barges.

That is it; local interests want bigger barges, and they are willing to have the Government sink money in the Appomattox River to get bigger barges—a few of them—up to Petersburg, without regard to the fact that by no stretch of the imagination may it be said that the expenditure of these Government funds is of any benefit to the country at large or to the commerce of the country. The estimated cost of this project is $91,000.

NEWPORT NEWS, VA.

The sixth project for approval carried by the bill is for the deepening of the channel to Newport News. The project heretofore authorized by Congress is for a channel 600 feet wide and 35 feet deep. And this project has been completed. The report states:

Local interests now desire a channel 40 feet deep and from 600 to 1,000 feet wide.

Newport News now has a 35-foot channel, and having obtained that it now wants a 40-foot channel. There is no need for this deeper channel. The port of Newport News is ancillary to the port of Norfolk, where there is an amplitude of deep water and anchorage area. The great steamship *Leviathan* was reconditioned at Newport News and moved in and out by the existing channel, and it is certain that no vessel of the magnitude of the *Leviathan* will come into Newport Harbor for the taking on of coal cargoes or other cargoes which are available at Newport News. There is no need for this work to proceed at this time. The project may not be entirely without merit, but it may be postponed without injury to any interest or to the country. The engineers' estimate for the project is $714,000.

SHALLOTTE RIVER, N. C.

The seventh project for approval carried by the bill is for a channel in the Shallotte River, 4 feet deep at mean low tide, a distance of 9 miles to the town of Shallotte. The channel is now 4 feet deep to within 1 mile of this town. As to why the Government should subsidize the movement of possibly 8,000 tons of freight a year down the Shallotte River to the open sea in a 4-foot channel and thence to Wilmington, does not appear. If there is a purely provincial and wholly uncalled for project in this bill, it is to provide a channel for the movement of a little local farm produce from Shallotte to Wilmington, N. C., at the expense of the whole country. The engineer's estimate of the cost of this project is $7,000.

NEUSE RIVER, N. C.

The eighth project for approval carried in the bill is for a 12-foot channel in the Neuse River at New Bern, N. C. The channel is now 8 feet. The report says:

It appears to be the desire of a local interest to secure a 12-foot depth of water at and below New Bern to correspond with the project depth of the inland waterway.

It seems that the local interests of New Bern might well wait until the 12-foot channel projected for the inland waterway is a reality and not a project. This is a purely local project, without value or interest to the country at large, and does not in any proper view invoke appropriations of public money by Congress. The estimate for the project is placed at $50,000.

CHARLESTON HARBOR, S. C.

The ninth project carried by the bill for approval is for the modification of the existing project for the improvement of the port of Charleston. During the war a project was adopted calling for a 40-foot channel to this port. The existing channel is 30 feet in depth, which is believed to be adequate for the present commercial needs of the port. Work on the 40-foot project has been suspended. The bill provides for a modification of the 40-foot project to 30 feet, and the excavation of channels within the harbor to the 30-foot depth for the proper development of the port. As Charleston is to be the principal commercial and naval port south of Norfolk on the Atlantic there is some merit in this project. If this project could be separated from the unworthy projects carried by the bill, there might be some justification for its approval. The engineer's estimate of the work is $314,000.

SAVANNAH HARBOR, GA.

The tenth project for approval carried by the bill is for the deepening of channels in the Savannah River for the benefit of the port of Savannah. The report says:

Request is made for a channel up to the bridge 21 feet deep and 200 feet wide.

This scheme is to supply a channel in the upper part of the harbor for the service of the Savannah Sugar Refining Corporation and one or two lumber, creosoting, and pulp companies having private plants which are to be served by this whole channel. The most important concern affected is the sugar company. This corporation built its refinery on this water front knowing the conditions in Savannah Harbor and the existing channels available for its use. The corporation made a private channel 17 feet in depth for the service of its refinery. It is said that 97 per cent of the duties collected in the port of Savannah are paid by this one corporation. In other words, Congress is asked to maintain this channel for the benefit of a sugar-refining company. The report says:

Three of these industries have developed an annual water-borne commerce of over 200,000 tons despite the difficulties arising from limited depth of water; these difficulties have been overcome to some extent by dredging at local expense. It is believed that the volume and importance of the commerce justifies Federal assistance. The most effective and economical means of providing this is by the channel proposed by the district engineers. Such a channel will serve the Savannah Creosoting Co. and the two concerns which are situated below it, including the sugar company—it is the largest contributor to the existing traffic—and will also make available additional sites for industrial development along a stretch of more than 2 miles of river.

That is what is proposed—to lay out money that belongs to the whole country to develop a stretch of 2 miles of Savannah River bank for industrial exploitation at the expense of the United States Government and of the country at large. There is no merit whatever in this proposition. It does not invoke on any proper grounds the power of Congress to appropriate money to provide for the common defense or general welfare of the country. These local concerns have a 17-foot channel. If they want a 21-foot channel, they should provide it for themselves and maintain it at their own cost. There is no reason

why Congress should lay out $190,000 and additional amounts for maintenance of this purely private project.

SAVANNAH RIVER, GA.

The eleventh project carried by the bill for approval is the deepening of the channel of 27½ miles leading from the sea to the port of Savannah. The Government has provided a 30-foot channel from the sea to quarantine and thence a 26-foot channel to the Seaboard Air Line bridge.

Savannah Harbor is one of the worst harbors to maintain on the south Atlantic coast. Expensive regulating works which have been constructed have been inadequate to remove the heavy burden of silt brought down by the Savannah River. Extensive dredging is constantly necessary to maintain the channel. The annual cost of maintaining this harbor is stated in the House report to be $510,000. Upon the theory that this heavy maintenance charge may be reduced, it is proposed to put in additional construction works, retaining walls, and other structures, with a view to producing a current which will scour the channel and keep it clear. The ultimate estimate for this work is $4,606,000. It is proposed to put in a part of these works at an estimated cost of $1,420,000, with an additional annual charge of $400,000 for maintenance. This is one of the most objectionable provisions in the pending bill. The House report states:

The maintenance of a channel adequate for the important general water-borne commerce of the port of Savannah has proved to be a very difficult and expensive problem. The major item in the expense is the continuous dredging necessary to remove the silt deposit brought down by the river. This expense can not be eliminated, but it can be materially reduced by works so designed as to increase the scouring effect of the river currents and the ebb tide.

There is only need for one major port in this region, and that is the port of Charleston. It is an imposition upon the country and upon the Government to lay out public moneys in maintaining the impossible conditions which are present in the port of Savannah. Local interests which use this port should be content with the existing channel. The Government ought not by its action to stimulate the extension of the port of Savannah or the investment in industrial plants which intend to depend upon water navigation for the service of their commerce.

The port of Savannah is nothing but a sink hole for Government money. It will never be anything else but a sink hole for Government money, and the sooner this Federal contribution is cut off the better it will be. The Government waste in that river for the benefit of Savannah Harbor has now run to over $19,000,000. Maritime commerce in this region should go either to the port of Charleston or to the port of Jacksonville. There is no reason, from a broad view of sound public policy, why additional millions of public money should be expended merely to gratify the local pride and interests which are centered in this city. The House report says:

While the governing depth up to Savannah is 26 feet at mean low water, as distinguished from 30 feet at certain neighboring ports, I do not consider that this involves a sufficient interference with commerce and navigation to justify at the present time the increase in project dimensions of the channel, in view both of the considerable range of tide and of the great cost of maintaining even the present channel.

The commerce in this port is not worth to the country at large the inordinate expenditures for the maintenance of this impossible port. The estimate of the cost of the works proposed for approval by the pending bill is $1,600,000, with an additional half million for maintenance to be put on top of the half million now spent for maintenance. This is a leak of Government revenues which should be plugged. There is no warrant for the approval of this project as proposed in the pending bill.

APALACHICOLA BAY, FLA.

The twelfth project for approval carried by the bill is for a modification of the channel at Apalachicola Bay, Fla., to a depth of 10 feet and a width of 150 feet. Appropriation is necessary for this project, as the alteration is expected to be accomplished in the course of maintenance appropriation expenditures. But why should the Government spend money on the port of Apalachicola? The customs collected at this port in the fiscal year 1926 were $341.05. The House report states:

Apalachicola and adjacent communities have a total population of about 5,000 and form the center of a considerable fishing, oyster, and shrimp industry, employing some 200 boats of light or moderate draft. Several sawmills are also located in the town.

The report makes the usual statement that the initial request of local interests was for a channel 22 feet deep from the Gulf to the town. It is claimed that the shipments will be increased over fivefold if this improvement is made. The fishing vessels and light-draft side-wheel steamers are adequately served by existing depths. The report further states:

Apalachicola Bay is naturally a shallow body of water with a bottom composed largely of soft silt brought down by the Apalachicola River. Large quantities of this deposit are added annually. The communities involved are small, and in view of the resources of the neighboring country, the railway net and rate structure, and the existence of neighboring deep-water ports, it is unlikely that a channel for ocean vessels would result in any material commercial or economic benefits of national scope even if the Government were prepared to undertake the very large annual expense involved in maintaining it.

There is no reason why the Government should lay out further money on the port of Apalachicola. The community is not of enough importance to warrant it. There are thousands of inland towns where the Government could spend money which would bring a greater return to the public than the money which has been and is being sunk in the port of Apalachicola.

GULFPORT, MISS.

The thirteenth project carried by the bill for approval is for the modification of the existing project by relocating the channel across Ship Island Bar for the service of the port of Gulfport, Miss. This work has already been authorized and the modification will not add to the cost of the project.

AMITE RIVER AND BAYOU MANCHAC, LA.

The fourteenth project for approval carried by the bill is for the improvement of the channel in the Amite River and Bayou Manchac, La. The report states that—

The products of the region, which is not well served by the railroad, move principally by water to New Orleans * * *. The district engineer considers that the existing depths are ample for the present and immediately prospective commerce, and that improvement is no longer required on the Amite River above the mouth of Bayou Manchac. * * * The upper reaches of the river are apparently used to so limited an extent as not to warrant further expenditure of Federal funds, but the business pertaining to Bayou Manchac is believed to be sufficient to justify the continual removal of obstructions. I therefore report that the improvement of Amite River from Bayou Manchac, La., is deemed advisable to the extent of providing, in lieu of the existing project, for a channel 60 feet wide and 7 feet deep at mean low water from that depth in Lake Maurepas to Port Vincent, and for the removal of obstructions between that point and the bridge of the Louisiana Railway & Navigation Co. against Bayou Manchac, at a total estimated cost of $5,000, with $1,200 annually for maintenance.

These local channels are ancillary to Lake Pontchartrain. The amount, indeed, is not large; but why should Congress be concerned with making appropriations for a channel to float an inconsequential quantity of logs and lumber a few miles down a bayou to Lake Pontchartrain? It is an abuse of public funds—funds which belong to the country as a whole—to expend them in such purely local projects as the improvement of the Amite River and the Bayou Manchac in the canebrakes of Louisiana.

BAYOU BONFUCA, LA.

The fifteenth project for approval carried by the bill is for the improvement of Bayou Bonfuca, another swampish tributary of Lake Pontchartrain. The House report states:

Local interests desire a channel 14 feet deep from that depth in the lake to Slidel.

It is claimed that 81,500 tons of lumber move annually on this water. The report further states:

The investigations of the district engineer indicate the depth of 14 feet was proposed on account of the possible use of a single large towboat, but that the commerce of the bayou could be handled satisfactorily in a 10-foot channel, as there are a number of light towboats suitable for this depth. * * * I therefore report that the improvement of Bayou Bonfuca be deemed advisable to the extent of providing a channel 10 feet deep at mean low water and 60 feet wide between Slidel and deep water in Lake Pontchartrain, as recommended by the district engineer, at an estimated cost of $22,000, with $1,200 annually for maintenance, subject to the provision that local interests shall contribute $5,500 to the first cost of the work.

This is a purely local and really private scheme for the benefit of large lumber interests operating at Bogalusa, La. These interests want a 14-foot channel to float one large towboat and the Government proposes to give them a 10-foot channel, upon which they can operate smaller towboats suitable for this depth. The bayou already has a depth of 10 feet, except over a bar, where the limiting depth is 7½ feet. Why should not these local lumber companies provide their own channel across this bar in the bayou? Why should they ask the Government of

the United States to contribute $16,500 or any other sum to provide what is to all intents and purposes a purely private channel for the use of this lumber corporation? If a 10-foot channel across the bar in the bayou is worth $16,500 to this lumber corporation, it should spend its own money for this private channel. The channel is not worth 16½ cents to the Government or to the country. Let these lumber corporations on the South Atlantic, the Gulf, and the northwest coasts barge their lumber down to deep water. It is a flagrant abuse of public funds to expend them for ship channels for lumber corporations anywhere upon any of our coasts or tributary waters.

LOWER MISSISSIPPI RIVER CHANNEL

The sixteenth project for approval carried by the bill is for the improvement of the channel in the Mississippi River between the Passes at the mouth of the river and Cairo.

This project covers the Mississippi Channel from the mouth of the Ohio to the Gulf of Mexico. The limiting depth below Baton Rouge is 34 feet. No work in aid of navigation has been done in this section of the river, other than the maintenance of the Passes into the Gulf of Mexico. After the passing of high flood, there are frequently deposited in this section of the river bars which temporarily impede ocean navigation to the port of Baton Rouge. These bars are eventually eroded, but it is desired that the removal of the bars be hastened so as not to impede the ocean commerce at Baton Rouge. For this purpose it is desired that Congress authorize a depth of 35 feet between the Mississippi Passes and Baton Rouge. Nearly 5,000,000 cargo tons of commerce was handled in the port of Baton Rouge in the calendar year 1925. This channel should be protected and if it were thought that special work is necessary to remove temporary periodical impediments to existing ocean navigation, then it would not be out of order for Congress to authorize this work. The provision in the bill calls for only a modification of the existing project for the improvement of the Mississippi between the mouth of the Ohio and the Head of the Passes. The main project provides for a 9-foot channel below Cairo. No special work is required to keep a 9-foot channel open for navigation in this stretch of the river. The bill merely modifies the existing project to provide for the maintenance of a channel to 35 feet between Baton Rouge and the Gulf. The charge is essentially a maintenance charge, and is estimated by the engineer at $14,000 annually. This is one of the projects in the bill that is unobjectionable.

INTRACOASTAL WATERWAY TO CORPUS CHRISTI, TEX.

The seventeenh project for approval carried by the bill calls for an expenditure of $7,000,000 on the so-called intracoastal waterway from New Orleans to Corpus Christi, Tex. This is an attractive project from an engineering standpoint, but its utility for the service of commerce is very much open to question. The Gulf coast between New Orleans and Corpus Christi is adequately served by railroads that parallel the coast, and the Gulf waters are also open to navigation between New Orleans, Corpus Christi, and intervening Texas ports. There is no reason whatever to believe or claim that the expendiure of $7,000,000 on the intracoastal waterway along the Texas coast will be of any practical service to commerce or navigation. Certainly there is no present necessity for this expenditure. There is no present advantage. Whatever may be ultimately done with the project, there is no reason why Congress should authorize the expenditure of $7,000,000 upon it at this time. The proposed channel of 9 feet would serve only barge navigation.

This whole scheme ought to wait until the proposals for 9-foot channel from Pittsburgh, Chicago, Minneapolis and Kansas City to the sea are completed and actually serve a barge commerce of such proportions as will warrant the maintenance of a similar barge channel along the Texas coast. It is not to be believed that any substantial commerce from Texas cities will move on by barges along the coast to the port of New Orleans. There is no necessity for it to do so, and there is a moral certainty that no such commerce will be developed no matter how much the Government spends on the intracoastal waterway. There are hundreds of locations on the coast where deep water is available for harbors and at which points harbors could be constructed which from any standpoint would be superior to many of the important ports of the country, but there is no commerce available for such possible ports. They do not have a tributary country behind them which can support them, or the existing commerce is moving through other ways and channels, and Congress would not think of laying out public moneys to construct new ports at such locations. Yorktown, Va., for example, is such a location. Solomons Island, Md., is another such location. Others could be enumerated There is nothing in this intracoastal waterway from New Orleans to Corpus Christi which presently or potentially invokes the power of Congress to lay out public moneys for the construction of this waterway.

SABINE-NECHES CHANNEL, TEX.

The eighteenth project carried by the bill for approval is the improvement of the Sabine-Neches waterway at an estimated expenditure of $654,000. This is the waterway from the Gulf of Mexico into what was formerly known as Sabine Lake. This waterway serves the ports of Port Arthur, Beaumont, Sabine, and Orange. The cargo tonnage handled in the ports of Port Arthur, Beaumont, and Sabine as reported by the Shipping Board for the calendar year 1925 was 12,669,420 cargo tons. This total does not include the newer port of Orange. The House reports state that the commerce passing through Sabine Pass amounted to 14,304,000 tons for the year 1924. Ninety per cent of this tonnage consists of petroleum and petroleum products. These ports constitute the most important refining and transshipment center in the world. The importance of this commerce justifies prudent expenditures for the improvement of the Sabine-Neches waterway and its maintenance.

The total customs collections in these four Sabine ports in the fiscal year ended June 30, 1926, amounted to $17,512.79. The tremendous commerce of these ports does not yield any substantial revenue to the Government. This fact suggests that the wealthy oil corporations which use this waterway and the ports it serves could with propriety make a very substantial contribution to their improvement and maintenance.

MOLINE POOL, ILL.

The nineteenth project for approval carried by the bill is for the approved channel to the Rock Island Arsenal at Moline, on the Mississippi River at a point 315 miles above St. Louis. It is claimed that the projected 6-foot channel in the Mississippi River to Minneapolis can not be effectuated without a change in the plan for improvement at Moline. The cost of dredging a channel in Moline Pool is prohibitive. The present plan is to raise the level at the head of Moline Pool which will give the desired channel depth to Moline. The estimated cost of this work is $40,000. Inasmuch as this project appears to be a rational step for the permanent improvement of the Mississippi River, it is doubtless worthy of approval.

MILL CREEK, ILL.

The twentieth project carried by the bill for approval is really an authorization for the payment of $67,000 to certain landowners in the region of Mill Creek, near Milan, Ill., as compensation for damages caused them by certain works near the mouth of Mill Creek executed by the Government for the purpose of improving the Mississippi River. This legislation contemplates that the Chief of Engineers shall have discretion to make a cash settlement or construct works which may facilitate certain drainage operations in progress in this region to overcome the conditions caused by the Government work. The authority under which the appropriation is carried would seem to be unobjectionable.

OHIO RIVER ICE PIERS

The twenty-first project carried by the bill for approval is for the construction of ice piers or harbors in connection with the improvement of the Ohio River. These ice piers are to be constructed for the protection of vessels against destructive ice floes which pass down the river each spring. Slack-water navigation in the Ohio really requires the construction of these piers as an ancillary improvement for the protection of the craft which use the river. The estimated cost is $110,000. In the view that the question of these piers is a question of permanent improvement of the Ohio River waterway, this project may be credited as worthy of approval.

YOUGHIOGHENY RIVER, PA.

The twenty-second project carried by the bill for approval is for the provision of a 9-foot channel in the Youghiogheny River at the point where this river enters into the Monongahela, at McKeesport, 15 miles above Pittsburgh. Referring to an earlier project for canalization of the river 19½ miles to West Newton, the House report states:

> This project was recommended for abandonment in 1916 and 1919, but Congress has taken no action thereon. Interested parties now desire a channel 10 feet deep and 200 feet wide from the Monongahela to Fifteenth Street, McKeesport.
>
> The district engineer reports that McKeesport, with a population of about 50,000, has a large number of industrial plants. Certain of these use the river for the transportation of coal, sand, and gravel.

This is really a project to put in a local harbor at McKeesport for the benefit of concerns which move a considerable quantity of coal, sand, and gravel in order that they may employ

larger barges for this purpose than they presently employ, or that they may load their barges more heavily than they do so at present. This project is of doubtful utility as a material contribution to the river traffic on the Ohio waterway. The existing traffic is entirely local and there is no reason why Congress should appropriate the public money to serve this purely local traffic in gravel, sand, and coal than that Congress should build railroad terminals for its accommodation. The interested parties should provide their own improvements in the city of McKeesport. The estimated cost of this project is $35,000 which should not be a prohibitive expense to the parties who will benefit by the improvement they request the Government to make.

DULUTH HARBOR, MINN.

The twenty-third project carried for approval by the bill is for the improvement of the harbor at Duluth to provide better anchorages and depths. Duluth is the first port on the Lakes in point of tonnage. The harbor at this point should be rationally improved and maintained. The cost of this project is estimated at $8,000 and appears to be worthy of approval.

ILLINOIS RIVER, ILL.

The twenty-fourth project carried for approval by the bill is for the removal of two obsolete dams in the Illinois River as a step toward the ultimate provision of a channel 9 feet in depth through this river to the Mississippi. There is an existing channel 7 feet at low water for a distance of 223 miles to the mouth of the Illinois River. The city of Chicago has constructed a canal from Lake Michigan to Lockport and is now constructing a waterway from Lockport to Utica on the Illinois River. The important cities of Chicago and Peoria will be served by this improvement that will give them access to the Mississippi River waterway through to the Gulf of Mexico. The ultimate utility of this project is not open to controversy and any rational step toward its consummation should be approved. The provisions in the bill for the benefit of the Illinois River are worthy of approval, independent of any relation which the project may have, either immediate or remote, to the question affecting the diversion of water from Lake Michigan through the Chicago drainage canal. Congress may have to declare by legislative act what waters may be diverted from Lake Michigan for the service of navigation in the Illinois River, but the pending bill does not contain any such declaration, nor does it prejudice any such declaration.

ST. MARYS RIVER, MICH.

The twenty-fifth project for approval carried by the bill is for the improvement of the channel in St. Marys River, which carries the traffic between Lake Superior and Lake Huron. This is to be accomplished by widening the existing channels and extending the northwest pier at the Fort Sioux Lock. This is the most important channel in the Great Lakes. It must be consistently improved and made adequate for the commerce which it serves. The project is presumed to be laid upon sound engineering. Upon this assumption there is no reason why the project should not be approved.

BUFFALO HARBOR, N. Y.

The twenty-sixth project carried by the bill for approval is for the improvement of Buffalo Harbor by providing deeper entrance channels for vessels which now have occasion to use this important harbor. The estimate of the cost of the project is $22,000. It should be approved.

SAN JOAQUIN RIVER, CALIF.

The twenty-seventh project carried by the bill for approval is for the provision of a channel 26 feet deep and 100 feet wide in the San Joaquin River to the city of Stockton, 90 miles inland from San Francisco. This is an ambitious scheme involving reclamation as well as navigation. But its utility from a broad national standpoint may well be questioned. Stockton is served by three transcontinental railroads. The city at the present time enjoys differentials on San Francisco on interstate freight, but it is believed that these differentials would be destroyed in a day if any material diversion of rail freight destined for San Francisco should be imminent on the score that Stockton was to become a great inland port. The engineers' estimate on this project is $2,407,500. It is morally certain that if this project be approved there will be no end which may now be foreseen of the progressive augmentation of the cost of improving and maintaining a channel to Stockton for ocean navigation.

FEATHER RIVER, CALIF.

The twenty-eighth project carried for approval by the bill is for the provision of a navigable channel in the Feather River from the point where it enters the Sacramento River, 20 miles above the city of Sacramento, to Marysvale, a distance up the river of 30 miles. It is thought that a channel of from 3 to 4 feet might be maintained throughout the year. Locks and dams would cost over $3,000,000, open channel improvements by dredging and wing within dams will cost $860,000, with $40,000 annually for maintenance for the first three years, and $115,000 annually thereafter. Marysvale is well served by railroads which would not permit a material diversion of freight to the river. It is proposed that the Chief of Engineers undertake minor works of improvement otherwise undefined in the channel up to Marysvale at the cost of $10,000 per year. Congress could just as well cut off this useless dissipation money now as hereafter. The project has no merit from a broad national standpoint and should be rejected.

ISLIS CREEK, CALIF.

The twenty-ninth project carried for approval by the bill is for the improvement of Islis Creek, a small tidal stream entering San Francisco Bay. While this improvement is ostensibly for the benefit of San Francisco Harbor, it constitutes no improvement to the harbor but is a land-speculation scheme, pure and simple. The House report states:

> Local interests have rectified and improved the creek and reclaimed some of the adjoining marshland. * * * Other adjoining areas are owned by private interests which desire that they be reclaimed and developed for industrial use. Channelward of the pierhead line in front of the creek is a shoal, extending into San Francisco Bay, which has limiting depths of 34 feet or less over an area of about 300 acres. Request is made that this shoal be dredged to 34 feet and the spoil deposited on neighboring marshland. * * * On account of the local benefits involved, the district engineer believes that the United States should meet half the cost of doing the initial work by the cheaper method, namely, by hopper dredge. Local interests should meet the other half, and if they desire the material pumped ashore for land reclamation they should also meet the entire additional cost involved in using this method. * * * No present necessity appears to exist for dredging the portion of the shoal north of the approach channel. The expenditure of the United States should not exceed the sum needed to do the work by the method most economical to the Government, namely, by hopper dredge; and if local interests desire that the more expensive method, involving a hydraulic pipe-line dredge, to be used in order that their land may be filled, they should meet the entire excess cost involved.

The cost of this scheme is estimated at $146,000. It is perfectly obvious that the urge for this improvement is to aid a land-promotion scheme. The scheme is hung on to harbor improvement in order to obtain a Federal appropriation. If these lands are valuable as water front, if they be filled in by material dredged from this creek, the interests which will profit by the project ought to pay its cost; $146,000 is not a tremendous amount to be laid out by private interests for the reclamation of valuable water-front property. If the scheme is believed to be profitable these private interests can afford to make the necessary outlay. If it is not profitable, the Government ought not to lay out money for its execution. If it is profitable, the private interests concerned can and ought to lay out their own money on this speculative measure.

UMPQUA HARBOR, OREG.

The thirtieth project for approval carried by the bill is for the modification of the existing project for the improvement of Umpqua River, Oreg., by the extension of the north jetty, 8,000 feet at a total estimated cost of $1,253,000, or $700,000 in excess of the amount now authorized, with annual maintenance estimated at $50,000. The report states that there will be a probable increase of $100,000 over this estimate if work is not undertaken while the wharf and tramway are still in usable condition. We have here a typical case of an effort to create an artificial harbor for the benefit of limited private interests and of commitments by Congress which have become more than double the estimated cost put forth by these interests to induce Congress to authorize the work. The construction of an artificial harbor to serve a great city like Los Angeles and its tributary country is one thing—the construction of an artificial harbor to serve a group of private sawmills is quite another thing. The results of this venture by the Government are its own condemnation. The report states:

> The United States, in cooperation with local interests, is building a jetty on the north side of the entrance, the projection length being 7,500 feet, with a view to improving the depth over the bar. The work thus far accomplished has been insufficient to produce any important results. The purpose of the improvement is to afford a water outlet for the lumber produced at the mills in Gardner and Reedsport, about 10.5 miles above the mouth. Natural depths in the river between these communities and the mouth are limited to about 9 feet. Recently, however, the port of Umpqua has dredged a channel to the depth of 16 feet. * * * It is the desire of interested parties that the United States take over the work of the river, including the entire

cost of any additional jetty construction and maintain a 16-foot channel to Reedsport, and also provide for the ultimate construction of a south jetty.

The Government of the United States has no business attempting to produce an ocean port in these times upon 16 feet of water anywhere. There are some persons who believe that the exportation of lumber from this country at this time is not wise, and is a waste of national resources. Our great forest areas in Oregon as elsewhere are becoming denuded of their valuable stands of timber and ways have always been available to transport timber to market without having to come to Congress for appropriations to facilitate this business. When the timber is gone the traffic is gone. It is entirely imprudent for the Government to lay out large sums of money in port works to serve the temporary accommodation of sawmill and lumber companies, which will abandon their properties just as soon as the timber is cut and gone. There are places in the country where whole villages, including churches and merchandise stores, which have been built around timber projects, have become abandoned, and are passing progressively to decay, with grass growing in improved roads which once led to them. There is nothing which can properly induce Congress to lay out money for the improvement of Umpqua Harbor.

OLYMPIA HARBOR, WASH.

The thirty-first project for approval carried by the bill is for the provision of a channel 22 feet deep and 150 feet wide for Olympia Harbor, Wash., at an estimated cost of $70,000. This harbor now has channels 12 feet deep and 200 feet wide at mean low water. The range of the tide is 18.4 feet. The request of local interests is that the Government now provide a channel 30 feet deep, and it is morally certain that these interests will petition Congress until the 30-foot channel is obtained. The 22-foot channel, approval for which is carried in this bill, will not satisfy these interests. The report states:

> In 1924 the water-borne commerce of Olympia was 692,000 tons, principally floated logs, lumber products, sand, and gravel. The hinterland of the port contains large stands of timber. * * * Due to the limited depth of Olympia Harbor, it is in general necessary to send such material to Tacoma or other neighboring deep-water ports by rail or barge for transshipment to ocean-going vessels. Local interests estimated that if large vessels could load at Olympia there would result a saving in transportation costs of $200,000 annually.

If the lumber interests which want a 22-foot channel in Olympia Harbor for their private advantage, because it will save them $200,000 annually in transportation costs, they can well afford to lay out the $70,000 they are asking for from Congress to provide this deeper channel at their own expense. The country as a whole is not interested in the commerce in lumber, sand, and gravel. No benefit whatever to the country at large would result from the expenditure of this money. The whole advantage would be with these private lumber companies which use this port, and which will abandon it just as soon as their timber is cut and carried to market.

TANANA RIVER, ALASKA

The thirty-second project carried by the bill for approval is for the improvement of Tolovana River, a tributary of the Tanana River, Alaska. The estimate is that there will be 200 tons of summer freight moving on this river and that the saving in transportation costs will be $16,000. Local interests are asking Congress to cut a channel through an old beaver dam 30 feet wide and 4 feet deep, at an estimated cost of $29,000. Inasmuch as Alaska is not served with railroads and otherwise has no modern roads it may be a chivalrous thing for Congress to authorize the Engineer Corps of the Army to open the Tolovana River through this log jam or beaver dam. It would be of material assistance to hardy pioneers who are trying to make an American settlement in this region. Congress, moreover, has the relation of a legislature to the Territory of Alaska, which puts this project upon a different footing from others in the bill.

CAHULUI HARBOR

The thirty-third project for approval carried by the bill is the improvement of Cahului Harbor, the principal port of the island of Maui, the second largest island of the Hawaiian group. This island has extensive sugar and pineapple plantations. It is entirely dependent upon ocean navigation for the marketing of these products, and Cahului is the only improved port on the island. The Territorial government has spent $1,290,000 for the improvement of this harbor to put in dredging and terminal facilities. It would appear that this important island is entitled to one harbor improved at Government expense. The project is for the extension of breakwaters and dredging the channel. This harbor entrance faces north, in which direction in certain seasons heavy seas enter the harbor. It is believed that this harbor ought to have the protection of adequate breakwaters. Congress has the power to execute this work within the Territory of Hawaii.

CHESAPEAKE & DELAWARE CANAL

The bill contains authorization for the construction of a new bridge over the Chesapeake & Delaware Canal to take the place of a low bridge, which is to be abandoned, and also a ferry across this waterway, which is also to be abandoned. This will require the construction of new roads to the bridge to carry the traffic to the bridge which now uses the ferry. The existing bridge and ferry are an impediment to navigation in the canal. Inasmuch as building this new bridge and doing away with the old structures will aid navigation through this waterway is of considerable potential importance, this project, involving expenditures for the consistent improvement of the canal, is warranted.

NEW PROJECTS IN SENATE AMENDMENTS

The Senate Committee on Commerce, to which the House bill was referred, brought out a number of amendments which add to the projects in the House bill.

HACKENSACK RIVER, N. J.

The first of these amendments, in the order they appear in the Senate report, provides for a 30-foot channel in the Hackensack River, N. J. The report states that—

> Local interests desire a channel 30 feet deep and a suitable width. * * * Interested parties estimate that a 30-foot channel would result in an annual saving in coal alone of $290,000.

The commerce on the river consists principally of coal, coke, sand, gravel, crushed stone, chemicals, fertilizer, petroleum products, and lumber. The estimated cost of a channel 300 feet wide and 25 and 30 feet deep are $560,000 and $1,655,000, respectively. If these local interests are to save $290,000 a year by the Government doing this work, they can afford to contribute that much to the cost of the project. This project has all the aspects of a private water terminal and real-estate promotion. The report states—

> Adjacent to the proposed improvement are large unoccupied areas which are available for industrial and terminal expansion. The Hackensack River has possibilities for the development of considerable transshipment business from rail to water.

The present commerce on this river is merely interharbor transfer for the service of manufacturing plants. Congress is asked to lay out $1,655,000 to save private corporations $392,000 a year in the cost of moving their fuel and moving supplies and to develop the potentialities of the Hackensack River as a medium for the transshipment of freight from rail to water.

INTRACOASTAL WATERWAY, BEAUFORT TO CAPE FEAR RIVER, N. C.

The next Senate amendment calls for $5,000,000 to be authorized for expenditure on the intracoastal waterway from Beaufort, N. C., to Cape Fear River. The project is for a waterway 8 feet deep and 60 feet wide. Local interests want a 12-foot waterway. The amendment authorizes 8 feet, and we may be sure that if 8 feet be granted, these interests will want 8 feet, and then 12 feet, and then 14 feet. This waterway is of doubtful utility. It can not be given such dimensions as will serve ocean-going ships, and if it can not serve ocean-going commerce it can not be said to be of utility to the country at large, or to the commerce of the country in a broad national sense. The report states—

> A waterway from Beaufort to Cape Fear River would give a safe passage along a dangerous section of the coast, and behind Fryingpan Shoals to a large and increasing number of yachts, fishing vessels, motor boats, and other small craft which now make use of the existing intracoastal waterways to the north and to the south. It would reduce by about 50 per cent the gap on the southeast coast between the north and south ends of the intracoastal system, thus greatly facilitating the through movement of small craft, which would have both a shorter and safer run in the open ocean. * * * The probable savings in freight and the benefits involved in facilitating and rendering more safe the movement of small craft of all sorts are sufficient to outweigh the cost of providing an adequate channel. * * *
>
> There is, however, no sufficient evidence that a 12-foot depth is necessary at the present time to realize these benefits. While large barges requiring this depth operate on the waterway from Norfolk to Beaufort, their operations are principally confined to the northern section of that waterway. The traffic, which continues south as far as Beaufort, is much more limited and is handled in general by smaller craft. The intracoastal waterways to the south of Winyah Bay carry an important and paying commerce on project depths of from 4 to 7 feet.

To authorize the laying out of $5,000,000 for the accommodation of a few yachts, motor boats, and scows, the movement of which means nothing to the general commerce of the country,

is an abuse of the power to lay and collect taxes for the common defense and general welfare. There is no merit in the amendment.

GALVESTON CHANNEL, TEX.

The next Senate amendment provides for the modification of the existing project for the improvement of Galveston Channel to provide a depth of 32 feet, at an estimated cost of $621,000. As Galveston is an important harbor, this amendment authorizes work for its permanent improvement. The project is worthy of approval.

LITTLE CAILLOU BAYOU, LA.

The next amendment of the Senate is for the improvement of Little Caillou Bayou, which has its source in Bayou Terrebon and empties into Terrebon Bay. The project is for a channel 40 feet wide and 5 feet deep. The estimated cost is $85,000. The maintenance is $2,000 annually, and will be used largely to keep the waterway free from water hyacinths. The present governing depth is about 2 feet. This governing depth will be quite as effectual to promote the interstate and international commerce of the United States as the projected 5-foot depth. The amendment is quite unnecessary.

ILLINOIS RIVER, ILL.

The next Senate amendment covers certain alterations in the estimates for the projects to improve the Illinois River by the provision of a 9-foot channel. This requires a new estimate, and the amendment fixes the cost at $3,500,000.

SURVEYS FOR NEW PROJECTS

There is some of good and much of evil in this bill. There is little or nothing in it pressing for treatment at this time. The country will be served if the bill fail of passage in this Congress, and be revised and stripped of its superfluities for introduction in the Seventieth Congress. The new bill to be worthy of enactment ought to be limited to projects which are of real general importance and which actually aid navigation in the interest of the country at large, and do not merely serve some private or provincial interest.

The most objectionable provisions of the pending bill are those which authorize surveys of more than 147 useless projects. These provisions are vicious because they commit the Government to the further expenditure of money upon these useless projects at the very time when we should be taking a backtrack away from the hundreds of projects of no benefit to navigation in the large national sense and in concentrating the expenditures on ports and waterways where the expenditures will represent an actual aid to navigation. We are inviting the further dissipation of appropriations authorizing surveys for the following new projects, including those carried by the Senate amendments, which are of no utility and certainly of no immediate necessity. I ask permission to insert a list of these projects without reading.

The PRESIDING OFFICER. Without objection it is so ordered.

The list with previous surveys and reports noted is as follows:

Parker Head Harbor and Channel, Kennebec River, Me. (H. Doc. No. 2071, 64th Cong., 2d sess.).

Channel way of the Moosebec Reach, Me. (H. Doc. No. 995, 64th Cong., 1st sess.).

Merrimack River, N. H. and Mass. (H. Doc. No. 1813, 64th Cong., 2d sess.).

Fall River Harbor, Mass. (H. Doc. No. 778, 61st Cong., 2d sess.).

Taunton River, Mass. (H. Doc. No. 110, 65th Cong., 1st sess.).

Inner Oak Bluffs Harbor, Marthas Vineyard, Mass., with a view to the removal of Steamboat Rock (none).

Danvers River, Mass. (none).

Broad Sound, Mass., with a view to the construction of a breakwater in the vicinity of Winthrop (January 28, 1920, not printed).

Vineyard Haven Harbor, Mass. (none).

New Bedford Harbor, Mass., and the approaches thereto (December 14, 1923, not printed).

Bristol Harbor, R. I., with a view to removing rock obstruction off steamboat wharf (March 1, 1926, not printed).

Sakonnet Harbor, R. I., with a view to constructing an extension to the breakwater (H. Doc. No. 264, 62d Cong., 2d sess.).

Bridgeport Harbor, Conn. (H. Doc. No. 898, 63d Cong., 2d sess.).

Little Neck Bay, N. Y. (H. Doc. No. 427, 62d Cong., 2d sess.).

Hudson River Channel, N. Y., from the Battery to Twentieth Street, with a view to securing a depth of 40 feet from shore to shore (September 1, 1921, not printed).

East River, N. Y., from English Place, Long Island City, to Pierce Avenue, with a view to securing a clear channel with depth of 20 feet 200 feet channelward of the Brooklyn shore (H. Com. Doc. No. 3, 67th Cong., 2d sess.).

Newtown Creek and Maspeth Creek, N. Y. (Newtown Creek, H. Doc. No. 936, 64th Cong., 1st sess.; Maspeth Creek, (none).

Passaic River, N. J., from the Port Newark Terminal to Jackson Street Bridge, in the city of Newark (H. Doc. No. 206, 67th Cong., 2d sess.).

Delaware River, Pa., N. J., and Del., with a view to deepening the channel between Allegheny Avenue, Philadelphia, and the sea to a depth of 40 feet, with suitable widths (H. Doc. No. 733, 61st Cong., 2d sess.).

Schuylkill River, Pa., with a view to devising methods whereby the source of pollution caused by the settling of coal dust or culm may be removed (none).

Manasquan River and Inlet, N. J. (Manasquan River, H. Doc. No. 946, 63d Cong., 2d sess.; Inlet, December 6, 1924, not printed).

Shrewsbury River at Highlands, N. J. (February 12, 1925, not printed).

Cold Spring Inlet, N. J. (H. Doc. No. 399, 59th Cong., 2d sess.).

Dennis Creek, N. J. (H. Ex. Doc. No. 191, 53d Cong., 3d sess.).

Waterway connecting Cooper River and Newton Creek, N. J. (none).

Mantua Creek, N. J. (H. Doc. No. 523, 61st Cong., 2d sess.).

Broadkill River, Del. (H. Doc. No. 128, 67th Cong., 2d sess.).

Mispillion River, Del. (H. Doc. No. 678, 62d Cong., 2d sess.).

Indian River, Del. (H. Doc. No. 482, 59th Cong., 2d sess.).

Annapolis Harbor, Md. (H. Doc. No. 57, 54th Cong., 2d sess.).

Smith Creek, Md. (H. Doc. No. 682, 64th Cong., 1st sess.).

Ocean City Harbor and Inlet, Md. (none).

Kent Island Narrows, Md. (H. Doc. No. 1587, 63d Cong., 3d sess.).

Sinepuxent Bay, Md., from the inlet north to Ocean City (H. Doc. No. 248, 63d Cong., 1st sess.).

Waterway from Tangier Sound to Chesapeake Bay, via Ewell, Md. (none).

Miles River and Oak Creek, Md. (none).

Norfolk Harbor, Va., with a view to enlarging the channel in the eastern branch of the Elizabeth River, Va. (H. Doc. No. 381, 59th Cong., 1st sess.).

James River, Va. (H. Doc. No. 234, 56th Cong., 1st sess.).

Little Machipongo River, Northampton County, Va. (none).

Mathews Creek, Mathews County, Va., and channel connecting said creek with East River (none).

Nomini Bay and Creek, Va. (Nomini Bay, none; Nomini Creek, H. Ex. Doc. No. 41, 46th Cong., 3d sess.).

Tangier Sound, Va., with a view to securing a channel to the foot of county road on the south end of Tangier Island (none).

Mill Creek, Middlesex County, Va., and channel connecting said creek with Rappahannock River (Mill Creek, March 30, 1926, pending; Mill Channel, none).

Entrance to Willoughby Channel, Va. (none).

Carters Creek, Lancaster County, Va. (August 17, 1921, not printed).

Starlings Creek, Accomac County, Va. (June 16, 1921, not printed).

Channel leading from Oyster, Va., to the Atlantic Ocean (July 6, 1921, not printed).

Northwest River, Va. (H. Doc. No. 198, 65th Cong., 1st sess.).

Channel from the mouth of Link Horn River or Bay through the Narrows, Broad Bay, Long Creek, Lynn Haven River, and Lynn Haven Inlet, Va. (none).

Beach Creek, Va. (H. Doc. No. 330, 65th Cong., 1st sess.).

Channel from Maple, N. C., to the inland waterway between Norfolk, Va., and Beaufort Inlet, N. C. (none).

Channel from the inland waterway through Currituck Sound to Currituck Courthouse, N. C. (none).

Intracoastal waterway from Cape Fear River, N. C., to Georgetown, S. C. (none).

Channel from Albemarle Sound to Point Harbor, N. C. (none).

Douglas Bay, Hyde County, N. C. (none).

Far Creek, N. C., from Pamlico Sound to Engelhard (none).

Gardiners Creek and Devils Gut, N. C. (none).

Runyon Creek, N. C. (none).

Channel from North River via Black Sound to Lighthouse Bay, N. C. (none).

Smiths Creek in the vicinity of Wilmington, N. C. (none).

Deep Creek, Washington County, N. C. (H. Doc. No. 1383, 62d Cong., 3d sess.).

Intracoastal waterway from Cape Fear River, N. C., to St. Johns River, Fla. (H. Doc. No. 229, 63d Cong., 1st sess.).

Channel from the inland waterway between Charleston, S. C., and St. Johns River, Fla., to Bluffton, S. C. (none).

Thunderbolt Harbor, Ga. (none).

Darien Harbor (H. Ex. Doc. No. 260, 48th Cong., 2d sess.) and Rifle Cut (none).

Back River, Ga., from old plant site of Savannah River Lumber Co. to St. Simons Sound, with a view to securing a channel 20 feet deep at mean low tide with suitable widths (none).

Jekyl and St. Simons Islands, Ga., with a view to determining the cause of erosions from said islands, the effect of said erosions on the shoaling of dredged channels leading to Brunswick, and with a view to presenting a plan for the prevention of said erosions (none).

Ogeechee River, Ga., from its mouth to Jencks Bridge (H. Doc. No. 681, 61st Cong., 2d sess.).

Tybee Island, Ga., with a view to determining the cause of erosions from said island, the effect of said erosions on the shoaling of dredged channels leading to Savannah, and with a view to presenting a plan for the prevention of said erosions (none).

St. Marys and Satilla Rivers, Ga., to determine the feasibility and advisability of (1) constructing a canal with a depth and width sufficient to accommodate the ordinary river boats, to connect the waters of such streams by the shortest possible route to Camden and Charlton Counties, Ga., and (2) dredging the Satilla River from its mouth up to the railroad bridge at Waycross, and the St. Marys River from its mouth to the point where it is nearest to the Satilla River, with a view to opening a navigable channel for the ordinary river boats (none).

Waterway from Cumberland Sound, Ga. and Fla., to the Mississippi River (none).

Hollywood Harbor, Fla. (none).

St. Marks River, Fla. (April 14, 1921; not printed).

Clearwater Harbor, Fla. (H. Doc. No. 174, 63d Cong., 1st sess.).

Channel from Clearwater Harbor, through Boca Ceiga Bay, to Tampa Bay, Fla. (H. Doc. No. 123, 63d Cong., 1st sess.).

Channel from Sanford to Indian River, near Titusville, to connect St. Johns River with Indian River, Fla. (none).

Channel from Gulf of Mexico, through Passage Kay inlet, to northern end of Anna Maria Key and into Sarasota Bay, Fla. (none).

Tombigbee River, Miss. (December 8, 1923, not printed).

Soldier Creek, Ala. (none).

Bayou Castaigne, La. (none).

Bayou St. John, La. (January 10, 1924, not printed).

Amite River, La., above the mouth of Bayou Manchac to its confluence with the Comite River (H. Doc. No. 473, 68th Cong., 2d sess.).

New Basin Canal, La., at its junction with Lake Pontchartrain (none).

Houston Ship Channel, Tex. (H. Doc. No. 1632, 65th Cong., 3d sess.; H. Doc. No. 93, 67th Cong., 1st sess.).

Baffins Bay, Tex. (none).

Brazos River, Tex., up to Rosenburg (August 23, 1921, not printed).

Port Aransas, Tex. (H. Doc. No. 321, 67th Cong., 2d sess.).

Intracoastal waterway in Texas from Corpus Christi to Point Isabel, including Arroyo Colorado to Missouri Pacific bridge near Harlingen (H. Docs. Nos. 1710, 65th Cong., 3d sess., and 1239, 64th Cong., 1st sess.).

Cache River, Ark. (S. Ex. Doc. No. 105, 49th Cong., 2d sess.).

Arkansas River and its tributaries, Arkansas and Oklahoma (flood survey pending).

Illinois and Mississippi Canal, in the vicinity of Mud Creek, Ill. (H. Doc. No. 316, 51st Cong., 1st sess.).

Galena River, Ill., with a view to straightening the channel in the vicinity of Galena (H. Doc. No. 1061, 64th Cong., 1st sess.).

Mississippi River between Missouri River and Minneapolis, with a view to securing a channel depth of 9 feet at low water with suitable widths (none).

Headwaters of the Mississippi River with a view to maintaining a minimum fixed head of water in all of the channels of this system at all times (partly covered by report, June 12, 1926, not printed).

Missouri River, from the upper end of Quindaro Bend to its mouth, with a view to securing a channel depth of 9 feet at low water with suitable widths (partly covered by H. Doc. No. 463, 64th Cong., 1st sess.).

Ohio River, at and in the vicinity of Shawneetown, Ill. (none).

Youghiogheny River, Pa., from Fifteenth Street, McKeesport, to West Newton (H. Doc. No. 60, 66th Cong., 1st sess.).

Little Kanawha River, W. Va. (H. Doc. No. 12, 63d Cong., 1st sess.).

Kanawha River, W. Va., from Lock No. 5 to its mouth (survey pending).

Duluth-Superior Harbor, Minn. and Wis., with a view to extending the deep-water channel up the St. Louis River to Fond du Lac, Minn. (none).

Menominee Harbor and River, Mich. and Wis. (Sept. 11, 1922, not printed).

South Haven Harbor, Mich., with a view to extending the breakwater (H. Doc. No. 119, 58th Cong. 2d sess.).

Black River at Port Huron, Mich. (H. Doc. No. 436, 64th Cong., 1st sess.).

Great Lakes: With a view to providing ship channels with sufficient depth and width to accommodate the present and prospective commerce at low-water datum for the Great Lakes and their connecting waters, and their principal harbors and river channels, either by means of compensation or regulatory works or by dredging and rock removal in the separate localities, or by both methods.

Saginaw River, Mich., and entrance thereto (January 10, 1926; not printed.)

Harbor at Mackinaw City, Mich. (none).

Channel on the northeasterly side of Marquette Island, Mich., between Mackinac Bay and Muscallonge Bay (none).

Black River, Mich. (H. Doc. No. 234, 63d Cong., 1st sess.).

Toledo Harbor, Ohio, with a view to the construction of a breakwater and to securing a depth of 23 feet in the harbor and channel (December 14, 1923; not printed).

Niagara River, N. Y., the east channel, from the end of the present 23-foot channel to the westerly boundary of Sugar Street, Niagara Falls (March 14, 1924; not printed, partly covered).

For the further study of a deeper waterway connecting the Great Lakes with the Hudson River, across the State of New York, and the said Secretary shall report the results of said study to the Congress not later than December 6, 1926 (H. Com. Doc. No. 7, 69th Cong., 2d sess.).

Hueneme Harbor, Calif. (none).

Alameda Harbor, Calif. (none).

San Francisco Harbor, Calif., the south entrance channel with a view to removing obstructions (partly covered in H. Doc. No. 251, 69th Cong., 1st sess.).

Middle River and Empire Cut, in the vicinity of the Henning tract and Mildred Island, San Joaquin County, Calif. (none).

Coquille River, Oreg., from the entrance to Bullards (H. Doc. No. 70, 65th Cong., 1st sess.).

Yaquina River, Oreg., from Toledo to Yaquina Bay (November 21, 1921; not printed, partly covered).

Clatskanie River, Oreg., from Clatskanie to the channel in Columbia River (H. Doc. No. 698, 64th Cong., 1st sess.).

Willamette River, Oreg., between Portland and Salem (partly covered by H. Doc. No. 790, 64th Cong., 1st sess.).

Tillamook Bay and entrance, Oreg. (H. Doc. No. 562, 68th Cong., 2d sess.).

Bellingham Harbor, Wash., with a view to improving the Squalicum Creek waterway (March 11, 1924, and December 15, 1925; not printed, partly covered).

Skamokawa Slough, Wash. (H. Doc. No. 111, 63d Cong., 1st sess.)

Ocean frontage of Afognak, Alaska, with a view to providing a harbor (none).

Nome Harbor, Alaska (H. Doc. No. 1932, 64th Cong., 2d sess.).

Sitka Harbor, Alaska (none).

Cordova Harbor, Alaska (none).

Anchorage Harbor, Alaska (none).

Dry Pass, Alaska (Dry Straits, H. Doc. No. 68, 65th Cong., 1st sess.).

Portage Bay, Alaska, and adjacent bays, with a view to providing a practicable harbor accessible to the Cold Bay oil fields (none).

Gastineau Channel, Alaska (December 15, 1926; not printed).

Port Frederick, Alaska (none).

William Henry Bay, Alaska (none).

Mr. KING. As noted in the foregoing list, a large proportion of the projects authorized for survey in the pending bill have been the subjects of previous surveys and reports. In the case of the reports noted as not having been published, it may be said that the reason for not publishing the report was that the survey developed nothing upon which a recommendation for improvement at Federal expense should be made by the Chief of Engineers. Many of the published reports recommend against approval of the project for improvement at Federal expense. None of these previous reports have impressed Congress or the committees of Congress to report out these projects for approval. Many of them have been rejected by the committee, but the local and private interests behind these projects are insistent and persistent, and it is in response to their importunities that most of the provisions for the survey of projects carried by the pending bill have been inserted in the bill.

It is obvious that these new projects have been systematically distributed according to the approved "pork barrel" practice. Every State in the Union having any water frontage has been accorded some of the favors provided in this bill. It can not be contended that these new projects serve the general commerce of the country or improve navigation upon the waterways or augment the accommodations in harbors which serve 95 per cent of the maritime commerce of the country. We may well pause before we vote to affirm the extravagant use of Government funds to which this bill commits Congress. We will never have rational use and application of Government appropriations for the service of navigation until appropriations in aid of navigation are allocated to meritorious projects. And the test of merit which should be inexorably applied is the test as to whether the objects of the appropriation serve existing commerce of a magnitude to warrant support of commerce as a whole, or serve the development of waterways which provide river channels between cities which are of commercial importance to the country as a whole. The pending bill has not been framed on these lines and is not supported from these considerations. It is unworthy of the approval of the Senate and should be decisively rejected.

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

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

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

Ashurst	Frazier	McLean	Simmons
Bayard	George	McMaster	Smith
Bingham	Gillett	McNary	Smoot
Blease	Goff	Mayfield	Stanfield
Bratton	Gooding	Metcalf	Steck
Broussard	Greene	Moses	Stephens
Bruce	Hale	Neely	Stewart
Cameron	Harreld	Norris	Swanson
Capper	Harris	Oddie	Trammell
Caraway	Harrison	Overman	Tyson
Copeland	Hawes	Pepper	Wadsworth
Couzens	Heflin	Pine	Walsh, Mass.
Curtis	Howell	Pittman	Walsh, Mont.
Dencen	Johnson	Ransdell	Warren
Dill	Jones, N. Mex.	Reed, Pa.	Watson
du Pont	Jones, Wash.	Robinson, Ind.	Weller
Edge	Kendrick	Sackett	Wheeler
Edwards	Keyes	Schall	Willis
Ernst	King	Sheppard	
Ferris	Lenroot	Shipstead	
Fess	McKellar	Shortridge	

The PRESIDING OFFICER. Eighty-one Senators having answered to their names, a quorum is present. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. Howell].

Mr. LENROOT. Mr. President, I desire to address myself very briefly to the pending question, which is the purchase of the Cape Cod Canal. I recognize the futility of any opposition to this proposal. The votes are here to pass it, and I know that it will be approved by a very large majority. Nevertheless, in view of the attitude that I have taken upon this proposition ever since it first came before Congress—now nearly 10 years ago—I feel that I ought to express myself, for the Record, at least, upon the question now pending, which probably marks the final chapter of this very long contest.

Mr. President, I venture to say there are very few Senators outside the members of the Committee on Commerce who have gone into the merits of this question, because the fact is that the project which we now have before us has indorsements of the very highest character; and there are, no doubt, many Senators who are content to rest their action upon those indorsements without any inquiry upon their own part with regard to it. I wish frankly to confess to the Senate that from the very beginning I may have been prejudiced against this measure. That prejudice arose from the fact that when the proposition first came before Congress, as I said nearly 10 years ago, representatives of the canal company appeared before the committee and stated to the committee that they had no desire to dispose of the canal to the Government; that it would be a very profitable undertaking; and that they were glad to keep it. I was therefore very greatly shocked not very long after that testimony was given before the committee to be approached by a gentleman who said that he was representing the canal company—whether he was or not I do not know—who urged me to favor the purchase of the canal by the Government, stating, as I have said, that he was a representative of the canal company, when, as I have just stated, the canal company's other representatives were appearing before the committee and stating that they did not care to sell.

The Senator from Massachusetts yesterday said that the Cape Cod Canal has suffered by reason of the fact that for the past 10 years every year there had been efforts upon the part of the Government to take over the canal. Mr. President, the undoubted fact is that every move that has been made by the Congress of the United States to take over the canal has been at the instigation of representatives of the canal company themselves.

They have been the ones who have brought about every measure that has passed Congress or either House of Congress looking toward the acquirement of the Cape Cod Canal by the Government of the United States. So they are in no position to urge, as a reason for favorable action now, that they have been injured by the past action of the Congress of the United States when they alone have been responsible for such action looking toward the taking over of this canal as has been had by the two Houses of Congress.

Mr. President, it would seem that here is a very simple question involved. The question that every Senator ought to ask himself is, Can this expenditure of twenty-five or thirty million dollars—because that is what is involved—be justified from the standpoint of the public interest? Will there be public benefit which will warrant the expenditure of this very large amount of money? If the answer be yes, then every Senator ought to vote for it; but if the answer be no, then no Senator should vote for it.

It has been stated this morning by the distinguished Senator from Texas [Mr. Sheppard] that this canal is a part of a great system of intracoastal canals. I wish every Senator might look at a map of the Atlantic Ocean and Cape Cod. One only has to look at the map to see that this canal is no part of an inland waterway at all. Any ship going north, which uses the Cape Cod Canal to get to Boston, must put out to the open sea; any ship southward bound, using the Cape Cod Canal, must again put out to the open sea. The Atlantic Ocean is at either end of the canal. So it is not a matter of inland waterways at all. The thing that is involved here—and that is all that is involved—is whether there shall be a channel with the open sea at either end saving a distance of 56 miles.

Mr. SHEPPARD. Mr. President, the Cape Cod Canal is a logical part of the American intracoastal canal. It is true that there is a short distance where the open sea may have to be traversed by a barge before entering and after leaving this canal on the way from Boston to New York, or to Norfolk, or to Beaufort, or to other southern points. The route between the southern end of the Cape Cod Canal and Long Island Sound is very near land, however, and near several harbors of refuge. There are probably one or two other short open-sea stretches on this intracoastal waterway, but they are very near the shore. The act of Congress authorizing the survey of the entire intracoastal canal calls for a channel, inland where practicable.

Mr. LENROOT. Ships passing through the canal have to go from Buzzards Bay to Long Island Sound through the open sea.

Mr. HOWELL. Mr. President, I should like to ask if it is not a fact that we now have the Cape Cod Canal; that it is 25 feet deep, being 12 feet deeper than any other coastal canal in the United States? The canal with that depth is now there.

Mr. LENROOT. That is another branch of the subject. The point I desire to make is that, however it may be designated—and I can see how it might well be used as a cut-off, as a short route to Boston, saving 56 miles—the fact remains there is open sea at either end of the canal, with all the hazards of the storms of the sea. So the canal can not be properly held to be any portion of any inland waterway.

Mr. SHEPPARD. Mr. President, the Senator from Wisconsin is entirely mistaken. The route after leaving Cape Cod Canal is so near the shore as to have considerable protection even where it may be said to be in open sea.

Mr. LENROOT. I will simply ask the Senator to look at the map, and there can not be any controversy between us after he does so.

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

Mr. LENROOT. I yield to the Senator from Louisiana.

Mr. RANSDELL. I should like to call to the attention of the Senator a very brief statement in the hearings before the House committee held on February 3, 8, and 9, last. On page 45. Representative McDuffie says:

> In this pamphlet entitled "Cape Cod Canal" I find this statement, in chapter 6:
>
> "The records show over 1,000 marine disasters to ships going around the cape between 1880 and 1903. From July 1, 1907, to June 30, 1917, a period of 10 years, casualties to vessels passing Cape Cod, including Nantucket Sound, Marthas Vineyard, and Vineyard Sound, involved vessels to the number of 326, of a total tonnage of 190,105, and of property valued at $12,761,920. Of this total property involved $1,653,770 in value was lost. During the same period the lives of 3,900 persons on board these vessels were imperiled, and the records show that 32 lives were lost."

I do not wish to take the time of the Senator, but I have always understood that the vicinity of Cape Cod was the greatest marine graveyard anywhere in America, and the disasters there are entirely obviated by all vessels which use the Cape Cod Canal.

Mr. LENROOT. Mr. President, I do not care to go into that. The Senator from Nebraska [Mr. Howell] discussed that very fully yesterday and he showed that the loss of life opposite the city of Washington, on the water front of the Potomac River, during that same period of time was greater than the loss of life around Cape Cod. He also showed that if we would apply the same principle and the same proportionate rate of expenditure upon the ground of the saving of human life, it would cost us an appropriation of something like $250,000,000 for the Potomac River front opposite the city of Washington.

That is the only argument that can be made from a public standpoint for the acquirement of this canal—the saving of human life. I submit to the Senate whether the record, as

shown by the Senator from Louisiana, of a loss of 32 lives in a period of 10 years, a little more than three a year, justifies an expenditure of $25,000,000.

How many Senators would be willing to expend money at the same ratio for the saving of human life from automobile accidents? Is there one? None. So I dismiss that portion of the discussion without further comment.

The remaining question, Mr. President, is, Who will be the beneficiaries if this canal is acquired? It seems to me that every Senator should agree that, aside from the question that has just been discussed, the saving of human life, in order to justify this expenditure there should be a reduction in freight and passenger rates of which the public will receive the benefit.

That is the first consideration that is always urged in any proposed improvement of rivers and harbors; and unless it can be shown that there is reasonable prospect of a saving in freight or passenger rates, or else that commerce will be accommodated that can not now be accommodated at all, the Board of Engineers will make an unfavorable report in every case.

There can be no claim here that this canal will afford an opportunity for commerce to be carried on that is not now carried on. Every ton that will pass through this canal can take a route around Cape Cop by the sea, and will; so the same amount of commerce will be carried whether we have the canal or whether we do not. The only other question that remains is, Will there be any reduction in freight and passenger rates by reason of our acquiring the canal?

I take it, Mr. President, that the most competent witness upon this subject is the president of the steamship company that is now the largest and almost the sole user of this canal. Before the House committee, during one of the many hearings upon this subject, he testified as follows. He was asked by Mr. HOCH this question:

Suppose the tolls were taken off. What would the significance of that be with reference to the price of the cotton, either to the man who sold the cotton or the man who bought it?

Mr. AUSTIN. The steamship company would be benefited.

May I say that the steamship company in question is the Eastern Steamship Lines (Inc.), and this Mr. Austin, whose testimony I am now reading, is the president of that company. He said:

The steamship company would be benefited.

Mr. HOCH. Would anybody else reap any benefit except the steamship company?

Mr. AUSTIN. I do not think so in that case. If we had free tolls, we would not have to pay $193,000, as we did last year.

Mr. HOCH. Do you mean to say that the toll has nothing to do with the price that the buyer pays for the cotton that goes through that canal?

Mr. AUSTIN. I do not look at it that way.

Then he went on to say:

Our rates are the same as the New York, New Haven & Hartford or the Boston & Maine—

There is no reduction from the railroad rate by the steamship company. The rates are the same, he testifies—

and if we reduced rates, they would have to reduce rates, or if they reduced rates we would have to reduce rates, in order to get the business.

Showing clearly that the matter of tolls on this canal, by reason of the situation that there exists, has nothing to do with freight and passenger rates.

The question, then, resolves itself to this: Who will be the beneficiaries of this expenditure by the Government? There will be two beneficiaries. One of them the canal company, which for 10 long years has been trying to unload this white elephant upon the Government; the other beneficiary will be the Eastern Steamship Lines (Inc.), whose dividends will be increased by $193,000 a year, according to the testimony of the president of the company.

Senators, that is the situation with which you are faced. I confess that it is rather surprising to be compelled to believe that in view of these facts the Senate is going to accept this amendment by an overwhelming majority, and yet I recognize that that is the situation; and the only purpose I have in making these remarks is that I think the country should know what the Senate now proposes to do.

Mr. WALSH of Massachusetts. Mr. President, it seems to me that this question should be discussed only in one light—from the standpoint of whether or not this canal is a public utility; and, if so, whether it is better for a public utility of this kind to be owned by private interests or by the Government.

No one can successfully question the fact that land highways are public utilities that ought to be owned and maintained by the Government. This is a water highway, and if we have been making any progress in the way of Government control of utilities, it has been in getting away from private control of bridges, of highways, and of waterways.

To guide us in that inquiry we have evidence from our own Government that it is a necessary public utility and that it will promote the public welfare and convenience both in time of war and in time of peace. The first connection our Government had with this utility was during the World War. When a German submarine appeared in the waters off the coast of Cape Cod and actually destroyed a coal barge bringing coal to New England, our Government determined that from a military standpoint and in the interest of our national defense this canal should be taken over and operated by the Government. Action to that end immediately followed. Thus we have an absolute demonstration of its importance and its value as a means of national defense in time of war.

Is it a utility that will promote the public welfare, the commerce, and the convenience of the public using the seas in time of peace? A commission of Army engineers, under the direction of Congress, made an investigation into that question, and they reported to the Sixty-ninth Congress that with some improvements this canal could be made safe for coastwise commerce and the Navy. They also reported that in the opinion of the commission the United States alone is in a position to finance such improvements and meet the annual cost of efficient operation and efficient maintenance. What the canal, so completed, will mean to our coastwise traffic can only be appreciated by those who are aware that—with the possible exceptions of the shoals in the vicinity of Cape Hatteras, which our Government has already taken costly measures to enable our shipping to avoid—the 66 miles of fog-beset shoals which the canal will enable coastwise traffic to shun is the most perilous portion of our entire Atlantic seaboard. It requires the maintenance of no less than 13 life-saving stations, in spite of which the loss of life and property there continues to be tremendous.

Incomplete official returns show that in only 10 years previous to 1917 at least 325 vessels were wrecked on these shoals, with a loss of property greater by more than a million dollars than the present price of the canal, and with the jeopardy of 4,000 lives. On humanitarian grounds alone, and without emphasizing the waste of time and expense, due to the additional distance around the cape and the frequent detentions, sometimes for a week or two at a time, to vessels fog bound and obliged to lie at anchor near the shoals, this provision for the safety of navigation is amply justified, and in fact it ought to have been undertaken by our Government, as its own engineers recommended, more than half a century ago.

In view of these facts there can not be any question about the fact that a toll-free canal is a public benefit or the fact that a water as well as a land highway which reduces distance and removes dangers to property and life is a public benefit that ought not to be in the hands of private management.

Let us consider an exact parallel to this situation. We have here a highway between two points, long, indirect, and unsafe, and a shorter, more direct, and safer highway between the same two points. The dangerous and the longer highway—the open sea—belongs to the public. The shorter, and the safer highway—and that is what this is—is owned by private interests. If this situation existed upon land, not a voice would be raised here in opposition to putting in the hands of the public authorities the shorter, the safer, the more direct route between the two points. They compel those using this highway (canal) to pay a toll in order to save transportation costs and to make more secure human life.

There ought not to be any other inquiry here except that of cost if these propositions are demonstrated. But there is another matter that I will discuss before the item of cost, and that is the question of moral obligation.

During the war, when the Army and Navy authorities recommended to the President that this canal should be taken over, President Wilson wrote the following communication, which he sent to the Secretary of War, the Secretary of the Navy, and the Secretary of Commerce. It is very short, and I will read it:

THE WHITE HOUSE,
Washington, November 19, 1918.

Hon. NEWTON D. BAKER,
Secretary of War.

MY DEAR MR. SECRETARY: By an act of Congress of August 8, 1917, as you may remember, authorization is given for a committee composed of the Secretary of War, Secretary of the Navy, and the Secretary of Commerce to investigate the advisability of the acquisition of the Cape Cod Canal by the Government. If they should decide in favor

of its acquisition the Secretary of War is authorized either to make contracts for its purchase or, in the event that a satisfactory contract can not be arranged, to institute condemnation proceedings through the Attorney General.

It seems to me from every point of view desirable that we should acquire the canal and maintain it as a genuine artery, and I would be very much obliged if the committee thus designated could get together at an early date and proceed with this business in any way that they may think best.

I am writing to the same effect to the Secretary of the Navy and the Secretary of Commerce.

(Signed) WOODROW WILSON.

This letter disproves in part the assertion that the only people interested, or the people chiefly interested, in the purchase of this canal by the Government are those who have a financial interest at stake. They have been very powerful with public authorities, if private gain is the only motive behind this pending contract, because this canal purchase had the indorsement of President Wilson, of President Harding, and the present President, as indicated by his strong request for legislation in his two messages from which I quoted yesterday.

This property was taken over by the Government during the war. Under the agreement by which the property was taken over, condemnation proceedings followed, instituted by our Government, a jury trial was held, and a verdict of $16,650,000 was fixed as the value of this canal property. The Government refused to accept that decision, and from that time on negotiations have been carried on between the Secretaries of War and the owners of this canal. The action by the Government and its policy of delay paralyzed the development or improvement of the canal.

Finally, in 1921, the then Secretary of War agreed with the owners of the canal that the purchase price should be the amount named in this bill, $11,500,000. Since that time the canal has been neither privately nor publicly managed. Measure similar to this has been pending before the Congress ever since. On two occasions it has met the approval of this body. On two other occasions it has met the approval of the House. It has never been rejected. I think the various committees dealing with this problem have on various occasions recommended its passage.

If there is not a moral obligation under those conditions, I would like to know where you could ever find such an obligation—property seized by the Government, condemnation proceedings instituted, negotiations for purchase carried on, and everything done by the authorities of this Government that could be done, except the appropriation of the money to carry out the contract made by a Secretary of War in 1921.

That leaves but one other question, to my mind, Mr. President, and that is the matter of cost, which is a very important question. Senators have a right to ask, "Is this a reasonable sum to pay for this public utility?"

We have some facts that will enlighten us upon this phase of the question. It is agreed that the replacement cost would be about twenty-three or twenty-four million dollars. It is agreed that in 1862 governmental officials estimated the cost of building this canal to be, as of that time, $10,000,000. It is agreed that the jury verdict was $16,650,000 plus. It is agreed that the Government's official accountants fixed the estimated expenses of construction and of financing this project at $13,000,000. It is agreed that the Public Service Commission of Massachusetts authorized bond and stock issues of $12,000,000. It is further agreed that the Secretary of War—the late Secretary Weeks—agreed to the value named in this bill, $11,500,000.

I should not have supposed that anyone could doubt that these figures show that the price here fixed is fair if it were not for the suggestion of the Senator from Nebraska [Mr. HOWELL], who says that the Government, in taking over a public utility, ought never to pay more than its market value, as determined by what a private concern would be willing to pay for it; and he adds that no private citizen would take this canal as an investment at any price. I ask the Senator what a private investor would pay for one of our men-of-war, for our lighthouses, or for the 13 life-saving stations that stud the ocean front of Cape Cod? I do not claim, Mr. President, that this canal could even be a paying proposition in dollars and cents. What public highway, what soldiers' home or hospital, what State or national board of health, what intercoastal canal or channel made like this to mitigate the perils of the sea has ever been a paying proposition on this basis? Common humanity and simple justice, not the hope of profit, are the grounds upon which I urge the ratification of this contract, an act of humanity and justice already too long delayed.

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

Mr. WALSH of Massachusetts. I yield.

Mr. BAYARD. May I suggest this to the Senator; what would a private investor give for an organization such as this canal, in view of the fact that the Government might step in and take it away at any time?

Mr. WALSH of Massachusetts. The Senator has suggested the reason why it is said here that there is a moral obligation. It is because the Government has had its hand upon this canal since the war, and has thereby prevented the proper development of the canal. Of course, the property has deteriorated, and of course the company has been handicapped. It is the result always of condemnation proceedings.

Is this a public utility? Can it be better managed by our Government in the interest of all the people, of all who use the sea, of all who are interested in protecting human life and property at sea? Is the price reasonable? Is there not also a moral obligation? In view of the affirmative answer that must be made to these questions, it seems to me, Mr. President, that common honesty and simple justice require action now that will end this controversy, and will place this canal under public control where it ought to have been from the beginning. It never should have been in the hands of private interests. It is outside the domain of private financial groups to engage in maintaining canals for financial gain and to exact tolls from those who use the sea in promoting our commerce. The improvement of the transportation facilities of our people by water is a public, not a private, function.

Let us settle this question, and settle it justly, by fulfilling our moral obligation, by lessening one of the greatest maritime dangers upon the Atlantic seacoast. We have already in great measure removed the danger to navigation at Cape Hatteras. The only other very dangerous point along the Atlantic coast is Cape Cod. The public control and public improvement of this canal will thereby serve humanity—especially those hardy and daring sea-going mariners who dare for us the perils of the sea.

The ownership and operation of this canal is from every angle a public function. The price is reasonable. We should not hesitate longer in purchasing this canal and developing it, so that it will shortly be a blessing and a benefit to all our people in time of war as well as in time of peace.

Mr. HOWELL. Mr. President——

The VICE PRESIDENT. Does the Senator rise to speak on the pending amendment?

Mr. HOWELL. I do.

The VICE PRESIDENT. The Senator has exhausted his time under the unanimous-consent agreement.

Mr. HOWELL. I suppose that is because it is not yet 3 o'clock?

The VICE PRESIDENT. Even after 3 o'clock the Chair will have to hold that the Senator's time has been exhausted.

Mr. HOWELL. I understand I have 15 minutes upon the amendment pending.

The VICE PRESIDENT. Upon any new amendment the Senator would have 15 minutes, but not upon the pending amendment.

Mr. HOWELL. And also upon the bill.

The VICE PRESIDENT. The Chair does not so read the unanimous-consent agreement. The unanimous-consent agreement provides that—

After the hour of 2 p. m. on the calendar day of December 20, 1926, no Senator shall speak more than once or longer than one hour upon the bill, or more than once or longer than 30 minutes upon any amendment.

The Senator has already consumed all the time to which he was entitled on December 20. The agreement proceeds:

And that after 3 o'clock p. m. on December 21, 1926, no Senator shall speak more than once or longer than 15 minutes on the bill or any amendment.

The Chair construes the second provision, that relating to December 21, as simply limiting the provision as to December 20.

Mr. HOWELL. Then is it the ruling of the Chair that I would not have 15 minutes on the bill and 15 minutes on the amendment to-day?

The VICE PRESIDENT. Not under the unanimous-consent agreement.

Mr. HOWELL. Mr. President, quite the contrary is my understanding.

The VICE PRESIDENT. The Senator might ask unanimous consent.

Mr. LENROOT. The Senator may offer another amendment, and then he would have his half hour——

The VICE PRESIDENT. He can not offer an amendment until the pending amendment is disposed of. The question is

on agreeing to the amendment offered by the Senator from Nebraska [Mr. HOWELL].

Mr. HOWELL. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BINGHAM. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state his inquiry.

Mr. BINGHAM. Will not the Chair state the amendment?

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Nebraska [Mr. HOWELL], to strike out section 2 and insert a new section.

Mr. HOWELL. I ask that the amendment may be read.

Mr. RANSDELL. Let us have the amendment stated.

The VICE PRESIDENT. The clerk will read the amendment.

The CHIEF CLERK. The Senator from Nebraska offers the following amendment: On page 11, to strike out lines 11 to 25, both inclusive, all of page 12, and lines 1 to 12, both inclusive, on page 13, and to insert:

SEC. 2. (a) The contract dated July 29, 1921, executed by the Boston, Cape Cod & New York Canal Co., and transmitted to Congress by the Secretary of War and printed in House Document No. 139, Sixty-seventh Congress, second session, is hereby ratified on condition that such company files with the Secretary of War its consent in writing that such contract be modified so as to provide that the total to be paid by the United States on account of such contract shall not exceed a sum such that 7½ per cent thereof equals the net annual income of the canal owned by said Cape Cod & New York Canal Co., said net annual income to be computed as follows: From the annual average gross earnings of said canal for the three years preceding January 1, 1927, there shall be deducted a one year's expense for operation, maintenance, and depreciation. Such one year's expense on account of operation, maintenance, and depreciation shall be estimated by the Chief of Engineers, United States Army, as the amount that ordinarily would be necessary (1) to maintain indefinitely such canal in first-class condition, and (2) to provide satisfactory service at all times. The remainder, after such deduction, shall be deemed the net annual income.

(b) Such sum as may be necessary is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to be expended under the direction of the Secretary of War, for the acquisition by purchase, in accordance with the terms of such contract, modified as provided in subdivision (a) of this section, of the Cape Cod Canal and other property referred to in paragraph 1 of such contract.

The VICE PRESIDENT. The roll will be called.

The Chief Clerk proceeded to call the roll.

Mr. GEORGE (when his name was called). I have a general pair with the senior Senator from Colorado [Mr. PHIPPS]. I am advised that on this question he would vote as I shall vote, and I will therefore vote. I vote "nay."

Mr. FRAZIER (when Mr. NYE's name was called). My colleague, the junior Senator from North Dakota [Mr. NYE] is paired on this vote with the senior Senator from Alabama [Mr. UNDERWOOD]. If my colleague were present, he would vote "yea." I understand that the Senator from Alabama, if present, would vote "nay."

Mr. STEPHENS (when his name was called). On this vote I am paired with the junior Senator from Colorado [Mr. MEANS]. I therefore withhold my vote.

The roll call was concluded.

Mr. JONES of Washington. I wish to announce that the Senator from Idaho [Mr. BORAH] has a general pair on this question with the Senator from Rhode Island [Mr. GERRY].

Mr. NORRIS. I desire to announce that the junior Senator from Wisconsin [Mr. LA FOLLETTE] is detained from the Chamber on account of illness. If he were present he would vote "yea" on this question. He is paired with the senior Senator from Arkansas [Mr. ROBINSON].

Mr. JONES of New Mexico. I wish to announce that my colleague, the junior Senator from New Mexico [Mr. BRATTON], is paired on this question with the junior Senator from Maine [Mr. GOULD]. If my colleague were present and voting, he would vote "yea," and the Senator from Maine would vote "nay."

Mr. SWANSON. My colleague [Mr. GLASS] is necessarily absent. He wishes to have it announced that if present he would vote "nay" on this amendment.

Mr. HEFLIN. I wish to announce that my colleague, the senior Senator from Alabama [Mr. UNDERWOOD], is necessarily absent on account of illness.

The result was announced—yeas 28, nays 51, as follows:

YEAS—28

Ashurst	Couzens	Fess	Harreld
Blease	Dill	Frazier	Harris
Capper	Ferris	Gooding	Howell
Jones, N. Mex.	McMaster	Oddie	Smoot
King	Mayfield	Pine	Walsh, Mont.
Lenroot	Neely	Pittman	Wheeler
McKellar	Norris	Shipstead	Willis

NAYS—51

Bayard	Fletcher	McNary	Smith
Bingham	George	Metcalf	Stanfield
Broussard	Gillett	Moses	Steck
Bruce	Goff	Overman	Stewart
Cameron	Greene	Pepper	Swanson
Caraway	Hale	Ransdell	Trammell
Copeland	Harrison	Reed, Pa.	Tyson
Curtis	Hawes	Robinson, Ind.	Wadsworth
Deneen	Heflin	Sackett	Walsh, Mass.
du Pont	Jones, Wash.	Schall	Warren
Edge	Kendrick	Sheppard	Watson
Edwards	Keyes	Shortridge	Weller
Ernst	McLean	Simmons	

NOT VOTING—16

Borah	Glass	Means	Reed, Mo.
Bratton	Gould	Norbeck	Robinson, Ark.
Dale	Johnson	Nye	Stephens
Gerry	La Follette	Phipps	Underwood

So Mr. HOWELL's amendment was rejected.

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

The VICE PRESIDENT. The amendment will be read.

The CHIEF CLERK. On page 11, strike out line 11 and through line 12 on page 13, and insert in lieu thereof the following:

SEC. 2. (a) The contract dated July 29, 1921, executed by the Boston, Cape Cod & New York Canal Co., and transmitted to Congress by the Secretary of War and printed in House Document No. 139, Sixty-seventh Congress, second session, is hereby ratified on condition that such company files with the Secretary of War its consent in writing that such contract be modified so as to provide that the total to be paid by the United States on account of such contract shall not exceed a sum such that 6 per cent thereof equals the net annual income of the canal owned by said Cape Cod & New York Canal Co., said net annual income to be computed as follows: From the annual average gross earnings of said canal for the three years preceding January 1, 1927, there shall be deducted a one year's expense for operation, maintenance, and depreciation. Such one year's expense on account of operation, maintenance, and depreciation shall be estimated by the Chief of Engineers, United States Army, as the amount that ordinarily would be necessary (1) to maintain indefinitely such canal in first-class condition, and (2) to provide satisfactory service at all times. The remainder, after such deduction, shall be deemed the net annual income.

(b) Such sum as may be necessary is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to be expended under the direction of the Secretary of War, for the acquisition by purchase, in accordance with the terms of such contract, modified as provided in subdivision (a) of this section, of the Cape Cod Canal and other property referred to in paragraph 1 of such contract.

Mr. JONES of Washington. Mr. President, may I ask the Senator how this amendment differs from the one on which we just voted?

Mr. HOWELL. The amendment is identical. It provides that the price paid for the canal shall not exceed the net earnings of the canal capitalized on a basis of 6 per cent.

Mr. JONES of Washington. That is a different rate from the one in the other amendment?

Mr. HOWELL. In the other amendment it was 7½ per cent. This amendment proposes that the Government of the United States shall buy this public utility on the basis of a 6 per cent capitalization; that is, so it shall receive a return of 6 per cent upon the money proposed to be paid for the canal.

Mr. HOWELL. Mr. President, that the RECORD may be clear, I propose as briefly as possible again to present some of the facts which I have already recited in connection with this proposed purchase.

The Cape Cod Canal has been in operation 12 years.

It is the most commodious canal in the Western Hemisphere, excepting only the Panama Canal. (See p. 421, Senate Commerce Committee hearings, 1st sess., on H. R. 11616.)

The local significance of the canal is indicated by the fact that about two-thirds of the tolls collected by the canal company are paid by one corporation, the Eastern Steamship Lines, of Boston, Mass., engaged in traffic between Boston and New York.

Last year, after allowing for operation and proper maintenance, the canal's net earnings were sufficient to pay a return of only 7 per cent on about $1,700,000, 6 per cent on $2,000,000, 4½ per cent on $2,800,000, and 3 per cent on approximately $4,000,000. (See p. 430, Senate Commerce Committee hearings, 1st sess., on H. R. 11616.)

The canal is claimed to have cost in excess of $13,000,000.

It is apparent, therefore, that the Cape Cod Canal has been a financial failure, the promoters having lost in the enterprise about $11,000,000.

It is now proposed that the Government shall purchase this canal at an ultimate cost of $11,400,000 and conduct it without charging tolls, as a free waterway.

This would mean, of course, the recoupment of the canal promoters by shifting their loss of $11,000,000 to the shoulders of the American people.

This would also mean that one Boston steamship corporation would be relieved of paying at least $280,000 per annum in canal tolls by also shifting these charges to the shoulders of the American people.

Naturally, the canal promoters and this Boston steamship corporation are insistently urging the enactment of the legislation now pending for carrying out the above proposals.

For about nine years Cape Cod Canal purchase propaganda has been developing and lobbyists have been at work.

In view of these facts, it is evident that the canal purchase measure, now pending, is, in effect, a bill for the relief of the Cape Cod Canal promoters and the Eastern Steamship Lines.

The Cape Cod Construction Co. was organized by the late August Belmont and his associates for the promotion and construction of the Cape Cod Canal, 100 feet bottom width, 25 feet deep, and extending 8 miles from Cape Cod Bay to Buzzards Bay.

Of the stock of this construction company, about 93 per cent is held by 19 individuals, estates, and corporations whose business addresses are in the financial district of New York City, and N. M. Rothschild & Son, of London, England, as follows:

Mr. President, I ask permission to have printed in the RECORD without reading a list of these stockholders.

The PRESIDING OFFICER (Mr. WALSH of Massachusetts in the chair). Without objection, it is so ordered.

The list is as follows:

August Belmont Estate, 45 Cedar Street, New York.
August Belmont & Co., 45 Cedar Street, New York.
Estate of Levi P. Morton, 32 Liberty Street, New York.
Mrs. Mary W. Harriman, 39 Broadway, New York.
Estate of Morton F. Plant, 45 Wall Street, New York.
Thomas F. Ryan, 140 Broadway, New York.
M. S. Wallach, 52 William Street, New York.
Estate of Edwin Hawley, 25 Broad Street, New York.
N. M. Rothschild & Sons, London, England.
William Goadby Loew, 2 Wall Street, New York.
F. B. Keech, 7 Wall Street, New York.
William Barclay Parsons, 84 Pine Street, New York.
Union Trust Co., depository for A. P. C. Trust E., 538, 80 Broadway, New York.
F. D. Underwood, 50 Broad Street, New York.
H. P. Wilson, 50 Broad Street, New York.
I. C. McKeever, 7 Wall Street, New York.
Estate of Andrew Freedman, 140 Broadway, New York.
Primus E. Godridge, 16 Wall Street, New York.
W. P. Wainwright, 7 Wall Street, New York.
Samuel Untermyer, 120 Broadway, New York.

(P. 58, hearings before subcommittee of Senate Commerce Committee, 68th Cong., on H. R. 3933, January 14, 1925, pt. 2.)

Mr. HOWELL. This construction company proceeded to build the canal, and ultimately received therefor the $6,000,000 of stock and the $6,000,000 of bonds issued by the Boston, Cape Cod & New York Canal Co.

These same individuals and corporations, together with the Cape Cod Construction Co., now hold 90 per cent of the stock and 98 per cent of the bonds of the Boston, Cape Cod & New York Canal Co.

August Belmont and his associates entered upon this enterprise for gain, it evidently being expected that the canal could be built at a profit from the proceeds of the $6,000,000 bonds and also leave a large profit in stock. Mr. H. P. Wilson, now president of the Cape Cod Canal Co., stated in this connection in his testimony before the Committee on Interstate and Foreign Commerce of the House:

I want to state just briefly for the information of the committee, Mr. Chairman, the history of this canal. * * * I want to make clear to the committee that it was built as a commercial enterprise, as business men go into any other business enterprise. * * * It had no other object. Our people like to talk about personal pride in these matters, of course, but personal pride does not go far when several million dollars are involved in a commercial enterprise. (P. 142, House hearings, April 21, 1922.)

Disappointment confronted Mr. Belmont and his associates from the outset, the cost of the canal exceeding their calculations. Instead of costing less than $6,000,000, when first ready for traffic—July 30, 1914—but not completed, the direct expenditures, plus overhead and interest during construction, had amounted to about $8,266,000.

However, this was only the beginning. Disappointment was to follow. The canal lost money from the outset; and what was worse, the losses did not diminish, they increased as time passed. Thus, for the first 10 months the deficit was $390,000; for the next 10½ months, $424,000; and for the subsequent 15⅔ months, down to August 31, 1917, $713,000, and this without making any allowances for damage claims pending, amounting to $807,000. (See pp. 244–245, House hearings, April 13 to May 3, 1922.) Assuming $300,000 as ultimately paid in settlement of these claims, the total deficit for the first 37 months of operation was $1,827,000, or at the average rate of $591,000 per annum.

From approximate data the deficit was $501,000 for the next period of 10⅚ months, from August 31, 1917, to July 25, 1918, when the canal passed under Federal control.

When, as a result of the war, the Railway Administration took over the canal, it was out of repair, and as a consequence the expenses of operation and maintenance were much larger for the 19⅙ months of Federal control. In fact, they exceeded the income by $911,000. (See p. 43, Reports Director General of Railroads, 1924.) Assume the rate of interest charges the same as for the 15⅔ months above mentioned, and we have a total deficit for the Federal-control period of $1,732,000, or at the average rate of $1,083,000 per annum.

For the period extending from the close of the Federal control down to January 1, 1924, similar data is not at hand.

During the calendar year of 1924 the floating debt of the Cape Cod Canal Co. was $7,724,000. (See p. 66, Senate hearings, pt. 2, January 14, 1925.) Interest at 6 per cent on this amount, added to the annual interest of $300,000 due on the canal bonds, makes the interest charge for the year $763,000. The cost of operation and maintenance is given as $158,000. However, this amount suggests that the canal company is again practicing economy by deferring maintenance. In this connection Col. Edward Burr, United States Corps of Engineers, testified:

* * * the least that can be expected as the cost of maintenance of the existing open canal, plus operating expense, as the canal company now conducts canal operations with the canal as it exists at the present time, would be not less than $250,000 a year. It might exceed that figure. * * * (P. 110, House hearings, April 18, 1922.)

About six months later upon further consideration of the cost of maintenance of the canal, Colonel Burr reported as follows:

To operate and maintain the canal will cost the United States $300,000 for existing canal prior to improvement. (P. 4 of report on the Cape Cod Canal printed as Document No. 3, 69th Cong., 1st sess.)

Senator Butler also testified as follows:

Now, about the practical use of the canal, I do not know just at the present time what condition the canal is in. I saw it last summer and my judgment is that unless something is done to keep it in order and take care of its maintenance, after a little while the owners of the canal will meet with a very large and material loss. * * * (Senate hearings, December 8, 1924, Part I, p. 8.)

Notwithstanding Colonel Burr's latter report, let us assume that the average cost of operation and maintenance is about $250,000 instead of $300,000. Upon this assumption we must add about $100,000 for deferred maintenance and thus the item of $158,000 for 1924 becomes $258,000, which, added to the interest charge, equals $1,021,000. As the gross receipts were but $447,000, the deficit for the last year, 1924, the tenth year of operation, is $574,000, or about $79,000 per annum more than 1916–17, excluding the increment added for damage claims for that period.

In view of these deficits, the totals of which are running into the millions, it is not strange that the canal associates feel hopeless. Mr. Wilson, now president of the company, made such an admission in his testimony.

I will say very frankly, gentlemen, we have become utterly discouraged in our efforts to own and operate the Cape Cod Canal. (See p. 144, House hearings, April 21, 1922.)

As a matter of fact, this state of mind developed several years ago and as a consequence a plan was launched to unload this white elephant on the Government, as the United States is about the only organization extant that can be prevailed upon to pay real money for a bankrupt, losing concern.

Evidence of this plan and its operation is afforded by the testimony of ex-Secretary of War Baker, April 12, 1920:

Secretary BAKER: * * * These gentlemen have urged Congress to take the canal. I think I may as well be perfectly outspoken about it. * * * These gentlemen built this canal; they thought it was going to be a great commercial success; they found it was more expensive to build than they had anticipated. They found a very great difficulty in tempting people to use it. * * * And so they came to the conclusion that there was not enough liveliness to their hope of large commercial success to justify their continuing to carry this burden, and so they came to Congress. The Government did not come; the War Department did not come; the Department of Commerce did not come, nor the Navy, but these gentlemen came. You gentlemen who are on this committee know who has been bringing this matter to your attention. They have been bringing it, the men who were interested for the canal company, and they have been seeking to get the Government to take this burden off their shoulders. * * * (See p. 47, House hearings, April 12, 1920.)

Moreover, the canal associates seem perfectly confident of the success of their plan, apparently regarding Uncle Sam as gullible. In answer to a question by Senator LENROOT, the new president of the canal company, Mr. Wilson, said:

I do not mean to trifle with your question, Senator. I am trying to answer it to the best of my ability. What I mean to say is this: We believe the Government of the United States is going to take over the canal. (P. 71, Senate hearings, October 17, 1918.)

House bill 11616, now before the Senate, provides for the purchase of the Cape Cod Canal for $5,500,000, subject to the $6,000,000 bond issue, less $100,000 which the canal company guarantees to have in its treasury and turn over to the Government. The canal will cost under the provisions of this bill $11,400,000. But this is not all. The canal turned over will have been starved so far as maintenance is concerned, and again the Government, as in 1918–19, will have to expend hundreds of thousands of dollars to put it in order. Therefore the total cost will be in excess of $12,000,000.

Of course, this is a ridiculous price to pay for this property. The receipts for 1925 were $419,000, which was much less than the receipts for 1924 and 1923. Assuming the cost of operation and maintenance to have been only $258,000, the net remaining, $161,000, would pay 7 per cent on but $2,300,000. This is certainly the upper limit of the value of this canal. Private interests would not take it over even on this basis. They would want 8 per cent at least, meaning a capital value of about $2,000,000. Why should the Government take over this property at $12,000,000 and thus make a present to the New York canal associates of about $10,000,000?

On May 29, 1918, the Board of Engineers for Rivers and Harbors made a report to the Chief of Engineers of the United States Army, signed by Peter C. Hains, major general, United States Army, retired. It states that the earnings of the canal at that time on a 4 per cent basis corresponded to a total investment of $2,500,000, and further, that—

this amount, therefore, is apparently an upper limit of any justifiable expenditure by the United States to acquire public ownership for commercial purposes.

* * * * * * *

The value of public ownership for any uses that can be made of the present canal would obviously be due to the saving of tolls on Government vessels. The capitalized value of these tolls could hardly exceed $1,000,000, thus giving a total value of public ownership for all purposes of not exceeding $3,500,000.

The present owners of the canal express themselves as quite satisfied with the present situation and prospects of their investment, and the public can well assent to their retaining the property. The work is apparently affording reasonable accommodations for existing commercial, military, and naval needs, without imposing undue charges for services rendered. In view of these conditions the board concludes that it is not advisable for the United States to acquire the works and franchises of the Cape Cod Canal at this time. (See pp. 222–223 House Hearings, pt. 2, April 13 to May 3, 1922.)

Immediately after this board submitted the report from which the above quotations are made, the canal company, becoming panicky, requested another hearing, stopped bluffing, and began to beg, as evidenced by the following appeal to the board by Mr. Wilson, now president of the canal company:

* * * We do feel, however, that the condemnation of the property as worthless practically to the commerce of the country, to the Military and Naval Establishments of the country, is rather unjust to the property. We would like to see a different recommendation. We urge upon you a different recommendation. We tell you very frankly that we want the Government to take over the canal, because it is too big a job for us. We can not swing it. (See p. 483, H. Doc. 1768, 65th Cong. 3d sess.)

The following is quoted from the supplemental report made as the result of said rehearing:

* * * In view of the situation as now presented, in which all parties, including the canal company, concur in recommending public ownership * * * the board modifies its former conclusion to the extent of recommending the acquisition of the canal, * * * provided this can be accomplished at a price which is reasonable in view of the public benefits to result from public ownership. In the board's opinion this value does not exceed $3,500,000, as previously recommended, especially in view of the large additional expenditures that must be made to provide adequate facilities. (See pp. 223–224 House Hearings, Apr. 13 to May 3, 1922.)

The PRESIDING OFFICER (Mr. WALSH of Massachusetts in the chair). The time of the Senator from Nebraska has expired.

Mr. HOWELL. Mr. President, I will continue and conclude the statement in connection with another amendment.

Mr. LENROOT. Mr. President, I shall support the pending amendment, knowing that its fate will be the same as that of the amendment which has just been defeated; and I would not say anything further except that I can not permit the remarks of the Senator from Massachusetts [Mr. WALSH], now so ably presiding over this body, to stand without protest concerning his assertion that there is a moral obligation upon the part of the United States to purchase this canal.

The Senator from Massachusetts asserted that there was such moral obligation growing out of three facts; first, the negotiations and condemnation proceedings for the purchase of the property; second, the taking over of the canal by the Government in time of war; and third, a letter written by President Wilson, from which he quoted.

With reference to the first, there can be no moral obligation, for, in the first place, the legislation that gave rise to the negotiations and the condemnation proceedings was procured at the instance of the representatives of the canal, and in that legislation there were specific provisions to the effect that both in the case of negotiations and in the case of condemnation the result should be subject to the future ratification and appropriation by the Congress. So there could be no possible moral obligation when the law itself says there should be no obligation unless Congress should later ratify any agreement reached or verdict rendered and make appropriations therefor.

Second, as to whether any moral obligation arose through the taking over of the canal in time of war, I wish to quote from Secretary Denby, who testified upon the subject. The quotation is very brief. He said:

I think I can give the Navy's attitude toward this proposition by saying that prior to 1918 the Navy had not recommended that the Government should acquire this canal, but in November, 1918, the General Board of the Navy became fearful that the canal would cease to operate because of the failure of profits, and therefore made a strong memorandum in favor of the Government taking over the canal because of the naval need as well as its commercial advantages. The canal cuts off about 60 miles, I think it is, of run between Boston and New York, and also enables naval vessels to keep an inner channel with perfect safety.

He said the Government took over this canal because the canal company would otherwise have gone into bankruptcy and would not be able to maintain it. That is why we took over the canal, and instead of there being any obligation to the canal company by reason of the Government taking it over it was a godsend to the canal company and saved them from bankruptcy. So it is not possible that any moral obligation arose by reason of that fact. The truth of the matter is that the canal company refused to take the canal back from the Government. They never have taken it back, as I understand, and it is now being run or operated through some sort of a trusteeship.

It is suggested to me that nobody supposed there was any moral obligation to buy all the railroads of the United States when the Government took them over.

Third, the letter of the President of the United States. I am particularly surprised that my very distinguished friend from Massachusetts should urge that as entailing a moral obligation upon the part of the United States to purchase this canal—the expression of the opinion of President Wilson upon a matter of that kind imposing a moral obligation upon us.

Mr. President, it is not so many years ago when the then President of the United States, Mr. Wilson, did seek to commit the United States to a certain course of action; and, if my memory does not fail me, my friend from Massachusetts was one of the first to deny the authority of President Wilson to commit the United States to that moral obligation. Of course, I am referring to the League of Nations controversy, where the President of the United States, in the strongest manner possible, sought to commit this country to entry into the League of Nations; and, if I am not mistaken, the distinguished Senator from Massachusetts refused to take that

view of the President's power and denied, and properly so, that he could impose any moral obligation upon the part of the United States.

Therefore, Mr. President, it seems to me that Senators should vote upon this question upon its merits; for there is no moral obligation of any kind or character upon the part of the United States to acquire this canal.

Mr. MOSES. Mr. President, the Senator from Massachusetts [Mr. WALSH], now occupying the chair, is not dependent alone upon the letter of President Wilson, for he may turn to the message of President Coolidge sent to the Congress at the beginning of the second session of the Sixty-eighth Congress, December 3, 1924, where, on page 3, in discussing waterways, President Coolidge says:

There are pending before the Congress bills for further development of the Mississippi Basin, for the taking over of the Cape Cod Canal in accordance with a moral obligation which seems to have been incurred during the war, and for the improvement of harbors on both the Pacific and the Atlantic coasts.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nebraska [Mr. HOWELL].

The amendment was rejected.

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

The CHIEF CLERK. On page 6, after line 3, it is proposed to insert:

Galveston Channel, Tex., in accordance with the report submitted in House Document No. 307, Sixty-ninth Congress, first session.

Mr. PITTMAN. Mr. President, a parliamentary inquiry. Was the amendment on Cape Cod before the Senate for action?

The PRESIDING OFFICER. All pending amendments have been agreed to or acted upon.

Mr. PITTMAN. I know; but is not the Cape Cod provision still before the Senate?

The PRESIDING OFFICER. There is nothing more pending before the Senate in reference to the Cape Cod Canal.

Mr. PITTMAN. I should like to offer an amendment to the Cape Cod provision.

The PRESIDING OFFICER. Will the Senator permit the Senate to act upon the amendment just announced? Then the Senator may propose his amendment.

Mr. JONES of Washington. Mr. President, I suggest that we dispose of this section relating to the Cape Cod Canal. That was the understanding, the unanimous-consent agreement.

Mr. PITTMAN. That is what I assumed.

The PRESIDING OFFICER. Will the Senator from Nevada send his amendment to the desk?

Mr. PITTMAN. I will.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 13, line 12, it is proposed to insert the following:

The Interstate Commerce Commission shall not have authority to relieve common carriers from the operation of section 4 of the interstate commerce act on account of actual or potential water competition from transportation through the Cape Cod Canal or the Panama Canal.

Mr. PITTMAN. Mr. President, I have purposely waited until the 15-minute limit took effect, so that those who desired to discuss all of the benefits that are coming to their respective localities could get through. It happens that a large portion of the West, and particularly my State, gets no Christmas present in this bill. Possibly, however, those in the West may be in a position to be a little more impartial in the consideration of this subject than some of those who have some special interest in it.

I have heard some Senators state here on the floor that one reason why we were under obligations to purchase the Cape Cod Canal was that the Government was constantly holding over it the threat to buy it. There is another threat that the Government is constantly holding over this canal and over every waterway in this country, and that threat is to run any steamboat off that waterway the minute it is put on there. The testimony here would indicate that the Government is paying a very much larger price for this canal than it can earn. If the Government is to take a loss on it by reason of a military necessity or even a commercial necessity, at the same time it should be the duty of Congress to see that the fullest use of that canal is never interfered with by an arm of this Government in aid of railroads or any other form of transportation.

I do not know whether all Senators understand what I mean by this amendment. I want them to understand what the fourth section of the interstate commerce act provides. I will read it:

SEC. 4. That it shall be unlawful for any common carrier subject to the provisions of this act to charge or receive any greater compensation in the aggregate for the transportation of passengers, or of like kind of property, for a shorter than for a longer distance over the same line or route in the same direction, the shorter being included within the longer distance, or to charge any greater compensation as a through rate than the aggregate of the intermediate rates subject to the provisions of this act, but this shall not be construed as authorizing any common carrier within the terms of this act to charge or receive as great compensation for a shorter as for a longer distance.

That is section 4. That has been in every transportation act of this country for years. It was the fixed policy of this Government that carriers should not charge more for the short haul than for the long haul. It is not against the law to charge the same amount. They can put in a blanket rate if they want to. There is a blanket rate on coal running now from Kentucky and Tennessee up to the Great Lakes. What do I mean by a "blanket rate"? I mean that the rate is exactly the same for the short distance as it is for the long distance. What we are objecting to is not a blanket rate, but we are objecting to charging an out-of-pocket-cost rate at the terminal point and making it up by higher rates at intermediate points.

This amendment simply states that there shall be no relief from this section on the alleged grounds of water competition for transportation passing through those two canals; in other words, if the Government does buy and enlarge this canal, that the Interstate Commerce Commission shall not then give a rate from Boston to New York, we will say, of 50 cents a ton by rail and charge a dollar a ton at the intermediate, noncompetitive points. In other words, the Interstate Commerce Commission have the power at the present time, by virtue of a special proviso to this act, under which they may make departures and exceptions in special cases, to give to the railroads a rate that will actually take the freight away from the boats. That does not sound reasonable, does it? Yet the Interstate Commerce Commission has just finished a case in which the western railroads—that is, the railroads running from around the Mississippi River to the Pacific coast—asked for relief from the fourth section. They desired in their application to obtain what they said was their fair share of the traffic passing through the Panama Canal.

What was their fair share of the traffic passing through the Panama Canal? It was testified before our committee that probably half would be fair. In other words, to-day there are only 5,000,000 tons of traffic passing through the Panama Canal annually, and yet this application that has just been decided against the western railroads asked for a rate from Chicago and other Mississippi River points to San Francisco, Seattle, Portland, and Los Angeles that would give them one-half of that 5,000,000 tons. What effect would that have on the boats? If you should take away one-half of the 5,000,000 tons, you would practically destroy the Panama Canal business. Suppose you gave one-half of the traffic going through the Panama Canal to the railroads. What good would it do the railroads? Let us see.

The total traffic passing through the Panama Canal is only 5,000,000 tons per annum. The total traffic of the western railroads that made this application is 150,000,000 tons per annum. What would 2,500,000 tons amount to in a traffic that aggregates 150,000,000 tons annually? Why, the total earnings of the western roads that made this application are $500,000,000 a year. What would they have gotten if the Interstate Commerce Commission had granted their application? According to the testimony, they would have received a gross return of $15,000,000. They would receive $15,000,000 out of gross earnings of $500,000,000; and at what profit would they receive it? It was to be at an out-of-pocket cost to them. It was to be at a rate that was so low that it was admitted that it would pay no interest on the bonded indebtedness of the railroads; it would pay no dividends on the stocks; it would simply take half of the traffic off the Panama Canal; and the Interstate Commerce Commission refused to grant the application. Why? Because they said, "You have not shown that it would profit your railroads." It was not based on the ground that it would injure the boat traffic through the Panama Canal—oh, no! It was based on the ground, sir, that they had not shown that it would benefit the railroads.

I should like to read you, for just a moment, what they did say on that point. Here is what they said:

There is another phase of this matter which must not be overlooked. Section 500 of the transportation act, 1920, declares the policy of Congress to be "to promote, encourage, and develop water transportation, service, and facilities in connection with the commerce of the United States, and to foster and preserve in full vigor both rail and water transportation." The field of operations of the water lines

is restricted to a comparatively narrow area along the Atlantic seaboard and to a much narrower area along the Pacific coast. Since but little traffic originates at the ports, the water lines must reach out for it into the interior. The inherent disadvantages of shipping by water prohibit them from competing with the rail lines at points where the combined rail and water charges equal the all-rail charges, and consequently the territory from which they may draw traffic is confined to an area from which the rail rates plus the water charges are substantially lower than the all-rail rates.

Their destination territory is confined almost exclusively to the Pacific coast cities. Unlike the rail carriers, they have no intermediate territory from which to draw or to which to deliver traffic. It is strongly urged, therefore, that to permit the western carriers to publish the proposed rates from Chicago for the avowed purpose of depriving the water lines of a substantial portion of such traffic as they are now able to obtain would be to disregard wholly the policy of Congress to promote, encourage, and develop water transportation. To be of material benefit to the rail carriers a substantial portion of this tonnage must be diverted to their lines. The declared policy of Congress is to foster and preserve in full vigor both rail and water transportation.

If the hopes of the applicants should be realized, the benefits which they as a whole might obtain from the granting of the application would be greatly disproportionate to the loss which the water lines would suffer. The record shows that the total tonnage, both eastbound and westbound, of all the water lines is but a very small fraction of that of the transcontinental carriers operating west of Chicago. It is evident, therefore, that the diversion of any substantial tonnage from the water lines would have but an inappreciable effect on the net revenues of the rail carriers. On the other hand, it might very seriously impair the ability of the water lines to maintain their present standard of service.

Upon full consideration of the record we find that the application for authority to depart from the long-and-short-haul provision of the fourth section of the act should be denied.

It may be asked, and it has been asked time and again, why we should take that power out of the hands of the Interstate Commerce Commission, when they so fairly decided against the western railroads. The answer is simply this: There is a constant threat of change. Any change of the personnel of the commission may result in a change in the rulings. Just before the war the same Interstate Commerce Commission did grant these departures from the fourth section which they to-day refuse to grant. Although they refused to grant them a few days ago, it is entirely within their power to grant them to-morrow. The rate that was asked for by the western railroad from Chicago may be increased 10 cents a ton, and then the commission may find that the 10 cents a ton is profitable to the railroads.

Take the opinion of the Interstate Commerce Commission. They have stated the reasons for it. They have stated very clearly that the slight amount of tonnage the railroads would take away from the boats would result in no appreciable increase in the great tonnage of the railroads. So why not, in the case of the Panama Canal, where we know the facts, where we have the decisions time and time again, say to those who wish to engage in water transportation through the canal, the policy is fixed—there shall be no departure from the fourth section. Certainly this Congress and this Government wishes to increase our water transportation and want to increase our merchant marine.

We are spending hundreds of millions of dollars to make our rivers navigable. For what purpose? For water transportation. Why? Because it is known that water transportation is the cheapest transportation on earth for certain commodities; not all; not commodities that require rapid transportation; but things like steel and iron and copper, where time of delivery is not of the essence, have always been moved more cheaply by water.

Yet these very ships which are to-day carrying steel from the East to the Pacific coast are threatened to-day, yea, every hour, that there may be a decision of the Interstate Commerce Commission taking half of that trade away. Where else will they get it? There are about 47 articles which the boats may haul, and that is about all. There are 10,000 articles the trains may haul. But if the railroads are given this long-and-short-haul provision, with an out-of-pocket cost on the 47 articles to the Pacific coast, the boat lines will be ruined. They say they will take only half of it. How on earth can you conceive of a rate that would allow them to take half of the steel from the Atlantic to the Pacific coast and not take it all? Ninety per cent of that traffic to-day is steel. Tell me how you can give a rate that will mean that they will take half of that steel and not take it all.

The president of the Northern Pacific Railroad, in testifying before the committees of Congress, stated that if the Interstate Commerce Commission gave them a rate that would result in them carrying half, there was no reason why they would not carry it all.

That is the proposition to which we have gotten. Why hold a constant threat over the steamboats of this country? They are not now being bothered by it. It is not in effect. There are few of those rates in effect. But it is constant threat that is hanging over the heads of these people that is driving the boats out of existence.

The PRESIDING OFFICER. The Senator's time on the amendment has expired. The Senator now has 15 minutes on the bill.

Mr. PITTMAN. I will use 15 minutes on the bill. I do want Senators to understand the amendment I am proposing. I do not want it confused with the other long-and-short-haul legislation we have supported here for years. This is an entirely different proposition. The long and short haul amendment that was voted down at the last session known as the Gooding amendment absolutely prohibited the charging of a greater rate for the shorter haul than the rate charged for the long haul anywhere in the United States and by reason of any water competition—that is, carriage on rivers or on any other water.

Mind you, in this amendment I have simply left the law as it stands; I have not attempted to change it at all except to limit that proviso. The proviso now says that the Interstate Commerce Commission may in special cases grant relief from the fourth section. I contend that transportation through the Panama Canal and transportation through the Cape Cod Canal shall not be considered as special cases, leaving the rest of the law as it was then. I think we have sufficient evidence with regard to the character of the transportation through the Panama Canal, and with regard to the cost of it, and with regard to the cost of transportation on the western railroads to understand the matter so that we may act with regard to the Panama Canal. Let us make the last decision of the Interstate Commerce Commission final.

Why should we leave this discretion hanging in the air, with a body that is constantly changing, when the very action of the commission itself, and all of the testimony, disclosed the fact that it should be the fixed policy of this Government—not a wavering, changing policy, but the fixed policy of this Government—not to allow any departure from the fourth section so far as transportation through the Panama Canal is concerned?

When we built that canal, at a tremendous expense, it was the intention of the Government to allow those boats to go through there free of any artificial restraints whatever. We understood that we would have to get back, in the way of tolls, hundreds of millions of dollars, and we provided in the bill by an almost unanimous vote that no railroad line should own or operate a boat through that canal. That was because we did not want the independent boats moving through that canal to be coerced and driven out of business by artificial and unfair competition from the powerful boats of railroad lines.

I say to the Senate that these railroad companies are accomplishing the same thing in a much more economical way. If they had built the great boats and put them on the canal, they might have run them at a loss until they drove out all other boat competition, but at least we would have had some boats on the canal. But now what do the railroads do? Now, they ask what they call an out-of-pocket-cost rate, a rate, we will say, of 80 cents on steel from Chicago to Los Angeles, and a dollar on steel to Lincoln, Nebr., to Denver, to Salt Lake, to Reno, the intermediate points. It is the proposition of allowing them to charge a rate which they admit does not pay interest on the investment, does not pay dividends, does not pay interest on their bonds, for the sole purpose, as the Interstate Commerce Commission said in its decision, of taking away a part of the business of the boats moving through the Panama Canal.

That decision was rendered against the western roads by a divided vote, but we are putting new commissioners on the commission, and what will be the opinion of the majority in another month or two months from now? Why do we allow this uncertainty, this wavering policy to threaten water transportation in this country, when it is within the power of Congress to definitely say that as far as the Panama Canal is concerned we know there is no excuse for these applications for departures under the fourth section, because the Interstate Commerce Commission has analyzed it and said there is no reason for it?

What did Mark Potter, who is now the receiver of the St. Paul Railroad and who was at one time a member of the Interstate Commerce Commission, say? In the hearings before the commission he testified as follows:

Q. Do you believe that relief from application of section 4 of the interstate commerce act is necessary or essential to the prosperity of the several northwest carriers, including the St. Paul Railroad?—A. I do not.

Q. Why?—A. I do not hesitate to say that if I had been the sole receiver of the St. Paul property I should have withdrawn application for fourth-section relief. * * *

In other words, I think the commission decided that case right, although the St. Paul was asking for relief. I do not believe it was necessary in that situation. I think there is a great deal of misapprehension about that situation. My motion has been—take Pittsburgh. The talk is always about iron products from Pittsburgh to Baltimore and around to the canal to San Francisco and back up toward Spokane. I think the railroads can put in a rate from Chicago to Spokane on iron products that will more than meet anything that can be accomplished from Pittsburgh or through the canal, and that will still make that business perhaps the most attractive business the St. Paul has. It can get upwards of $600 a car for steel products and shut Pittsburgh out. Then, I think that rate, blanketed from the intermountain country to the coast, would get a fair share of coast business.

Blanketed, mind you, the same price clear across, not a lower price for the longer distance. Proceeding, he said:

Some would go through the canal, but the amount that would go through the canal, divided among seven lines, would never be felt. It would not amount to a fraction of 1 per cent of the business of any particular line.

I don't think it is necessary. We considered that policy and there were two feelings. There was a feeling that the Chicago interests would penalize us and abandon us if we did not ask fourth-section relief. There was a feeling that the other roads would pound us if we did not stand with them. Personally I don't think that we would be abandoned by shippers because, as I say, I think the St. Paul and other lines should frankly admit their duty to accomplish a rate basis that would protect Chicago as against Pittsburgh, and they should do it without fourth-section relief, in my judgment, and I think that all of the other roads attach altogether too much importance to it. When they make up their minds to settle down and make a fair rate to intermountain territory, blanket that to the coast, they will satisfy everybody.

That was the testimony of Mark Potter, the receiver of the St. Paul Railroad, when he was questioned by the Interstate Commerce Commission. The blanket rate is what we want on those 47 articles. Let them put in a cheap rate on the 47 articles, but put the rate the same straight across the country, and you can do that under the fourth section as it now stands. I do not wish to have a rate that is less for a 3,000-mile haul than it is for a thousand-mile haul. It is a wrong policy. It is not fair, and that has been demonstrated in connection with this matter.

Mr. Potter exposes the whole trouble. The St. Paul Railroad did not want to ask for that relief, but they were afraid of the Chicago Chamber of Commerce and the business interests of Chicago. They were afraid of the other railroads if they refused to ask for the relief, and the St. Paul did ask for the relief; and now we are afraid constantly of some little chamber of commerce in some little town that consists of about 10 men present and about a thousand honorary members advising our Senators. We appear to be constantly trying to find out not what is right but what some political body has favored, ignorant or deceived as it may have been.

Mr. BRUCE. Mr. President, time was when, if the brains were out, the man would die, and time was when, if a legislative measure were knocked in the head, it would gasp and give up the ghost. But that time seems to have passed. The amendment of the Senator from Nevada is simply an attempt to revive the amendment of the long-and-short-haul provision of the interstate commerce act which has now twice, to my knowledge, received the disapproval of Congress.

Mr. PITTMAN. Mr. President——

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

Mr. BRUCE. I have very little time.

Mr. PITTMAN. Just a sentence.

Mr. BRUCE. Very well.

Mr. PITTMAN. One time it passed this body, I believe in the Congress before the last, by a 2 to 1 vote. It was defeated the last time by a 2 to 1 vote.

Mr. BRUCE. Yes. That was because the appeal from Philip drunk to Philip sober was effectively made. Congress reached the one conclusion when it was in a state of more or less ignorance of the subject. It reached the other when it was thoroughly enlightened by exhaustive discussion.

It is quite true, as the Senator from Nevada has said, that during the last session of Congress the Gooding bill did not attempt to prohibit any departures except departures that might arise in the case of competition between a straight railroad line and a circuitous railroad line. But I am sure that the Senator from Nevada has not forgotten that the Gooding bill, which was introduced into the Senate during the Sixty-eighth Congress, attempted to prohibit all departures of every sort with one single exception, including departures called for by the necessity of placing land transportation on a footing of equality with water transportation.

Mr. PITTMAN. That is my recollection, and that is the reason why I wanted to draw a distinction between that proposition and my present amendment.

Mr. BRUCE. It is true that the Gooding bill, during the Sixty-eighth Congress, received the approval of this body; but when it reached the House, as the Senator knows, it was, as I recollect, defeated. Then when the succeeding session of Congress came along the bill was overwhelmingly defeated in the Senate. Never in my life have I heard a fuller or a more instructive discussion of anything than the discussion which went on in the Senate at that time in relation to the long-and-short-haul clause of the interstate commerce act.

Mr. PITTMAN. May I make just one correction of the Senator's statement? It was not voted on in the House. It never was reported out from the committee.

Mr. BRUCE. It met with the disapproval of the committee, and apparently the action of the committee was entirely acquiesced in by the House, assuming what the Senator from Nevada has said is true.

Now, of course, on its face nothing would seem to be fairer or more just than the idea that a railroad should not charge as much for carrying freight for a short distance as for a longer distance. As a general principle of policy, of justice, that principle is unassailable. But, like all general principles, it works gross injustice unless the proper qualifications are associated with it. Experience has shown that the Interstate Commerce Commission exercises no jurisdiction of a wiser or more beneficient character than the jurisdiction which it exercises in relation to the long-and-short-haul clause of the interstate commerce act. Nothing, I say, could have been more sagacious than the consideration which led the framers of that act to authorize the Interstate Commerce Commission under proper conditions to depart from that general principle. Just take a few illustrations.

Here is a case where there is a circuitous line and a straight line meeting at some competitive point. It is of the greatest advantage to shippers along those two lines that the lines should be brought into relations of competition with each other. That can only be done, of course, by allowing the circuitous line to charge lower rates to the point of competition—where it meets the straight line—than to intermediate points. Otherwise the community would not get the benefit of competition between the two. That is one case in which departures are allowed.

Mr. PITTMAN. But that is not involved in my amendment.

Mr. BRUCE. Yes, it is; because the principle on which that case is grounded is the principle on which, in my humble judgment, your amendment should be settled.

Here is another case of a railroad running through a barren, unproductive country, and while it is a weak one, yet it is of great value to the farmers living along it. The only way to keep the breath of life in it is to allow it to transport freight to some point where it comes in competition with a stronger line at lower rates than it charges to shippers at intermediate points. To use a specific illustration, such a case is that of the Tennessee Central Railroad, a road passing through a mountainous, sterile country on its way to Nashville, where it meets the competition of the Louisville & Nashville, one of the strongest trunk lines in the country.

Then, again, departures are eminently proper in cases where competition between seaports must be equalized for the benefit of the interior territory appurtenant to them as, for instance, competition between the seaport of Galveston and the seaport of New Orleans. Large amounts of green coffee are brought into this country through the port of New Orleans from South America and also large quantities through the port of Galveston. It is farther from Galveston to the interior points to be supplied than from the city of New Orleans, but Galveston, by proper departures from the long-and-short-haul clause allowed by the Interstate Commerce Commission, is put on a footing of equality with New Orleans. The interior country, of course, gets the benefit of the resulting competition in more liberal rates.

Again, a departure is allowed by the Interstate Commerce Commission for the purpose of equalizing market conditions

by enabling merchantable products of one sort or another to be brought to communities over more than one line.

Then, too, departures are allowed by the Interstate Commerce Commission in cases of extraordinary congestion. Some years ago the railroads leading from the South to New England simply could not carry the burden of traffic imposed upon them, especially as respected cotton; so the Interstate Commerce Commission allowed departures from the long-and-short-haul clause, which permitted the surplus freight to be carried at reduced rates to the South Atlantic ports, from which it could be shipped by sea to the New England mills or other consignees.

So, too, departures are allowed at times by the Interstate Commerce Commission when conditions of famine or scarcity in some particular community call for a departure. For illustration, some years ago there was a terrible famine in the State of New Mexico, and the Interstate Commerce Commission allowed departures from the long-and-short-haul clause so that commodities could be shipped at lower rates into the State of New Mexico for the relief of its people, and so that cattle could be shipped at lower rates than usual out of the State of New Mexico.

So, I say that the authority which is vested in the Interstate Commerce Commission under certain circumstances to allow departures from the operation of the long-and-short-haul clause is a beneficent thing, a thing that should be fostered and encouraged and not a thing that should be done away with or discouraged by the Congress of the United States. Let us leave the matter involved in this amendment, as well as every other matter that may be involved in the long and short haul clause of the interstate commerce act, to the discretion of the Interstate Commerce Commission.

That even the Senator from Nevada can repose a full measure of confidence in the justice of that commission in dealing with the long and short haul clause is strikingly illustrated by the decision which was rendered only about a year ago by the Interstate Commerce Commission in which it refused to allow the transcontinental lines of railroad departures based on the idea that they were suffering to such a distressing extent from the competition of the Panama Canal that departures were necessary.

I do not want to see this jurisdiction of the Interstate Commerce Commission nibbled away or encroached upon to any extent. It is a useful, sound, fruitful jurisdiction. It is not open, in my opinion, to successful impeachment in any respect. Therefore, why should we allow any invasion of it, general or limited? Why, in other words, should we tolerate a resuscitation of the old controversy which would seem to have been as finally and conclusively settled by Congress as anything ever can be? I know that it is not wholly settled because the Senator from Idaho [Mr. GOODING] has been reelected by his grateful constituents to this body and will certainly reopen the controversy as often as the opportunity to do so offers itself. But I hope that neither he nor the Senator from Nevada [Mr. PITTMAN], who is his faithful coworker so far as that controversy is concerned, will be able to induce the Senate to deviate from the attitude which it has heretofore assumed toward all efforts either to repeal, to amend, or to modify in any manner the authority with which the Interstate Commerce Commission is invested under the long-and-short-haul clause of the interstate commerce act.

Mr. JONES of Washington. Mr. President, personally I have much sympathy with the views of the Senator from Nevada [Mr. PITTMAN], but his amendment deals with a problem which is outside the jurisdiction of the Commerce Committee, deals with a problem which is outside the jurisdiction or purposes of the bill which is now before the Senate. I am not going to discuss the merits of his amendment. In my judgment—and I simply state this as a fact—to put it on the river and harbor bill will very greatly endanger the passage of the bill, if not defeat it in the end. That, of course, may be an argument which would appeal to some who are opposed to the bill in its entirety, but action like that would neither further the adoption of the proposition which is presented by the Senator from Nevada or the bill itself.

I could probably make the point of order that the amendment is not germane to the bill, but that is open to discussion just the same as the amendment itself, and so nothing would be gained by that procedure. I am simply going to express the hope that the amendment will not be put on the bill. It is a proposition which ought to be considered on its merits after a report of the committee having jurisdiction of it and, in my judgment, upon a separate measure and as a separate proposition.

Mr. FESS. Mr. President, I have not taken any time in the debate on the pending river and harbor bill, and I now rise simply to say that I intend to vote for the bill on its passage, provided it shall not then be loaded down with certain amendments that, it seems to me, would make it totally inadvisable to vote for the measure. The amendment which has just been offered is one of the amendments which, if adopted, would defeat the purpose of the bill, so far as I am concerned.

I am not going to consume any time to discuss the merits of the long and short haul proposition. As the Senator from Maryland [Mr. BRUCE] has stated, that was thoroughly discussed at the last session, and I thought a fairly decisive vote was taken. However, the authors of the two amendments have suggested that the proposal now submitted is not entirely akin to the one which was offered at the last session. That is true. The proposition which was offered at the last session went to all water transportation, while the one that is offered by the Senator from Idaho [Mr. GOODING] is limited to transportation through the Panama Canal, and the amendment offered by the Senator from Nevada [Mr. PITTMAN] extends the proposal to the Cape Cod Canal.

The Senator from Nevada read a statement from a decision of the Interstate Commerce Commission, which I think ought to be entirely reassuring to him. It gave the reasons why the relief should not be accorded, and the reasons seemed to be satisfactory, although there are some who thought they were not. But that decision ought to be an argument to anyone that the Interstate Commerce Commission is observing the spirit of the law under which it is operating.

Mr. GOODING. Mr. President——

Mr. FESS. Mr. President, let me say to the Senator from Idaho that I have only 15 minutes, of which I expect to take only 5, but I shall yield to the Senator if his interruption does not take too much time.

Mr. GOODING. Mr. President, I wish to call the Senator's attention to the fact that there are most vicious violations of the law allowed by the Interstate Commerce Commission through the Panama Canal at the present time by which the merchants of California, New Mexico and Arizona are not allowed to compete with the jobbers of San Francisco.

Mr. FESS. Mr. President, I stated that I was not going into the merits of this question, first, because the subject was thoroughly discussed at the last session; and, secondly, for the want of time because of the limitation under which we are operating.

I wish to remove a suspicion from the minds of those who seem to entertain it that the interests of the country are not subserved under the acts of the Interstate Commerce Commission and I merely propose to do it by a restatement of the law and the rulings under which the Interstate Commerce Commission is operating.

The first consideration which I wish to submit is that the policy of the Government, announced in section 500 of the transportation act of 1920, is to the effect that it is the duty of the Government to promote transportation, both water and rail. That is the law, and that the Interstate Commerce Commission has been following it, it seems to me, is not at all in doubt.

Secondly, the law under which the Interstate Commerce Commission is operating provides in section 1 that the rate shall be just and reasonable—that is a guide for the Interstate Commerce Commission—and there shall be no unjust discrimination in the form of rebates, drawbacks, and so on.

As a further guide to the Interstate Commerce Commission it is provided in the law that there shall be no partial or special rates in the interest of any locality or of any firm or of any corporation. Then a fourth direction is that there shall not be a lesser charge for a longer haul than for a shorter haul, with the exception of emergent cases. There are four directions of the law under which the Interstate Commerce Commission is operating designed to promote both water and rail transportation.

So those who say that the Interstate Commerce Commission is operating against water transportation are, it seems to me, speaking without authority, just as much as if I should say that the Interstate Commerce Commission is operating in the interest of water transportation as against rail transportation; in other words, the duty of the Interstate Commerce Commission under the law under which they are operating is to promote both water transportation and rail transportation; but in the fourth section of the law there is a proviso that in special cases, such as, for example, that mentioned by the Senator from Maryland just a moment ago, the Interstate Commerce Commission shall have the authority to give relief under that section. Anyone can see why that is. The people living in the Chicago district can ship down the Mississippi River into the Gulf, through the Panama Canal, and up the Pacific coast to the Pacific coast cities, a long distance, at a rate for which the railroads can not carry similar freight from points in the Chicago district to the

coast cities. If there were no provision that the rail carriers could charge a greater rate to an intermediate point between Chicago and the Pacific coast than could be charged to the coast, then I can see, as every man can see, that a rate might be made on the water route that would entirely deprive the railroads of the transportation of any commodities to Pacific coast cities. If that should happen no one would suffer more than would those represented between the two termini of the transportation lines. In cases like that the Interstate Commerce Commission should be permitted to give the relief that is provided under the fourth section, but whenever they accord such relief they operate under the specific law, namely, that the rate for the longer route must not be below what will be a compensatory amount for the service rendered.

Do not overlook the fact that while the rate for the long haul may be less than that for the short haul, that rate must not be below a compensatory basis, taking into consideration additional services.

When it is asked, What is the meaning of a compensatory rate? let me give the interpretation of the Interstate Commerce Commission of what a compensatory rate is. I want every Senator who has a suspicion that the Interstate Commerce Commission is not fair to note the basis on which they interpret the words "compensatory rate."

First. Any rate must cover, and more than cover, the extra or additional expense incurred in handling the traffic to which it applies.

Second. A rate must not be lower than necessary to meet the existing competition.

Third. The rate must not be so low as to threaten the extinction of water transportation. And—

Fourth. The rate must not jeopardize the requirement under the transportation act of 1920 to give an adequate return upon the investment.

In other words, when the Interstate Commerce Commission permits fourth-section relief it must not permit the rate to go to a point where it will in any degree threaten water competition. How anybody, under that interpretation and ruling, and under the practice of the commission, can say that the railroads under the direction of the Interstate Commerce Commission are going to drive out of existence water competition I do not know.

Furthermore, Mr. President, the most important thing of all is that we have a Government agency with the power to determine what the rate shall be and we must not take that power from that agency and transfer it to a political body such as the United States Senate. That is the last thing that would be in the interest of the development of transportation in a great country such as ours.

I am not going to discuss the merits of the question; I am merely making a simple statement of fact as to the operation of the commission so as to assure Senators that water competition is not in jeopardy under the proceedings of the Interstate Commerce Commission. I hope that the amendment will be defeated. If it is added to this bill, some of us, including myself, will vote against the bill.

Mr. GOODING. Mr. President, if the Interstate Commerce Commission had followed their own interpretation of what is a compensatory rate under the law it would not be necessary to be fighting here for a long-and-short-haul bill. But the fact is that in considering violations of the fourth section of the interstate commerce act the Interstate Commerce Commission has never paid any attention even to their own interpretation.

Yesterday I placed in the RECORD a reference to a violation of the fourth section which the Interstate Commerce Commission allowed only two years ago. They permitted a rate on canned goods from San Francisco to Dunnigan, Calif., of 31½ cents a hundred; the haul is 102 miles. From San Francisco to Dunnigan a car earns $1.85 per car-mile. The Interstate Commerce Commission allowed a violation of the fourth section of the interstate commerce act on canned goods from San Francisco to Portland, under which the rate from San Francisco to Portland, a distance of 745 miles, 28½ cents, or 3 cents less a hundred than the rate from San Francisco to Dunnigan. The car earns from San Francisco to Portland 22.9 cents a car-mile as against $1.85 a car-mile from San Francisco to Dunnigan; in other words, it earns on canned goods eight times more per car-mile to Dunnigan because of the violation that is allowed to Portland, Oreg.

Mr. President, that is the trouble. The Interstate Commerce Commission, when it comes to permitting violations, never pays any attention to any of the amendments to the interstate commerce act which have been adopted by Congress. They have ignored them all, including the amendment of 1910 and the amendment of 1920, and just so long as the great railroad interests of America dominate the Interstate Commerce Commission or a majority of the Interstate Commerce Commission, as they do to-day, the commission will come pretty near giving the railroads anything they want.

There are violations through the Panama Canal at the present time on beans that are grown in California, canned goods, and dried fruits. They must be shipped to San Francisco, where the jobbers are able to gather them up, the local freight must be paid to San Francisco, and they are shipped back through the same stations where they were loaded. The farmer in the interior, a hundred miles east of San Francisco, must pay on dried beans $1.05 a hundred, while the jobbers in San Francisco can ship them to New York for 70 cents a hundred.

Mr. President, there are these duplications of service all the way through. There is an effort, apparently, on the part of the commission itself to compel the American farmer to pay the local freight to San Francisco or to Los Angeles or other coast cities on his own products before he can get the benefits of rail transportation in competition with water transportation.

We had a change in the commission only yesterday. It will only take another change in the commission before we will have a body that may permit violations of the fourth section of the interstate commerce act the next day. The West has been suffering now for 40 years from vicious violations. I do not care what part of the country it is in, or what State it is in; capital is never going to invest in any State, even the State of Maryland, in any industry, if some State beyond or some community beyond can have a lower freight rate than some community in Maryland enjoys.

We build great cities in America by preferential freight rates. Let me make the freight rates, and I will tear down even the city of Chicago or any other city, or I will build a city. Chicago has been built up largely on preferential freight rates. As far as this legislation is concerned, the Chicago district is the only part of America that has benefited from violations of the fourth section of the interstate commerce act to meet commerce through the Panama Canal. This amendment is decidedly in favor of New England and all the Atlantic coast States. It is decidedly in favor of all the south Atlantic coast States, because they use the Panama Canal; but if the applications of the transcontinental railroads had been granted, as the Senator from Ohio said they should have been, and if he had been a member of the Interstate Commerce Commission I anticipate he would have voted for them, Boston and New York and all the great cities, every great city east of Chicago, with the exception of Gary, Ind., would have been forced to pay a higher freight rate than Chicago to Pacific coast terminals of from 15 to 48 cents a hundred.

I can not understand why Senators here vote against the interests of their own States, unless they are so assured that they have control of the Interstate Commerce Commission that no violations are going to be permitted through the Panama Canal. But they need not be too sure about that, Mr. President. There is danger of these violations being permitted at any time; and all that the West is asking for is just the same rights, the same opportunities to develop its resources, that have been given all the other States east of Chicago and now south of Chicago, where no violations exist to-day to impair the development of those States.

I want to read—I read yesterday—a statement made by General Ashburn. I think he is the greatest expert we have to-day, as far as water transportation is concerned. He has spent a lifetime in the Army as an engineer in the development of water transportation on our inland waterways. He showed very conclusively, in his statement before the Interstate Commerce Committee of the Senate on Senate bill 575, that there was no chance to develop water transportation in America as long as there was even a danger of a violation of the fourth section by the Interstate Commerce Commission, because capital never will invest in a river craft as long as that river craft can be destroyed by the railroads, which they have been doing now for almost half a century.

Now, I want to read what he has to say here—not what I read yesterday, but what he has to say in regard to the danger of the railroads destroying water transportation.

General Ashburn had been discussing the struggle that he had had with the railroads in order to make traffic on the Mississippi and Warrior Rivers successful. No man had a greater battle than he did. Only because he was the representative of the Government and a man of great executive ability was it possible for him to succeed at all, and he did not always succeed. The railroads came pretty near destroying him and putting him out of business. So you people who are interested in the Mississippi and the Warrior Rivers had better pass some legislation that is going to protect them, because I do not anticipate that it is going to be the policy of Congress that we shall

always continue to permit the Government to operate boats on the Mississippi and the Warrior Rivers or any other river. If you are going to do that, then we are going to ask for them out West, and we are going to have that policy extended to the Columbia and up the Missouri as far as transportation reached 70 years ago, which they are entitled to have there.

I read from General Ashburn's statement:

Senator WHEELER. I didn't catch that statement.

Brigadier General ASHBURN. I spoke a while ago about the fact that the rates paralleling the upper Mississippi River had been raised quite a bit. The result of that has been to seriously cripple Minneapolis and St. Paul. They have urged my corporation to operate on the upper Mississippi, and we have told them that we could not operate on the upper Mississippi. They have formed a corporation, raised a million dollars capital, and have offered to the Government to buy $600,000 worth of equipment and turn it over to our corporation for operation under very liberal lease terms.

Senator WHEELER. You say "they." Who do you mean by "they"?

Brigadier General ASHBURN. This corporation that is formed up in St. Paul called the Upper Mississippi River Navigation Co. In their letter to the Secretary of War they said:

I will read the letter to the Secretary of War which General Ashburn put into the record from this corporation up at Minneapolis and St. Paul. This is the letter:

We realize that we can not, as a private corporation, hope to make this thing a success like the corporation that is already operating. It knows how to work these things. It has had the experience. It is on the ground. And while we have got to have this river transportation up here to save us, and we are willing to put up this money, it has got to be operated by the Government, and therefore we say, Take our money and operate it for us.

Mr. President, they understood that no private corporation could operate boats on the upper Mississippi River with the railroads ready to reduce the rates that they had already raised. Minneapolis and St. Paul have been enjoying for years potential water transportation that never existed. Finally we find the railroads increasing the rates, and then those cities apply for boats. They are ready to put up $600,000—yes, a million—for what? Only to force the railroads to lower the rates. That was the purpose; nothing more. When they succeed in doing that, in compromising with the railroads, they will take off the boats. What is the use of boats as long as the railroads will carry their freight at water-transportation prices?

General Ashburn goes on to say:

Now, these people realize they must have some transportation up there. They realize it so much that they have raised the money, and yet they also realize that under these conditions which I have stated it is practically impossible for them to operate, and they want the Government to do it for them until such time as these conditions that I have been speaking of have been changed.

And it was the hope of General Ashburn, when he appeared before the Interstate Commerce Committee on Senate bill 575, that the conditions of which he had been speaking would be changed by the passage of my long-and-short-haul bill—Senate bill 575.

Ah, but the railroads, through Colonel Thom, aroused the commercial clubs—whose interest was, really, if they had understood it, to have asked their Senators to vote for Senate Bill 575—and, in response to telegrams, they sent in thousands of telegrams asking Senators to vote against the bill. I do not think those yellow pieces of paper would influence Senators on this particular amendment—at least, I hope not—but that is what happened to my bill that was defeated in the first session of the Sixty-ninth Congress.

I go on with the hearings——

The VICE PRESIDENT. The time of the Senator from Idaho has expired.

Mr. JONES of Washington. Mr. President, I merely desire to make an announcement. Several Senators have asked what the purpose is, and whether or not we will recess from 5 o'clock until 8. I desire to say that I hope we will continue right on until we dispose of this bill.

Mr. GOODING. Mr. President, I inquire if there is any amendment on which I have any more time to speak?

The VICE PRESIDENT. No; not until some other amendment is offered. The Senator from Idaho has exhausted his time on this amendment.

Mr. HOWELL. Mr. President, it should be remembered that the question presented is not one as to the desirability of having a Cape Cod Canal. The canal is already in existence and will be conducted in the future as in the past, whether or not it is purchased by the Government, as its income is sufficient to pay all cost of operations and maintenance and 6 per cent interest on about $2,000,000. In other words, the proposed outlay for this canal does not mean a new waterway or an additional public utility, but merely a transfer of such utility, now in use, from private to public ownership, at a scandalous price.

This advocacy of public ownership by financial interests in New York and Massachusetts is typical of the attitude toward public ownership of similar interests throughout the country. If public ownership will terminate or recoup distressing losses, or result in a highly profitable sale of a decadent public utility, it is embraced with open arms. It is commended, urged, insisted upon to legislate authorities, as in this case. However, if public ownership results in interference with private profit—even with unreasonable exactions of a private monopoly—then it is dangerous, inefficient, expensive to the public, subversive of our form of Government, and, finally, socialism. In view of these inconsistencies, there is but one conclusion—that to such interests public ownership is not a question of principle, but merely one of profit and loss—yes, of unalloyed selfishness.

If the Government should acquire this canal at a cost of $11,400,000, the annual interest at 4½ per cent, would be $484,500. Assuming the yearly cost of operation and maintenance to be the same amount as that estimated by Colonel Burr, viz, $300,000, the total annual cost to the Government would be $784,500.

Also assuming the tolls to be identical with those of 1925, the deficit of public operation would be $365,500 per annum.

However, it should not be overlooked that the proponents of this bill, propose and expect that after the acquisition of the canal by the Government it will be made free to shipping. Under such circumstances, the acquisition of the canal would mean an additional burden upon the American people, if conducted just at it is, of $784,500 per annum.

But the proponents of this bill have in mind the widening of the canal to 200 feet with a depth increased to 35 feet, and a tidal lock at one end of the waterway, including a breakwater in Cape Cod Bay.

Such improvements would mean an additional expenditure of at least $20,000,000. (See p. 233, House hearings, Part II, April 13 to May 3, 1922.)

Should the canal be purchased and these improvements undertaken, the total cost of this waterway to the Government would be about $32,000,000—meaning an annual charge upon the American people for operation, maintenance, and interest, at 4¼ per cent, or in the neighborhood of $1,600,000 per annum.

That there is little question that the ultimate expenditure upon the canal would call for at least $32,000,000, consider the statement made in the House on August 3, 1917, by Representative Joseph Walsh, from the congressional district in which the Cape Cod Canal is located:

Mr. WALSH. I have voted against the bill (the rivers and harbors bill, including Senator Weeks's amendment of 1917, respecting the Cape Cod Canal), and expect to vote to recommit it, and also expect to vote against the conference reports.

Mr. SMALL. And this particular item?

Mr. WALSH. And am opposed to this item because it will involve an expenditure of over $50,000,000 before this Government gets any benefit from it. (CONGRESSIONAL RECORD, August 3, 1917.)

It is urged that this canal should be taken over by the Government, enlarged, and made free to shipping on the ground that it would mean a great saving in vessels and cargoes now lost as a result of rounding Cape Cod.

That there is little to this argument is rendered evident by the fact that marine-insurance companies, which know no sentiment, have charged the same rate on vessels and cargoes passing through Cape Cod Canal as upon those passing outside and around the cape. (See p. 104, House hearings, April 13 to May 3, 1923.)

It is urged that its humanitarian aspects are of importance as the universal use of the canal would mean a saving of many lives because of the dangerous character of the coast off Cape Cod.

Statistics show that over a period of 21 years the average loss of life along this coast from below Boston around Cape Cod to Block Island has averaged about three persons a year. When it is recalled that along the water-front in Washington the loss of life for the six years preceding 1925 averaged over 24 persons per annum, it must be realized that this argument should be granted but little weight. As a matter of fact, the loss of life about Cape Cod averages low in view of the length of coast line involved. (See p. 353, H. Doc. 1768, 65th Cong., 3d sess.)

In this connection the following testimony by Colonel Burr, of the United States Corps of Engineers, is enlightening:

Mr. GRAHAM. * * * I was struck with the statements prepared, I think, by the Coast Guard officers, * * * which show that in 10 years there have been 32 lives lost in that stretch of water around the cape, including the Block Island Sound and up that coast, as I understand it. Is that an extraordinary loss of life in a 10-year period for a similar extent of coast?

Colonel BURR. * * * I should say it was an exceptionally small average. (P. 104, House hearings, Apr. 13 to May 3, 1922.)

It is further urged as very desirable that the Government should own and deepen this canal because of the advantages that would be afforded as a military and naval asset in case of war.

In a letter to the Secretary of War, dated July 31, 1919, General Black, of the Corps of Engineers of the Army, stated:

The best information available to the board respecting the naval value of the canal is contained in a memorandum accompanying a letter of August 19, 1916, from the General Board of the Navy, which was approved by the Joint Board of the Army and Navy when considering the improvements required for the operations of the fleet of defense. (See p. 5, H. Doc. 1768, 65th Cong., 3d sess.)

The following is an excerpt from the report referred to:

The expense of rendering the Cape Cod Canal available to all types of naval vessels not only requires a considerable expenditure for enlarging it, but also additional continuing expense for the maintenance of such increased size, and an even greater expenditure for the defenses, that should be given an important military waterway at a salient of our coast. Such large additional expenses are not warranted by the apparent increased military advantages of having the canal available for the passage of ships requiring a depth of over 25 feet at mean low water.

The board has no doubt of the advantage of a sufficient depth and width to permit the passage of battleships. It adheres, however, to its previous expressions, to the effect that military necessity is not sufficiently great to warrant the department in urging the expenditure of public funds to that end. (See p. 14, H. Doc. 1768, 65th Cong., 3d sess.)

General Black has further stated:

Considering the various parts of the intracoastal canal project it is my belief that the opening of other portions of the canal route would give greater commercial relief than that obtainable by the Cape Cod Canal, and, therefore that if the annual investment by the United States in such work is to be limited, other portions of the project should be given priority. (See p. 7, H. Doc. 1768, 65th Cong., 3d sess.)

Finally, it is urged that we are morally bound to take over the Cape Cod Canal in view of what has transpired since the beginning of Federal control during the war.

The only authority to bind the Government in any way is found in an amendment to the rivers and harbors act of August 8, 1917, offered by Senator Weeks, of Massachusetts. This amendment provided that the Secretary of War, who was then Mr. Baker, might first attempt to negotiate, if possible, a reasonable contract for the purchase of the canal. If he failed, he might turn the matter over to the Attorney General for the initiation of condemnation proceedings. However, it was further provided that no contract nor the finding of any court as the result of condemnation proceedings should be binding upon the Government unless approved and ratified by Congress. In short, Congress served notice upon all that, in the last analysis, it would be the final arbiter as to the price to be paid. Secretary Baker endeavored, but failed to negotiate a satisfactory contract. Condemnation proceedings were undertaken, but the verdict was set aside by the court. Thus, the directions of Congress had been carried out and the matter rested. When, in 1921, Senator Weeks became Secretary of War, he started all over again by entering into a contract for the purchase of the canal at a price that Secretary Baker would not entertain. In this Secretary Weeks was evidently acting without authority, as the steps directed by Congress had been exhausted, except, possibly, further condemnation proceedings. Of course, the taking over of the canal by the Railroad Administration during the war entailed no obligation to purchase any more than in the case of the railroads. Where, then, is there a moral obligation to relieve these financial interests of their loss? Is it because of the initiation of condemnation proceedings? In this connection Secretary of War Baker stated in his testimony before the House Committee:

The complaint that my brother Whipple makes that his company has been dragged into court, * * * it seems to me ought not to be addressed to men who know the circumstances and know the facts. The insistence has been from them and not from any department of the Government, an executive department of the Government, that this canal be acquired. * * * (See p. 55, House hearings, Mar. 5, 1920.)

There is no obligation. What the canal associates mistake for a moral obligation is a moral certainty they have felt of the ultimate success of their plans to unload their losses on the Government. Fortunately, Congress is under a continuing obligation to the people, and in this case there is also a moral obligation not to pay for this canal the scandalous price proposed.

Naturally Massachusetts interests are largely favorable to this measure, as it means not only the ultimate expenditure of large sums of public funds in that State but also an advantage to its shipping. As a matter of fact, the shipping interests of Boston are backing up the Cape Cod Canal associates with all their energies in connection with this bill. The reason for this is rendered very evident by an analysis of the sources of tolls collected by the canal company.

The Eastern Steamship Lines is a Boston concern, and of all the tolls collected in 1925 this company contributed 67 per cent, or $281,000. The tolls of the next largest canal user were about $14,000 in 1925. Therefore if this bill is passed and tolls are abandoned, as confidently expected, it will ultimately mean a saving to this one steamship company alone of $281,000 and more per annum. In this connection the following testimony was elicited from Mr. Calvin Austin, president of the Eastern Steamship Lines (Inc.):

Mr. HOCH. Suppose the tolls were taken off, what would be the significance of that with reference to the price of cotton, either to the man who sold the cotton or the man who bought it?

Mr. AUSTIN. The steamship company would be benefited.

Mr. HOCH. Would anybody else reap any benefit except the steamship company?

Mr. AUSTIN. I do not think so in that case. If we had free tolls, we would not have to pay $193,000 as we did last year (1921). (P. 45, House hearings, April 13, 1922.)

So great a financial interest means great pressure for the passage of a bill of this character. And this is not all, as some of the leading members of the canal associates have especial reasons to be energized in this connection. It appears that the canal company has borrowed on its notes, from the Guaranty Trust Co. of New York, $2,280,000. Of course, in view of the financial condition of the company, this could not have been accomplished without the guaranty of these notes by certain members of the canal associates. Such guaranties were secured, and as a consequence, if the Government does not come forward and help out this bankrupt company by the purchase of the canal, the associates in question eventually will have to pay these notes, and some of the associates have underwritten them to the extent of $250,000 each.

Does any one believe that if this canal were a profitable enterprise there would be a demand from New York and Boston at this time for public ownership thereof? No. But with the possibility of powerful interests shunting millions of losses from their shoulders to the Government, besides benefiting a great shipping concern hundreds of thousands per annum—that is different. Public ownership has advantages, indeed.

To recapitulate. A few individuals organized to build the Cape Cod Canal as a purely commercial enterprise. They underestimated its cost. They overestimated its traffic. Consequently the canal is a financial failure. Instead of paying interest and dividends on $13,000,000 after 10 years of operation, it will not pay 7 per cent on one-seventh of that amount, and what is more the canal company is so badly in debt that its deficit for last year, 1925, was more than a half million dollars.

They admit they are discouraged and hopeless.

However, they think they see a ray of light—a chance to get out. Public ownership! Never mind consistency—forget Muscle Shoals. Sell the canal to the United States for $11,400,000 and urge that it be made free to all shipping. That will put Boston behind the plan, because the great Eastern Steamship Lines (Inc.) of that city contributes two-thirds of the tolls, some $281,000 per annum. That will make them all, for the time being, so-called radicals working for public ownership. But how about getting Congress to pay $11,400,000 for a $1,700,000 going concern? The prospects are good. Ten years of work will tell. The bill is through the House. It is merely the Senate now. But do not be too confident and leave it to Boston alone. The New York canal associates must keep everlastingly at it; for remember if there is a failure not only will the chance be gone to recoup $10,000,000 in losses but some of the associates will be rudely awakened to the fact that they

will have to pay those notes, discounted with the Guaranty Trust Co. of New York. They are all indorsed—nearly $2,500,000; and it is "dead horse" for the indorsers, to the tune of $250,000 each, for some, if this bill fails. The other creditors, of course, will take the canal. That would mean a reorganization; as after paying all expenses of operation and maintenance the earnings will pay interest and dividends, not on $11,400,000, but on only about $2,000,000.

Mr. ODDIE. Mr. President, I will reiterate the statement I made and arguments I presented on March 22, 1926, in regard to the long-and-short-haul legislation, and repeat that I favor it very strongly. The CONGRESSIONAL RECORD will show on the date I have mentioned that I placed in the RECORD several statements and communications from the Chamber of Commerce of Reno and other public organizations in the State of Nevada. I ask that what I said at that time be taken now as my earnest plea that this long-and-short-haul amendment be enacted.

Mr. WALSH of Massachusetts. Mr. President, I have here a communication from the Associated Industries of Massachusetts, and another from the Boston Chamber of Commerce, which explain so clearly my own attitude on this amendment to the river and harbor bill, and my reasons for preferring that the regulation of the rates in question should continue to be left to the discretion of the Interstate Commerce Commission, that I ask that both communications may lie on the table and be printed in the RECORD.

There being no objection, the communications were ordered to lie on the table and to be printed in the RECORD, as follows:

ASSOCIATED INDUSTRIES OF MASSACHUSETTS,
TRANSPORTATION DEPARTMENT,
31 St. James Avenue,
Boston 17, December 18, 1926.

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

MY DEAR SENATOR WALSH: We have just received your telegram relative to the attitude of this organization on the Gooding amendment to the rivers and harbors bill.

You are quite right that this amendment would in one sense be of advantage to New England. It would take from the commission the power to grant fourth-section relief to meet Panama Canal competition and so assure us on the seaboard that we would not be deprived of the advantage of our location. But we have consistently stood upon the principle that the commission ought to have the power to grant or withhold such relief according to the facts peculiar to each individual case. We have adhered to this position with full knowledge that if in the exercise of that power the commission should grant the relief asked by the transcontinental carriers, it would be a bitter blow to our interests. But we have been content to plead our cause before the commission and rely upon the merits of our position. That we were justified in doing so is seen from the fact that the commission handed down its decision last March denying relief to the transcontinental lines. (107 I. C. C. 421.)

To subscribe to this proposal to restrict the commission's exercise of its discretion as to transcontinental traffic is to concede that the principle involved in the former bill (S. 575) is right. Once that is established every interest and section which might in the future be dissatisfied with the commission's decision granting fourth-section relief to any carrier would have good grounds upon which to come to Congress and demand an extension of the principle of this bill to cover their situation. Could they then be reasonably denied similar treatment?

This measure would pick out one particular rate situation and say to the commission, "You may handle any other fourth-section application on its merits, but this one you shall not."

Congress has created a tribunal composed of men specially trained and "informed by experience" for the judicial consideration of these technical rate matters. We believe that its discretion in the handling of these matters on their merits should be left unimpaired. The interests of all parties will thus be conserved; for the commission, under the present law, must determine the issues on the record placed before it after full hearing and in the light of its technical knowledge of the rate structure and the competitive requirements of industry and commerce.

To sum up: We believe the commission's power and discretion should be left as the law now provides. Then, in any individual case, it is incumbent upon the parties concerned to place the full facts before the commission for determination on the merits. We are unalterably opposed to the granting of fourth-section relief to the Middle West for the purpose of offsetting the natural advantages of our location on the Atlantic seaboard and driving us out of the Pacific coast markets. But we believe it would be most unwise for Congress to set up such a troublesome precedent of class legislation. It is wrong in principle and ought not to pass.

We trust that this explains our position to your satisfaction. If there is any phase of the matter upon which you would like further information, we should be happy to go into it fully, either by letter or in person.

Yours very truly,

FRANCIS J. DOWD,
Transportation Manager.

BOSTON CHAMBER OF COMMERCE,
Boston, Mass., December 18, 1926.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SENATOR WALSH: This will acknowledge your telegram to-day relative to our attitude toward the Gooding amendment to the rivers and harbors bill.

This organization has long felt that a flexible fourth section, administered by the Interstate Commerce Commission, is in the public interest; particularly is this applicable to New England, where fourth-section relief is often required to reach competitive markets via so-called circuitous routes.

At present the rate basis applicable between the Atlantic and Pacific coast via the Panama Canal is most reasonable and enables New England manufacturers to lay down their products either on the west coast or for considerable distances back in the interior cheaper than can the Middle West via the all-rail routes.

It is true that the passage of the Gooding bill (S. 3720) might make our position on the west coast a little more secure from the standpoint of prohibiting the Interstate Commerce Commission from granting the transcontinental lines any relief to meet water competition; but this is a big, broad, national problem, and if we start meddling with the present law, which, generally speaking, we believe is satisfactory, then other dissatisfied individuals and localities will ask and expect of Congress special treatment to cover their situation, and before we realize it the fourth section of the act which, as it now reads, means a great deal to New England will have been so amended as to seriously handicap the movement of our in and outbound products.

Very truly yours,

W. H. DAY,
Manager Transportation Bureau.

Mr. LENROOT. Mr. President, I shall say only a word upon the pending amendment. There are many meritorious projects in this bill. There are some of them that I would like to see defeated. More especially I would like to see the Cape Cod proposition defeated. A very good chance of defeating this bill ultimately would be the adoption of this amendment. Nevertheless, I do not desire to see this amendment adopted.

The Senator from Nevada has discussed this amendment wholly from the standpoint of the railroads. The entire upper Mississippi Valley, the Middle West, is vitally interested in this, not from the standpoint of the railroads but from the standpoint of the industries in the interior section. The Middle West helped to build the Panama Canal. They paid their share of the cost of its construction. The Panama Canal has been a very great injury to the industries of the Middle West. Nevertheless, they did not oppose it, but certainly, in view of what the West has suffered in an industrial way by reason of the construction of the Panama Canal, we should not add to their burden by singling the Panama Canal out now, as is proposed by the pending amendment, providing that there shall be no deviations from the fourth section in so far as the Panama Canal is concerned, but shall not be as to any other potential water competition in the United States.

If we are going to have a rule it ought to be uniform. It is unfair to make this apply to the Panama Canal alone, which will directly affect most injuriously the Middle West, and not have it apply anywhere else. I sincerely hope the amendment will be defeated.

Mr. PITTMAN. Mr. President, under the unanimous consent agreement, I have no time to speak, but I ask unanimous consent to make a statement regarding the amendment.

The PRESIDING OFFICER (Mr. BLEASE in the chair). The Senator from Nevada asks unanimous consent to make a brief statement. Is there objection? The Chair hears none, and the Senator from Nevada will proceed.

Mr. PITTMAN. I did not realize at the time I offered the amendment that it was going to be the subject of threat against the pending bill. I felt that I would get a square vote on the proposition by those who favor it and those who do not. I now ascertain that there are a number of Senators who are in favor of the legislation, but who are afraid to vote for it as an amendment to the pending bill. I therefore withdraw the amendment and will fight it out on a separate measure.

The PRESIDING OFFICER. The Senator from Nevada asks unanimous consent to withdraw his amendment. Without objection permission is granted.

Mr. JONES of Washington. Mr. President, if there are no other amendments to be offered to the Cape Cod Canal provision I ask that we may return to the provision on page 6 of the bill and proceed with the committee amendments.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The CHIEF CLERK. On page 6, after line 3, insert:

Galveston Channel, Tex., in accordance with the report submitted in House Document No. 307, Sixty-ninth Congress, first session.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. GOODING. Mr. President, I desire to ask if the amendments now being considered are debatable?

The PRESIDING OFFICER. They are. The clerk will state the next amendment.

The CHIEF CLERK. On page 9, line 21, after the word "improvement," to insert a colon and the following additional proviso:

Provided further, That in connection with this project the existing project for the improvement of Suisun Bay is modified so as to include authorization for a channel 300 feet wide from the western end of that bay to the mouth of the San Joaquin, with a depth of 26 feet at mean lower low water over all or any part of this width.

Mr. GOODING. Mr. President, all day I have realized that there was opposition to the amendment which I proposed to offer and to the amendment which the Senator from Nevada [Mr. PITTMAN] has offered, an opposition by the friends of that legislation. I want to say that it is not my intention, nor has it been for some hours at least, to offer my amendment to the river and harbor bill. I am glad, however, that I have had this opportunity to discuss a question so important to the interior territory of the West.

I have a bill pending which will be considered by the Interstate Commerce Committee, which is exactly the same as the amendment which I had intended to offer to the river and harbor bill, so I am going to wait patiently until that bill is reported out, I hope favorably, as I am satisfied it will be, because two long and short haul bills, that were general in character, were reported out of the Interstate Commerce Committee almost unanimously.

I want another opportunity to discuss this important legislation, important not only to the West, but to the whole country. The country is proceeding on a most dangerous policy in forcing growth in the great cities of the country at the expense of the interior. We have increased our population in America in the last year nearly 2,000,000 people.

Fully half a million, I think, are leaving the farms every year and coming in to the great cities. Here is Chicago, the city which has been responsible for all the violations through the Panama Canal, which to-day has more murders, more people held up at the point of a gun, than all of England, all of France, and all of Germany combined. Yet the selfish interests of Chicago are not satisfied with the discrimination under the freight rates which they now have. Ogalallah, Nebr., 800 miles from Chicago, pays terminal freight rates on dry goods which apply to San Francisco, Portland, and Seattle. Running all the way down the line from north to south, North Dakota, South Dakota, Nebraska, Kansas, and Oklahoma, all pay terminal rates on some of the commodities shipped from Chicago to San Francisco, Portland, and Seattle, although the haul is only one-third as great. It seems to me that great selfish city ought to be satisfied with those discriminations, for they are vicious discriminations, and not try to force a violation of the fourth section of the interstate commerce act so they may have a cheaper rate from Chicago to the coast cities than the intermountain States.

I want to say that I have not forgotten, and the Senate must not forget, that less than a year ago the Vice President of the United States, our Presiding Officer here, submitted to the Senate a resolution which had been adopted in Chicago, pleading with the Government to come to their aid because of the criminal organizations in that city. Mr. President, I have seen great panics in this country. I have seen bread lines, and I know how terrible they all are. They will come again. They will come back to America again.

I know of nothing that tries a man's soul more than to tramp day after day for work, going back home at night without getting work, only to find his little ones hanging to their mother's apron and crying for bread. I wonder what the condition is going to be in great cities like Chicago when these distressing times come again, when there is so little respect there for law and order? Out in that great city they run in mobs with machine guns. There was a time in America when it was a strange thing to hear of a murder under the noon-day sun, but now that seems to be the preferred time for murder in the great city of Chicago, which would destroy all the rest of the country in their own selfish interests.

I am not pleading for the West alone. I am pleading for a policy which will make the country a bigger and a better country all the way around. Until we have one policy for transportation in America that can not be true. The country can not be developed to its full greatness unless every part of it is given the opportunity to do its full share in the development of this mighty empire. It can not do it with discrimination, and every Senator knows it. I had been in hopes that the farmers west of Chicago would have a Christmas gift, that by legislation we could say to them, "You shall not be forced to pay more for the shorter haul than for the longer haul." Evidently the friends of the bill are not going to give it to them. I am a friend of the bill and I do not want to do anything to imperil its passage, and for that reason I shall not offer my amendment to it.

I want to continue for just a moment and finish General Ashburn's statement. It seems to me every Senator should read it in full. He was discussing the violation of the fourth section of the interstate commerce act. Senators who represent their people in this body, their sovereign States and the whole Nation, ought to read his testimony. If we are not going to take the good judgment of the men who have spent a lifetime for the Government itself in developing these rivers and harbors and who now have made successful water transportation on the Mississippi and Warrior Rivers, then we are not going to legislate wisely, because I do not care what ability any Senator has he can not have a personal knowledge of all the great problems which are presented to this body. He must take information from men who have had experience in life and who speak without selfishness—and that can be said of General Ashburn. This is what he said, answering Senator Fernald:

No, sir; that is not my contention at all. I am going to discuss that a little while later, Senator. I say that in some cases the rates were entirely too low, but somebody is being penalized because they are too low.

In that statement he meant the people who did not enjoy river transportation on the boats or at river points, but the people in the interior in the South and in the West.

Senator DILL. In other words, you are being overcharged in some places?

Brigadier General ASHBURN. We are being overcharged in some places.

Senator GOODING. And for the one purpose generally of destroying water transportation?

Brigadier General ASHBURN. Absolutely.

Absolutely, for the purpose of destroying water transportation—

General Ashburn said, and he speaks from experience.

Senator GOODING. General, I would like to go back to your Warrior River a minute. When you started in there the rate on ore was $3 a ton?

Brigadier General ASHBURN. A little over $3 a ton.

Senator GOODING. What was your rate when you started?

Brigadier General ASHBURN. Eighty per cent of that.

Senator GOODING. Eighty per cent of that?

Brigadier General ASHBURN. Yes.

Senator GOODING. And then the railroads reduced their rate?

Listen to this, Senators:

Brigadier General ASHBURN. One of the railroads which did not carry this ore got permission to put in the $2 rate. The railroad that did carry the ore got permission to meet this on a competitive basis of $2, and the rate was reduced to $2 a ton. That meant, and I have the figures to prove it, that that is neither compensatory to the railroads nor to us to carry it on that basis.

From the Interstate Commerce Commission they got a rate of $2 a ton, which he said was not a compensatory rate either as a water rate or as a railroad rate.

Senator GOODING. Now, General, if you should cease operating on the Warrior River, what would happen, in your judgment, as far as the rate on ore is concerned?

Brigadier General ASHBURN. In my judgment they would come to the Interstate Commerce Commission and show that they were not compensatory rates, and they would want them raised.

Senator GOODING. So the whole proposition is to destroy your operation there?

Brigadier General ASHBURN. I am firmly convinced that that was the purpose behind it.

Here this great Interstate Commerce Commission, which the junior Senator from Ohio [Mr. FESS] thinks can not do any wrong, was conniving with the railroads to destroy water transportation on the Warrior River, which the Government had appropriated money to try as an experiment.

But what is the use? Is there a Senator here who does not know that that is the purpose of the railroads all the time? Is there a Senator who does not know that if we take the Government away from the operation of the Mississippi-Warrior River project it would not last 24 hours? The railroads would have it by the throat in less time than that.

Senator GOODING. Had it been a private concern, it would have destroyed it long ago?

Brigadier General ASHBURN. I think so.

Ah, Mr. President, let me say again that the fight is going on. There is no halfway house. What we are fighting for is the same right under the Constitution that the rest of the people enjoy, and no man who represents his people has red blood in his veins unless he will fight for the same privileges and the same opportunities for them that the rest of the American people enjoy.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. JONES of Washington. Mr. President, the junior Senator from Nebraska [Mr. HOWELL] has some amendments to propose to the Cape Cod Canal section of the pending bill. He did not understand my statement. Of course, it was the understanding of the unanimous-consent agreement that the Cape Cod amendments should be disposed of, so that all amendments that he may desire to offer he should have an opportunity to offer. I ask, therefore, that we return to that section of the bill.

The PRESIDING OFFICER. Without objection, that will be done.

Mr. HOWELL. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 11 it is proposed to strike out line 11 and through line 12 on page 13 and to insert in lieu thereof the following:

SEC. 2. (a) The contract dated July 29, 1921, executed by the Boston, Cape Cod & New York Canal Co., and transmitted to Congress by the Secretary of War and printed in House Document No. 139, Sixty-seventh Congress, second session, is hereby ratified on condition that such company files with the Secretary of War its consent in writing that such contract be modified so as to provide that the total to be paid by the United States on account of such contract shall not exceed a sum such that 4¼ per cent thereof equals the net annual income of the canal owned by said Cape Cod & New York Canal Co., said net annual income to be computed as follows: From the annual average gross earnings of said canal for the three years preceding January 1, 1927, there shall be deducted a one year's expense for operation, maintenance, and depreciation. Such one year's expense on account of operation, maintenance, and depreciation shall be estimated by the Chief of Engineers, United States Army, as the amount that ordinarily would be necessary (1) to maintain indefinitely such canal in first-class condition, and (2) to provide satisfactory service at all times. The remainder, after such deduction, shall be deemed the net annual income.

(b) Such sum as may be necessary is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to be expended under the direction of the Secretary of War, for the acquisition by purchase, in accordance with the terms of such contract, modified as provided in subdivision (a) of this section, of the Cape Cod Canal and other property referred to in paragraph 1 of such contract.

Mr. HOWELL. Mr. President, the National Government has outstanding $13,800,000,000, par value, of 4¼ per cent bonds. The people are paying 4¼ per cent interest upon that borrowed money, and they will continue to pay 4¼ per cent upon that amount of outstanding bonds for at least seven years. It is proposed that we buy the Cape Cop Canal and pay $11,400,000 therefor. It is an exorbitant price; it is not justified by the earnings of the canal. The enterprise is purely commercial. Its net income last year was anywhere from $119,000 to $169,000, dependent upon the actual amount that should have been utilized for operation and maintenance and the depreciation reserve. At 4¼ per cent such net earnings capitalized would equal anywhere from $2,800,000 to $3,976,000; and yet it is proposed that we shall pay $11,400,000 for this plant. Why? Because of the accomplished lobbyists who have been attempting to put this bill through Congress for 10 years.

It is not necessary for us to put our hands into the National Treasury and take out money and make a gift of millions to the canal associates in order to acquire this canal. It may be bought at a fair price as a going concern if Congress insists that it will pay no more. It is a most extraordinary thing that private individuals should assume that they can come to Congress and sell a commercial enterprise for more than, indeed, for three times as much as they could obtain therefor in the open market. It is all but shocking to think that such is the case. It indicates an undermining of the force of our ideals of government and the transaction of public business.

This amendment provides that the Government shall not pay more than a sum equal to the average net earnings of the canal for the last three years, capitalized on a basis of 4¼ per cent, the rate of interest we are paying on $13,800,000,000 of outstanding war bonds. How so reasonable an amendment as this could receive anything but favor is beyond my comprehension. Has the time come when the Senate of the United States will approve taking funds, with malice aforethought, from the Treasury and present them in gratuities to individuals who come here and lobby therefor? Any member of a board of directors of a private corporation who would be guilty of putting through such a transaction for his company as this proposed purchase would be pilloried; a general manager who would be guilty of such lapse would be dismissed. How can Senators sit here and allow a transaction of this kind to be "put over" at the behest of a handful of canal associates seeking to recoup their losses in a commercial enterprise? Mr. President, the mere suggestion is monstrous, and if such a course is persisted in by any government, it means retrogradation. Rome's decline was coincident with the use of public funds for private advantage.

I trust this amendment may be adopted.

SEVERAL SENATORS. Vote!

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

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

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

Ashurst	Fletcher	McLean	Sheppard
Bayard	Frazier	McMaster	Shipstead
Bingham	George	McNary	Shortridge
Blease	Goff	Mayfield	Simmons
Broussard	Gooding	Metcalf	Smith
Bruce	Gould	Moses	Stanfield
Cameron	Hale	Neely	Stephens
Capper	Harris	Norris	Stewart
Caraway	Harrison	Oddie	Swanson
Copeland	Hawes	Overman	Trammell
Couzens	Heflin	Pepper	Tyson
Curtis	Howell	Pine	Wadsworth
Dale	Johnson	Pittman	Walsh, Mass.
Deneen	Jones, Wash.	Ransdell	Walsh, Mont.
du Pont	Kendrick	Reed, Mo.	Warren
Edge	Keyes	Reed, Pa.	Wheeler
Edwards	King	Robinson, Ind.	Willis
Ferris	Lenroot	Sackett	
Fess	McKellar	Schall	

The PRESIDING OFFICER. Seventy-four Senators having answered to their names, a quorum is present. The question is on agreeing to the amendment proposed by the junior Senator from Nebraska [Mr. HOWELL].

Mr. HOWELL. Mr. President, I do not propose to ask for a record vote on this amendment. I very much hope that it shall be adopted; but, if it is not, I shall ask for a record vote on another and final amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. HOWELL].

The amendment was rejected.

Mr. HOWELL. Mr. President, the amendment that I am now about to offer is identical with my previous amendment except that it proposes that the price paid shall be a sum equal to the average annual net earnings of the canal for the past three years—and the tolls collected are decreasing each year—capitalized on a basis of 3 per cent.

Mr. President, the lowest rate of interest carried by our war bonds outstanding is 3½ per cent. The country is paying interest upon some nineteen billions of bonds at rates ranging from 3½ per cent up to 4¼ per cent. What I propose is that in purchasing this commercial enterprise we shall not pay a greater sum than that equal to the canal's net earnings capitalized not upon a basis of 4¼ per cent, nor yet upon 3½ per cent, but upon only 3 per cent.

How can Congress justify the purchase of this canal upon a basis lower than 3 per cent?

There is not a Senator here present that would not dismiss an agent who would consummate such a purchase for him, even upon this basis. How can we, as trustees for the American people, pay more? It is monstrous to think of doing so. We ought to treat this as if it were our own personal business;

or are we to think, not of the people, but rather of the Belmont estate, of Thomas Fortune Ryan, Mrs. Harriman, and other financiers, all of New York City? These are the people who are waiting for the proposed ten-million Christmas present. These are the people to whom we will vote a gift of millions if we adopt the pending measure without such an amendment as proposed.

Some one has said: You can not convict $100,000,000.

It would appear also that, once under way, it is difficult, if not impossible, to head off a plausible $10,000,000 raid on the National Treasury

There are lobbyists from various parts of the United States who have been brought or sent here to prevail upon Senators to vote for this measure. No small portion of this $11,400,000 will go to lobbyists. Are we to put our stamp of approval upon such a transaction?

This amendment certainly ought to be adopted. It is as far—yes, farther than Congress ought to go in the purchase of this canal.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Nebraska [Mr. HOWELL].

The amendment was, on page 11, to strike out line 11 and through line 12 on page 13, and to insert in lieu thereof the following:

SEC. 2. (a) The contract dated July 29, 1921, executed by the Boston, Cape Cod & New York Canal Co., and transmitted to Congress by the Secretary of War and printed in House Document No. 139, Sixty-seventh Congress, second session, is hereby ratified on condition that such company files with the Secretary of War its consent in writing that such contract be modified so as to provide that the total to be paid by the United States on account of such contract shall not exceed a sum such that 3 per cent thereof equals the net annual income of the canal owned by said Cape Cod & New York Canal Co., said net annual income to be computed as follows: From the annual average gross earnings of said canal for the three years preceding January 1, 1927, there shall be deducted a one year's expense for operation, maintenance, and depreciation. Such one year's expense on account of operation, maintenance, and depreciation shall be estimated by the Chief of Engineers, United States Army, as the amount that ordinarily would be necessary (1) to maintain indefinitely such canal in first-class condition, and (2) to provide satisfactory service at all times. The remainder, after such deduction, shall be deemed the net annual income.

(b) Such sum as may be necessary is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to be expended under the direction of the Secretary of War, for the acquisition by purchase, in accordance with the terms of such contract, modified as provided in subdivision (a) of this section, of the Cape Cod Canal and other property referred to in paragraph 1 of such contract.

Mr. HOWELL. I ask for the yeas and nays.

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

Mr. GEORGE (when his name was called). Making the same announcement as before with regard to my pair, I vote "nay."

Mr. STEPHENS (when his name was called). On this question I have a pair with the senior Senator from Colorado [Mr. MEANS]. I therefore withhold my vote.

The roll call was concluded.

Mr. FRAZIER. On this question my colleague [Mr. NYE] is paired with the senior Senator from Alabama [Mr. UNDERWOOD]. If my colleague were present he would vote for the amendment, and I understand that if the Senator from Alabama were present he would vote against it.

Mr. NORRIS. I desire to announce that the junior Senator from Wisconsin [Mr. LA FOLLETTE] is necessarily absent on account of illness.

Mr. WALSH of Massachusetts. I desire to announce the general pair of the Senator from Rhode Island [Mr. GERRY] with the Senator from Idaho [Mr. BORAH].

Mr. JONES of Washington. I desire to announce that the Senator from Wisconsin [Mr. LA FOLLETTE] is paired with the Senator from Arkansas [Mr. ROBINSON].

Mr. GOULD. I have a pair with the Senator from New Mexico [Mr. BRATTON], and therefore withhold my vote.

Mr. HEFLIN. I wish to announce that my colleague, the senior Senator from Alabama [Mr. UNDERWOOD], is necessarily absent on account of illness.

The result was announced—yeas 28, nays 47, as follows:

YEAS—28

Ashurst	Frazier	McKellar	Pittman
Blease	Gooding	McMaster	Reed, Mo.
Capper	Harris	Mayfield	Shipstead
Couzens	Howell	Neely	Tyson
Dill	Johnson	Norris	Walsh, Mont.
Ferris	King	Oddie	Wheeler
Fess	Lenroot	Pine	Willis

NAYS—47

Bayard	Edwards	McLean	Shortridge
Bingham	Fletcher	McNary	Simmons
Broussard	George	Metcalf	Smith
Bruce	Gillett	Moses	Stanfield
Cameron	Goff	Overman	Steck
Caraway	Hale	Pepper	Stewart
Copeland	Harrison	Ransdell	Swanson
Curtis	Hawes	Reed, Pa.	Trammell
Dale	Heflin	Robinson, Ind.	Wadsworth
Deneen	Jones, Wash.	Sackett	Walsh, Mass.
du Pont	Kendrick	Schall	Warren
Edge	Keyes	Sheppard	

NOT VOTING—20

Borah	Gould	Means	Smoot
Bratton	Greene	Norbeck	Stephens
Ernst	Harreld	Nye	Underwood
Gerry	Jones, N. Mex.	Phipps	Watson
Glass	La Follette	Robinson, Ark.	Weller

So Mr. HOWELL's amendment was rejected.

Mr. JONES of Washington. Mr. President, I understand that that concludes the paragraph relating to Cape Cod. I desire to offer a committee amendment on page 6, after line 14.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 6, after line 14, it is proposed to insert the following:

Mississippi River between Missouri River and Minneapolis: The existing project for improvement is hereby modified in accordance with the report submitted in House Document No. 583, Sixty-ninth Congress, second session.

Mr. KING. Mr. President, will the Senator explain the amendment?

Mr. JONES of Washington. This project now calls for a 6-foot depth up to St. Paul and Minneapolis. The engineers find that under open-river channel work they can not get the 6-foot depth, but they find that the construction of a lock and dam near Hastings is the best way to bring about the depth desired by the project. That is what this amendment provides for.

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

The amendment was agreed to.

Mr. JONES of Washington. I have another committee amendment, to be inserted on page 11, after line 3.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 11, after line 3, it is proposed to insert:

Willapa Harbor, Wash., in accordance with the report submitted in House Document No. 565, Sixty-ninth Congress, second session.

Mr. KING. I ask for an explanation of that amendment.

Mr. JONES of Washington. The purpose of this amendment is to secure a permanent channel of 23 feet across the bar. It is shifting now. The report of the engineer simply recommends $20,000 a year additional for maintaining this channel. This is concurred in by the Board of Engineers, the Chief of Engineers, and the Secretary of War.

Mr. KING. Mr. President, do I understand that this proposition is to convert a temporary project into a permanent one and to provide indefinitely for its improvement?

Mr. JONES of Washington. Oh, no; it is not to convert it. It is really an adopted project now. It simply increases the sum for maintenance by $20,000. The channel shifts, and in order to secure a permanent channel, and to avoid the construction of jetties and other expensive works like that, the engineers report an increase in this amount. The maintenance fund now is $30,000, and this would increase it by $20,000.

Mr. KING. That is to say, we are asked to increase it up to $50,000?

Mr. JONES of Washington. Up to $50,000 a year. It is $30,000 now.

Mr. KING. If this amendment should be adopted, it would mean that $50,000 would be automatically appropriated every year for this purpose?

Mr. JONES of Washington. Not in excess of that amount. It might be less. It would be just what would be necessary within that limit to insure a permanent channel.

Mr. KING. It would mean, then, that no further appropriation is to be made, but that out of the general fund every year $50,000 at least might be taken?

Mr. JONES of Washington. That is correct, for maintenance.

Mr. KING. Without any further appropriation or action by Congress?

Mr. JONES of Washington. There is nothing provided here for any further appropriation. Of course, we are not prevented in the future from coming to any future Congress and asking for an additional improvement, but that is all that is provided. It is what the engineers recommend, and that is

practically all we can hope to have them recommend. They think this will serve all the purposes of that harbor and of that section. That is the judgment of the engineers now. If they should change their minds hereafter, of course, and there should be a development that is not there now, they might recommend something different.

Mr. KING. Suppose the engineers should feel that the project should be abandoned. They would be compelled to make this expenditure until there was a repeal by Congress.

Mr. JONES of Washington. No; if they came to the conclusion that it should be abandoned, of course they would recommend to Congress that that be done, and it would rest with Congress as to whether it should be abandoned or not. But I want to say to the Senator that there are billions of feet of timber suitable for lumber purposes tributary to this harbor, and what the effect will be when that timber is all gone of course I am not prepared to say, but it will be many years before that comes to pass.

Mr. DILL. Mr. President, I think it might be well to say that the real demand is for a 26-foot channel instead of a 23-foot channel, and that the engineers have not gone as far as the needs really demand.

Mr. JONES of Washington. That is true. They do say, however, that a 23-foot channel, if made permanent, in their judgment will fill the need.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. KING. I want the record to show that I vote against the amendment. I am opposed to the whole proposition.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JONES of Washington. On page 4, after line 8, I desire to offer an amendment.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 4, after line 8, insert:

Inland waterway in general 75 feet wide and 8 feet deep at local mean low water following the coastal route from Jacksonville, Fla., to Miami, Fla., in accordance with the report submitted December 14, 1926, in House Document No. 586, Sixty-ninth Congress, second session, and subject to the conditions set forth in said document.

Mr. KING. Is that a new proposition?

Mr. JONES of Washington. It is a part of the intercoastal waterway system.

Mr. KING. It is a new project?

Mr. JONES of Washington. Yes; it is just adopted.

Mr. KING. How much does it call for?

Mr. JONES of Washington. About $4,221,000.

Mr. KING. Does the Senator mean now to ask us to vote for $4,000,000 plus without any further consideration, and have the project dumped in upon the Senate floor at this late hour without an opportunity for discussion or consideration?

Mr. JONES of Washington. Mr. President, I have not asked for any limit on the time for a discussion of the project. Both the Senators from Florida are familiar with the situation and can enlighten the Senate on it.

Mr. TRAMMELL. May I state to the chairman of the committee that while this project would involve the amount of the expenditure to which he has referred, it will cover some four or five years at least? The expenditure will not all be made within the next year. It will cover a period of several years.

Mr. FLETCHER. Mr. President, this is a project which has been under consideration for some six years. We provided for it in the act of 1920. A survey has been made; it is reported on favorably by the district engineer, by the division engineer, by the Board of Engineers for Rivers and Harbors, and by the Chief of Engineers, and is now here before us.

The condition is that local interests shall acquire and convey to the Government, without any expense to it the present Florida East Coast Canal. That canal was built by the Florida East Coast Canal Transportation Co., a corporation organized for that purpose, and the State granted to that corporation 1,030,000 acres of land. Those lands were sold by the company, some of them for probably two dollars and a half an acre, some of them for as high as $40 an acre, but the canal cost the company between four and five million dollars. They built the canal. It was to be 5 feet deep and 50 feet wide. They have failed to maintain it, so that the depth is practically 3 or 3½ feet.

That is a very useful waterway, a very important waterway, because the commerce on the east coast is increasing all the while. It is almost an emergency matter. Last year there was an embargo on freight down the east coast, from Jacksonville through the State, south particularly, so the people used this canal by way of barges and small boats, and in every way conceivable, poled and otherwise twisted their way through the canal carrying freight. Actually people paid to get things like piping from Jacksonville to Miami by parcel post, because they could not get it there by rail.

This canal is some 283 miles long. Seventy-seven miles of it is taken up by the Indian River, which is under Government jurisdiction and control. Altogether the distance is 383 miles. The canal was built by the corporation I have named. The condition of this amendment is that private interests shall acquire the canal, which cost some $5,000,000 to construct, and donate it to the Government, together with all rights of way and all the necessary space and grounds for dumping of material, and that sort of thing.

The Government proposes really to make the canal 75 feet wide and 8 feet deep. It is really a 50-50 proposition, and it is the only instance along the whole Atlantic coast where we require local interests to contribute to the waterway. We are able to do that; we are willing to do it, or to do our best toward it; and that is the condition which we accept. We will donate to the United States Government a canal that costs more than the Government will put into its enlargement. It is a very important waterway.

Mr. KING. When the canal has cost the owners $5,000,000, if it is a valuable proposition, why are they willing to surrender all their interest and property rights and give them to the Government?

Mr. FLETCHER. The owners of the canal do not give anything. The local interests are to acquire the canal. I do not know what they will have to pay for it, but the condition is that local interests shall acquire the canal and deed it to the Government.

There is another reason why this project should be passed on favorably now. The Legislature of Florida will meet next April, and there has been some claim, by members of the legislature, that the franchise of this canal company ought to be declared forfeited because it has failed to comply with its contract. There may be some equitable interest there in the State, there may be also some question about submerged lands, which may have to be acquired and added, and those lands would be owned by the State. It may be necessary, therefore, to have action by the legislature in order to comply with this provision. After its session next April the legislature will not meet again for two years, so that it is important to have action now in order that this plan may be accomplished and the canal made available for public use. It is a very urgent matter. I had in mind offering a bill especially to take care of it, and I believe Congress, upon full investigation, would favor such a bill as providing for a real public necessity.

Mr. KING. Mr. President, will the Senator permit three questions while I have the floor? He can answer them in his own time.

First. Why was not this matter presented to the House, and if it was presented to the House committee, why was no action taken in the House?

Second. Why was it not presented to the Senate committee, and if it was, why was it not acted upon in the Senate committee?

Third. I notice in reference to the amendment that this canal is to be taken over in accordance with the report submitted December 14, 1926, House Document No. 586, Sixty-ninth Congress. Does the House document referred to here specifically declare that the Government of the United States shall not be put to any expense whatever in the acquisition of the canal, or any of the abutting lands which may be a part of it and necessary for its use and operation?

Mr. FLETCHER. Answering the Senator's questions hurriedly, first, it was not presented to the House committee because the Report of the Chief of Engineers did not reach us until December 14, and this bill passed the House last April. The report of the district engineer was made, and then that was passed up to the division engineer, and finally to the Board of Engineers for Rivers and Harbors, last November. They completed a full study of the subject and made their report December 14. That is the reason why the item did not appear in the bill as passed by the House.

The second question is, why was it not presented to the committee of the Senate? It was presented to that committee. Just as soon as this report was out, on December 14, the Commerce Committee had a meeting on the Missouri River matter, and I brought this subject to their attention at that time. They held a meeting again last Monday, with the full report before them, and reported it out with but one dissenting vote.

Mr. SHEPPARD. The Senator is now speaking of the Senate committee?

Mr. FLETCHER. Yes; the Commerce Committee. That, I understand, was included in the Senator's question. This is a very important thing, and I hope it will be adopted.

Mr. KING. Mr. President, I regret very much to have to differ from my friend, in whose judgment I have so much confidence, but I confess I do not like to have rushed through appropriations of this character, in such a premature fashion, without an opportunity for discussion and consideration.

Here is an item of $4,000,000 plus. Now, it is stated that this is a canal which has been owned and operated at some time by private individuals. Why shall they not operate it for the next year, until Congress shall meet again, and we be given full opportunity for investigation? The canal will not be lost, if it is needed, as the Senator seems to indicate that it is. It has been used. It was used during a period of congestion, and it can be used in the future, and it can be used until Congress shall meet again. Why the necessity of rushing this matter, and appropriating $4,000,000; that is, committing the Government to the payment of $4,000,000 at this time?

We have a bill here which carries, in my opinion, more than $150,000,000 already. We are loading it up so that, whether justly or unjustly, I think it will be called one of the most vicious, if not the most vicious, river and harbor bills ever forced through Congress under whip and spur, or otherwise. But we are determined to add item after item, and now to add $4,000,000. It seems to me we can defer the consideration of this item until the next session of Congress, and I shall vote against it.

Mr. TRAMMELL. Mr. President, answering the Senator from Utah, this matter has been pending for a long time. The people of Florida have felt for the last 10 years that the Government should take it over. As very ably stated by my colleague this is one of the most important waterways not only in Florida but in the whole country. It traverses a very thickly populated section of our State. I think the engineers state that it reaches 70 towns, and within those 70 towns it reaches a population running into probably half a million people or more. It is in a section where we have not had sufficient transportation heretofore.

Going up and down the Florida east coast as it does, the facilities of the railroad frequently have not been sufficient to transport the products of that locality. The railroad is now double-tracked, and they have provided additional facilities in that way. But even with that, at the height of the citrus-fruit season and at the height of the vegetable season, we have not the transportation facilities we ought to have.

The Government can make this improvement at a very nominal cost, in view of the fact that through the State making contributions to the original construction of the canal the Government will acquire a canal already in existence that very largely is 50 feet in width and 5 or 6 feet deep.

Mr. KING. Will the Senator yield for a question?

Mr. TRAMMELL. It really constitutes a question of the State contributing, as suggested by my colleague, at least half the cost of the canal. I believe it is absolutely one of the most meritorious items proposed in the bill and it should be adopted. I yield now to the Senator from Utah.

Mr. KING. The canal has already been constructed. Obviously it was constructed for local purposes and local needs by local interests or by individuals or capitalists residing in the State. They saw enough profit or enough benefit in it to invest their own money in its construction. Why should the Government take it over? Why should not the private interests continue to operate it? If they want to dispose of it and it is so beneficial to the State, why should not the State take it over, as some States have taken over similar propositions and are operating canals constructed by private parties?

Mr. TRAMMELL. That is not in keeping with the general policy of the Government. This is a part of the intercoastal canal system up and down the Atlantic coast and the Gulf coast. It is one of the most meritorious links in the whole intercoastal canal system.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. FLETCHER. Mr. President, in this connection I ask to have printed in the RECORD a portion of the report signed by the Chief of Engineers.

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

[House Document No. 586, Sixty-ninth Congress, second session]

INTRACOASTAL WATERWAY FROM JACKSONVILLE, FLA., TO MIAMI, FLA.

Letter from the Secretary of War, transmitting report from the Chief of Engineers on preliminary examination and survey of intracoastal waterway from Jacksonville, Fla., to Miami, Fla.

WAR DEPARTMENT,
Washington, December 14, 1926.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

DEAR MR. SPEAKER: I am transmitting herewith a report, dated December 14, 1926, from the Chief of Engineers, United States Army, on preliminary examination and survey of the intracoastal waterway from Jacksonville, Fla., to Miami, Fla., authorized by the river and harbor act approved June 5, 1920, together with accompanying papers and map.

Sincerely yours,

DWIGHT F. DAVIS,
Secretary of War.

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, December 14, 1926.

Subject: Preliminary examination and survey of the intracoastal waterway from Jacksonville, Fla., to Miami, Fla.

To: The Secretary of War.

1. I submit, for transmission to Congress, my report, with accompanying papers and map, on preliminary examination and survey of the intracoastal waterway from Jacksonville, Fla., to Miami, Fla., authorized by the river and harbor act approved June 5, 1920.

2. Between the points in question the construction of a waterway is possible following either the natural waterways along the coast or following the St. Johns River to a point opposite Titusville, where connection would be made with the coastal waterways. The St. Johns River is under improvement by the United States, which is providing a channel of 8-foot depth or greater from the sea to Sanford and of 5-foot depth from Sanford to Lake Harney. About 77 miles of the coastal route, known as Indian River, is being improved by the United States with a channel 5 feet deep and 75 feet wide. A private company operating under a State charter has built a canal 5 feet deep and 50 feet wide between the St. Johns River and Miami, following the coastal route, but its dimensions have never been fully maintained.

3. When the provision of a waterway along the coast of Florida was under consideration in 1911, it was felt that adequate commerce to justify construction was not likely to develop within a reasonable period. The east coast of Florida has in recent years undergone a very extensive development. The great increase in population and extensive building operations have placed this section of the State in a position where it is badly handicapped for transportation facilities.

4. The district engineer compares the advantages and disadvantages of the St. Johns River route and the coastal route. The St. Johns River route appears to him less favorable, as it involves the construction and operation of a canal and lock to provide a connection between the upper St. Johns River and Indian River; and it would exclude a 130-mile section of the coastal region north of Titusville from the benefits of an improved channel. The coastal route is 39 miles shorter that the St. Johns River route; it passes through a territory which offers the prospect of a large tonnage of freight and requires no locks. The estimated cost of a channel varying from 5 to 8 feet deep and from 50 to 100 feet wide range from $1,366,706 for a waterway 5 feet deep and 60 feet wide to $5,436,145 for a waterway 8 feet deep and 100 feet wide. The district engineer believes that the channel should have a depth of not less than 8 feet and a width of 100 feet.

5. A study of the necessity for additional transportation along the east coast of Florida has been made by the Associated East Coast Chambers of Commerce. On the basis of their investigations and information received in reply to questionnaires they conclude that if an adequate channel were available, a million and a half tons of freight would move annually at a saving in transportation costs of $1,670,000. The district engineer has made independent calculations based upon the traffic data submitted by local interests. He concludes that under conditions already existing there would move by water at least 373,000 tons, at an annual saving of about $400,000. By the time the waterway is completed, which could not be in less than five years, he believes that the shipments by water would be considerably greater and that the estimated annual savings would amount to $760,000. He is of the opinion that there will be material shipments of citrus fruits, as the proposed waterway traverses a very productive area. He also points out that the proposed waterway would be of very great value for the movement of pleasure craft, of which great numbers move along the coast. He recommends a waterway 8 feet deep and 100 feet wide, referred to local mean low water at the several critical points on the route, at an estimated cost of $5,436,145, with $125,000 annually for maintenance, provided that local interests acquire the necessary right

of way and the existing Florida East Coast Canal and transfer them, free of cost, to the United States, and also furnish suitable areas for the deposit of dredged material; and provided that the most populous community along the route in each county shall provide a suitable freight terminal and operate and maintain it for a period of not less than 10 years after the completion of the work.

6. The division engineer concurs, except that he considers it unnecessary that local interests should be required to enter into agreements to provide terminals.

7. These reports have been referred, as required by law, to the Board of Engineers for Rivers and Harbors, and attention is invited to its report herewith agreeing with the division engineer.

8. After due consideration of the above-mentioned reports, I concur in general in the views of the division engineer and the Board of Engineers for Rivers and Harbors. There has been under consideration for many years the provision of an intracoastal waterway extending between New England and Key West, Fla. Important sections of this waterway are already in operation, and the sections necessary to provide a continuous channel should be improved as fast as the economic situation in each case warrants the necessary expenditure of funds. As a part of the through route, the waterway in the State of Florida could follow either the St. Johns River or the coastal waterways. The territory tributary to the St. Johns River is, however, already provided with transportation, while sections of the east coast are handicapped by insufficient transportation facilities. There already exists a shallow waterway following the chain of coastal lagoons, and over some of this route there is a regular movement of freight. The tonnage moving in and out of the territory is sufficient to justify a waterway of adequate depth. A comparison between the water rates in effect on the St. Johns River below Sanford and the rail rates for equal distances on the Florida East Coast Railway indicates that the saving in transportation costs by the proposed waterway would be sufficiently large to justify the necessary expenditure for its construction.

9. The determination of a proper channel cross section is of considerable importance as affecting the cost of the work and the ease of navigation. The total length of the coastal route is 383 miles, and maintenance would probably be subject to some delay. The mean tidal range is less along the Florida coast than it is in the section of the intracoastal waterway immediately to the north, where the project depth is 7 feet. To provide for these features it appears advisable that a project depth of not less than 8 feet should be authorized. The waterway can serve its purpose for many years with a width of 75 feet, and considerable saving in first cost will be effected thereby.

10. I therefore report that an inland waterway in general 75 feet wide and 8 feet deep at local mean low water, following the coastal route from Jacksonville, Fla., to Miami, Fla., is deemed advisable, at an estimated cost of $4,221,000 with $125,000 annually for maintenance, subject to the provisions that local interests shall acquire the necessary right of way and the privately owned waterway known as the Florida East Coast Canal and transfer them, free of cost, to the United States, and shall furnish suitable areas for the deposit of dredged material in connection with the work and its subsequent maintenance. Funds should be made available in five approximately equal annual installments.

EDGAR JADWIN,
Major General, Chief of Engineers.

Mr. JONES of Washington. Mr. President, on page 3, after line 7, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 3, after line 7, insert a new paragraph, as follows:

Mulberry Creek, Lancaster County, Va., in accordance with report submitted in House Document No. 482, Sixty-eighth Congress, second session.

Mr. KING. Mr. President, I would like to ask the Senator if this is a new project.

Mr. JONES of Washington. It is a new project. The survey was provided for in 1922. It provides for a channel 6 feet by 100 feet. The tonnage there is about 10,000 tons, and it is proposed to increase to 14,000. It is a very long way from railroad transportation, and the cost of it will be $2,500.

Mr. KING. Does the Senator think it is a part of the functions of the Federal Government to take over these little creeks which have only 10,000 tons of traffic on them? We have in the West and throughout the United States hundreds of little creeks upon which we float down thousands of tons of logs every year. I am sure that those people would be ashamed to come here and ask Congress to take over those streams. It is proposed to turn this over and make it a Federal project, I understand.

Mr. SWANSON. Mr. President, if the Senator will permit me, creeks in tidewater Virginia are very different from creeks in Utah. This creek is in tidewater, 2½ miles long and very broad. There is no railroad near it. The Government has always kept up these waters where ships from Baltimore, Richmond, and elsewhere go. What we call in tidewater Virginia a creek is very often much larger than any river of any kind or character the State of Utah has within its borders. When we use the word "creek" it is very frequently applied to a very large stream. This is a place about 26 miles from the Rappahannock River. There is a bar which stops the people engaged in the oyster business and canning business from crossing. Sometimes they have to wait for a tide high enough to get them over the bar. Sometimes they have to wait two or three days to get over the bar. For $2,500 they can have a bar made there that all the vessels can pass over. I am satisfied if the Senator would look into it he would be strongly and enthusiastically for it.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JONES of Washington. On page 9, after line 7, I offer the following amendment.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 9, after line 7, insert the following:

Green Bay Harbor, Wis., in accordance with the report submitted in House Document No. 585, Sixty-ninth Congress, second session.

Mr. KING. Let us hear about that.

Mr. JONES of Washington. They have a channel of 18 to 20 feet. They desire it increased to 21 feet. The tonnage there is 1,420,000 tons. This is an increase of 25 per cent during the last five years. There is no increase in depth recommended. The cost will be $410,000. It is recommended, I think, by the division engineer, by the district engineer, by the Board of Engineers, and by the Chief Engineer.

The VICE PRESIDENT. Without objection, the amendment will be agreed to.

Mr. JONES of Washington. On page 10, after line 25, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 10, after line 25, insert the following:

Coos Bay Harbor, Oreg.: The project adopted by the rivers and harbors act of September 22, 1922, in accordance with the report submitted in House Document No. 150, Sixty-seventh Congress, second session, is hereby modified to authorize the extension of the jetties to such lengths as may be practicable within the estimate of the total cost of the jetties as given in the above document. Funds heretofore or hereafter appropriated for the maintenance and improvement of rivers and harbors shall be available for such project as hereby modified.

Mr. KING. Mr. President, the Senator must know that that project has cost a good many million dollars, and I do not think it has been regarded as a very successful project. How much more does this add to the cost?

Mr. JONES of Washington. It simply provides that the unused portion of the appropriation heretofore made and authorized shall be available for extending the jetties a little farther than was found in the first place desirable. That is, the engineers thought they could extend those jetties a certain distance and it would be sufficient. Not all of the appropriation that was authorized for the original project has been expended. The engineers only ask that the balance—no new authorization at all, but the balance—may be used for further extension of those jetties.

Mr. KING. Has not that money been covered into the Treasury pursuant to the general statute?

Mr. JONES of Washington. It has not all actually been appropriated. The former project made an authorization. That authorization really has expired. This is a reauthorization for the use of the balance of the money that has not been appropriated. It has not been taken from the Treasury.

Mr. KING. But it will take a considerable sum from the Treasury.

Mr. JONES of Washington. It will take a sum from the Treasury.

Mr. KING. How much?

Mr. JONES of Washington. I understand about a million dollars.

Mr. KING. Exactly. We have spent there some $9,000,000, as I recall the amount.

Mr. JONES of Washington. I do not remember the amount which has been spent there. The Senator from Oregon [Mr. MCNARY] can probably give the Senator additional information in regard to the project.

Mr. MCNARY. The amount expended there is $4,500,000, one-half of which has been spent by the State. When the project was authorized it was thought that by extending the north jetty 9,600 feet and the south jetty 3,900 feet it would reach

the crest of the bar. About $700,000 of that money has not been expended and the crest has not been reached. The engineers believe that by expending the balance authorized on the original project they would reach the crest of the bar, therefore admitting the shipping that should be admitted.

I want to make this observation to the Senator from Utah: It has been a very successful project, and back of it all is timber estimated to consist of about 60,000,000,000 feet, most of which is now owned by the United States Government. That timber, indeed, is not only ripe but overripe, and should soon reach the markets of the world. It is really a good investment from the standpoint of conserving the Government's interests.

Mr. KING. I am anxious to know whether there was an appropriation of a specific sum at any time.

Mr. McNARY. There was an appropriation of $3,280,000, of which $70,000 has not been spent. This does not add to the cost of the project at all. It extends the jetties. The saving made on the original cost is to be used to overcome the hazards due to the existing situation by the extension of the jetties, as I have explained.

Mr. KING. However, if this item is accepted, it means that an additional sum must be taken from the Treasury covering the difference between the original appropriation and what has been expended.

Mr. McNARY. Certainly, but it does not enlarge the original amount authorized.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JONES of Washington. After the amendment already agreed to on page 11, after line 3, I offer the following amendment.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 11, after line 3, insert:

Grays Harbor, Wash., to be modified and the improvement continued in accordance with the report submitted in House Report 582, Sixty-ninth Congress, second session.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. JONES of Washington. On page 10, line 21, I offer the following amendment.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 10, after line 21, insert the following:

Crescent City Harbor, Calif.: In accordance with the report submitted in House Document No. 595, Sixty-ninth Congress, second session, and subject to the conditions set forth in said document.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. JONES of Washington. On page 20, after line 21, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 20, after line 21, insert the following:

Anclote River, Fla., in accordance with House Document No. 18, Sixty-third Congress, first session.

Mr. KING. How many more of these new projects are to be reported? There are 147 in the bill as it came from the committee.

Mr. JONES of Washington. I think this is the last project.

Mr. KING. I am amazed at the moderation of the Senator.

Mr. JONES of Washington. There is one more little project and several amendments.

The VICE PRESIDENT. The question is on agreeing to the amendment submitted by the committee.

The amendment was agreed to.

Mr. JONES of Washington. On page 2, after line 9, I offer the following amendment.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 2, after line 9, insert the following:

The Secretary of War is hereby authorized to modify an existing project adopted by an act entitled "Authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," approved on March 5, 1925, for the improvement of Hudson River Channel at Weehawken and Edgewater, N. J., by omitting the first condition on page 17, of House Document No. 313.

Mr. KING. Is there a joker in that proposition?

Mr. JONES of Washington. No; there is not. I will ask the Senator from New York [Mr. COPELAND] to explain it to the Senator from Utah.

Mr. KING. Does it increase the appropriation?

Mr. COPELAND. It does not.

Mr. KING. There is no joker in it?

Mr. COPELAND. There is no joker.

Mr. KING. All right; let it go.

The VICE PRESIDENT. Without objection the amendment is agreed to.

Mr. JONES of Washington. On page 11, after line 10, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 11, after line 10, insert the following:

Harbor of Refuge, Harbor Beach, Mich.: The Secretary of War, in his discretion, is hereby authorized to remove such portion of the breakwater, in the interest of sanitation, as will not be detrimental to the purposes of navigation.

Mr. KING. Is an appropriation carried for that project?

Mr. JONES of Washington. There is not.

Mr. KING. Is it to be done gratuitously?

Mr. JONES of Washington. It will be done out of the general fund.

Mr. KING. How much is to be authorized for the project?

Mr. JONES of Washington. That is indefinite. It is not very much. It is merely for the removal of an obstruction if it is found to be necessary and not detrimental to sanitation. What it will cost I can not tell the Senator, but it will not cost very much.

Mr. KING. Does the Senator think that it is a wise precedent to authorize such a project without any limitation whatever?

Mr. JONES of Washington. This is not authorizing a project. It is authorizing the removal of an obstruction, if it shall be found desirable to do so, in the interest of sanitation.

Mr. KING. It is an unlimited authorization, of course. I think there ought to be a maximum appropriation. I ask that the amendment may again be read.

The VICE PRESIDENT. The amendment will be again stated.

The CHIEF CLERK. On page 11, after line 11, it is proposed to insert:

Harbor of refuge, Harbor Beach, Mich.: The Secretary of War, in his discretion, is hereby authorized to remove such portion of the breakwater, in the interest of sanitation, as will not be detrimental to the purposes of navigation.

Mr. KING. I suggest that there be added to the amendment the words "at a cost not to exceed $5,000."

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

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

Mr. KING. I yield.

Mr. COUZENS. It is not expected that this work will cost anything, according to the report of the engineers. I am also assured that it will not cost anything at all. The removal of a portion of the breakwater will involve the saving of some material which may be used in the work of the Government at that point. The Secretary of War has informed us that he expects to gain by the removal of this breakwater.

Mr. KING. Under the assurance of the Senator from Michigan, in whom I have confidence, I withdraw the objection.

Mr. COUZENS. I thank the Senator.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. JONES of Washington. I offer the amendment which I send to the desk, to come in on page 11, after line 10.

The VICE PRESIDENT. The amendment proposed by the Senator from Washington will be stated.

The CHIEF CLERK. On page 11, after the amendment as to Harbor of Refuge, Harbor Beach, Mich., after line 10, insert:

Surveys in accordance with House Document No. 308, Sixty-ninth Congress, first session, and including in the streams mentioned in said documents the following streams:

Red River, La., Ark., Okla., and Tex.

Yazoo River and tributaries, Mississippi.

Pearl River, Miss. and La.

Altamaha and tributaries.

Tributaries of the Warrior, Coosa, and Tombigbee Rivers.

Mr. KING. Mr. President, as I understand, there was a survey made in 1908. Of course, no action was taken apparently upon that survey. Is this to authorize a resurvey?

Mr. JONES of Washington. No, Mr. President; this is to take the place of section 5 of the bill, which provides for a survey of certain streams for power, flood control, irrigation, and navigation purposes. A couple of years ago—I forget just exactly the date of the act, but I think it was 1922—we provided for a preliminary survey and report of the Chief of

Engineers as to the advisability and probable cost of a survey of the principal streams of the country, with a view to determining their resources and value for flood control, irrigation, reclamation, power, and so on. The engineers submitted their report. It is House Document 308. This provision is to authorize that program of surveys.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. JONES of Washington. Now, Mr. President, in pursuance of that amendment, on page 24, I move to strike out all of section 5 of the bill as it came from the House.

The VICE PRESIDENT. The amendment proposed by the Senator from Washington will be stated.

The CHIEF CLERK. On page 24, it is proposed to strike out all of section 5, as follows:

SEC. 5. For surveys in accordance with the report submitted in House Document No. 308, Sixty-ninth Congress, first session, with a view to the formulation of general plans for the most effective improvement of the following streams for the purposes of navigation and the prosecution of such improvements in combination with the most efficient development of the potential water power, the control of floods, and the needs of irrigation. Kennebec River; Connecticut River; Hudson River and tributaries; Winooski River; Raritan River; Delaware River and tributaries; James River and tributaries; Savannah River above Augusta; Chattahoochee River; Mobile River system, including the Tombigbee, Warrior, and Coosa Rivers, and their tributaries; Wisconsin River; White River; Arkansas and Missouri; Wabash River; Gasconade River; Cumberland River; Kanawha River; Maumee River; Yellowstone River; Big Fork River; St. Louis River; St. Joseph River; Sacramento and San Joaquin Rivers; Columbia River and tributaries; Snake River; and Snohomish River: *Provided*, That not to exceed $500,000 shall be expended in the prosecution of the surveys provided for herein, which sum is hereby authorized to be appropriated.

Mr. KING. Mr. President, I should like to ask the Senator from Washington whether he thinks that under the amendment which he has just offered the Federal Government will have the authority to make investigations covering these various subjects; that is, to investigate—

(*a*) Those streams the improvement of which by power developments, alone or in connection with navigation structures, would benefit navigation sufficiently to justify the Federal Government in sharing in the cost of the improvements.

(*b*) Those streams the improvement of which by power development would be of considerable benefit to navigation but not sufficient in the light of present information to warrant large expenditures by the Federal Government on that account.

Also to investigate—

The discharge of streams.

All streams in the United States—

The discharge of the streams.
The locations and capacities of reservoir sites.
The location and practicability of dam sites.
The capacities of power sites.
The present and prospective power markets available.
The best plan of improvement for all purposes.
Preliminary estimates of the costs of improvement.
The feasibility of the best plan of improvement.
For (*b*) Fairly accurate general surveys, detailed surveys of important areas, and studies sufficient to determine:
The discharge of the streams.
The profiles of the streams.
The location and capacities of reservoir sites.
The location of apparently practicable dam sites.
The approximate capacities of probable power sites.
The benefits to navigation and other interests probably obtainable through power development.
The probable power markets.
Rough approximations of costs and value of power development.
The principal features of the best plan of development.

And all of those items which are found on page 9 of the report submitted by the Senator from Washington [Mr. JONES] from the Committee on Commerce, and which I think constitute a part of the House report upon the bill. What I am trying to get at is, does the amendment which the Senator from Washington has just offered, which is to take the place of section 5 in the bill, authorize all of these investigations for all the purposes indicated in the report?

Mr. JONES of Washington. It authorizes a program covering those terms, to be carried out merely as Congress makes appropriations therefor.

Mr. KING. I should like to know what authority Congress has to go into the States and make surveys in order to determine where a dam site should be located and where reservoirs should be constructed. Where is the authority for that? Is that a Federal function? Would this authorize the officials of the War Department to survey all local streams, intrastate streams, and interstate streams?

Mr. JONES of Washington. No; the streams to be surveyed are enumerated in the document referred to, Document No. 308. They are all navigable streams.

Mr. KING. Is the Senator sure that the officials of the War Department will survey none other than those indicated by him?

Mr. JONES of Washington. Certainly. They will not survey any not named in the document or in the amendment. They have no authority to do anything not specified in the document and in the amendment.

Mr. KING. Mr. President, I have grave apprehensions as to the scope of the amendment.

The VICE PRESIDENT. Is the Senate ready for the question? [A pause.] The question is on agreeing to the amendment offered by the Senator from Washington.

The amendment was agreed to.

Mr. JONES of Washington. I move to strike out on page 23, lines 12 to 15. This provides for a survey of the inland deep waterway that has really been completed and reported on already.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 23, it is proposed to strike out lines 12, 13, 14, and 15, as follows:

For the further study of a deeper waterway connecting the Great Lakes with the Hudson River, across the State of New York, and the said Secretary shall report the results of said study to the Congress not later than December 6, 1926.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. JONES of Washington. I move an amendment for a survey, to come in on page 17, after line 6.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 17, after line 6, it is proposed to insert:

Jenkins Creek, near Crisfield, Md.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. JONES of Washington. I move an amendment, to come in on page 16, after line 19.

The CHIEF CLERK. On page 16, after line 19, it is proposed to insert the following:

Raritan River, from Washington Channel to the lower lock of the Delaware and Raritan Canal at New Brunswick, with the view of having the present channel increased to a depth of 15 feet below low water.

Washington Canal and South River, from the Raritan River to Old Bridge, with a view to eliminating curves and increasing the depth to 12 feet below low-water mark.

Woodbridge Creek, for a 10-foot channel.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. WADSWORTH. Mr. President, will the Senator from Washington yield for a question?

Mr. JONES of Washington. I yield.

Mr. WADSWORTH. A moment ago as I heard the Secretary read an amendment and I noted its very rapid adoption, it sounded as if it had something to do with a deeper waterway between the Great Lakes and the Hudson River. I look at the copy of the bill which I have before me and it seems as if the entire provision were stricken out as a result of that amendment.

Mr. JONES of Washington. The provision on page 23, lines 12 to 15, inclusive, is stricken out because the report required by that provision has already been made.

Mr. WADSWORTH. It reads:

For the further study of a deeper waterway.

Mr. JONES of Washington. And to report to Congress "not later than December 6, 1926." That report has already been submitted. The Senator will recall that this bill was passed by the House on June 4 last.

Mr. WADSWORTH. Under what authority did the Army engineers make a further study before this bill should pass ordering a further study?

Mr. JONES of Washington. Pursuant to authority which I think they had.

Mr. LENROOT. As I recollect, it was at the request of another committee.

Mr. JONES of Washington. The chairman of the House committee advises me that the study was made pursuant to a resolution of the Committee on Rivers and Harbors of the House and was authorized by law.

Mr. WADSWORTH. I am reassured by the presence and knowledge of the chairman of the House committee.

Mr. JONES of Washington. I offer an amendment, to come in on page 20, after line 21.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 20, after line 21, it is proposed to insert the following:

East Pass channel from the Gulf of Mexico into Choctawhatchee Bay, Fla.

Mr. FLETCHER. All the amendments relative to Florida should go together.

Mr. KING. I will inquire if there has been any survey made of that project heretofore?

Mr. FLETCHER. No.

Mr. KING. This is not one of those which was surveyed, as many others have been, and rejected or an unfavorable report submitted?

Mr. FLETCHER. No survey has been made.

Mr. KING. What will be the cost of the project?

Mr. FLETCHER. This item merely calls for an examination.

Mr. KING. I mean if the project shall be approved, what will be the cost?

Mr. FLETCHER. I do not know. The engineers will make whatever examination and surveys may be necessary, but as to many of these surveys I am satisfied that they make them from the data already in their office. There is a general appropriation for the surveys, and there will be very little cost in this instance.

Mr. JONES of Washington. I will say to the Senator that I looked it up several years ago, and my recollection is that about three-fourths of the survey provided for could be passed on in the office.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JONES of Washington. I offer an amendment to come in after the last amendment.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. After the amendment last agreed to on page 20 it is proposed to insert:

St. Andrews Bay, Fla., with a view to increasing the dimensions of the channel between the Gulf of Mexico and St. Andrews Bay.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. JONES of Washington. I offer another amendment.

The VICE PRESIDENT. The amendment submitted by the Senator from Washington will be stated.

The CHIEF CLERK. After the amendment just agreed to it is proposed to insert the following:

For examinations and surveys of Lake Okeechobee, Fla., with a view to flood control, under the provisions of section 3, act approved March 1, 1917.

Mr. KING. Mr. President, I should like to ask concerning the policy of the committee. Is it the understanding that as to the little lakes, or big lakes, for that matter, in any State the Congress must control the water which is in the lakes so that if high water shall come the adjacent lands shall not be inundated? That seems to be rather a novel departure from the plan heretofore adopted.

Mr. FLETCHER. I should like to say to the Senator that Lake Okeechobee is 40 miles one way and 40 or 50 miles the other. It is a great inland sea and is connected with the Atlantic by the San Lucie Canal on the east and with the Gulf by the Caloosahatchee River. It has been surveyed by the Coast and Geodetic Survey; it is a national body of water and is under the control of the Engineer Department, which determines the depth of water that must be maintained in that lake.

Mr. KING. Why?

Mr. FLETCHER. Because they claim they have made jurisdiction over it. It is a navigable body of water, an immense body, 40 miles one way and 50 miles the other, and, as I say, is connected with the Atlantic by a navigable canal and river, and connected with the Gulf by a navigable canal and river; and it is under the jurisdiction of the Federal Government. They prescribe the depth of water that must be maintained in that lake—15 feet.

Mr. KING. Mr. President, as I understand the situation, I would deny that the Federal Government has any jurisdiction at all over the lake. The Federal Government may not go into Minnesota or into New York and take over lakes there upon which little skiffs, or boats, for that matter, may float.

Mr. FLETCHER. They require that a depth of 15 feet be maintained in the lake. It is an immense body of water.

Mr. KING. Do I understand that the position of the Army engineers is that they will go into a State and determine the depth at which the water must be maintained, and then take jurisdiction over the lakes? Such a proposition to me is preposterous. It seems to me that we have no right to authorize the Federal Government to take charge of this lake.

Mr. FLETCHER. I suggest to the Senator that this is no ordinary lake. It is an immense body of water—the largest in the United States.

Mr. KING. The Senator states that it is a lake 30 or 40 miles long?

Mr. FLETCHER. Forty miles by fifty.

Mr. KING. Without desiring to allude to my own State, I will state that we have there a lake 70 miles long and from 18 to 30 or 40 miles wide. I should like to see the United States come in there and take jurisdiction of that lake and tell us how high we shall keep the water and assume control over it!

Mr. FLETCHER. It is not connected with foreign commerce or interstate commerce. Lake Okeechobee is connected on the Atlantic and on the Gulf with both foreign and interstate commerce.

Mr. KING. The power of the Federal Government is merely to prevent navigable streams over which it has jurisdiction from being rendered unnavigable; but I deny the right of the Federal Government to take charge of this lake or any others similarly situated or of lakes of the character to which I have referred. It seems to me that this lake is one which the State itself ought not to be willing to surrender to the Federal Government the power to control.

Mr. TRAMMEL. Mr. President, as a matter of fact, this amendment does not contemplate turning over the lake to the Federal Government. As explained by my colleague [Mr. FLETCHER], the Federal Government has been exercising control over Lake Okeechobee for years. In fact, the Government made a survey which inaugurated the development there, and no one is allowed to dig a canal out of the lake without a permit from the Federal Government. The State can not exercise any control whatever in the matter of development there without going to the War Department and getting a permit. The War Department has absolute control over this lake.

Mr. KING. May I say to my friend from Florida, who is a good Democrat, that it seems to me that if the Democrats of his State, including the able Senator from Florida, with his splendid ability, should devote themselves to the protection of State rights against the flagrant usurpations of the Federal Government, there would be a renaissance of Democracy, and the States would be doing more for local self-government than they are doing now, and the perpetuity of free institutions would be more assuredly preserved.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JONES of Washington. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 24, after line 7, it is proposed to insert:

Columbia River, Wash., with a view to securing an adequate channel to the town of Ilwaco.

The amendment was agreed to.

Mr. JONES of Washington. I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 24, after line 8, it is proposed to insert:

Stillaguamish River, Wash.

The amendment was agreed to.

Mr. JONES of Washington. Also, the amendment which I now send to the desk, Mr. President.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 23, after line 5, it is proposed to insert:

Port Crescent Harbor, Mich.

The amendment was agreed to.

Mr. JONES of Washington. Also, the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. After line 11, on page 19, it is proposed to insert:

East River channel, Brunswick, Ga., with a view to deepening the channel to a depth of 30 feet, with suitable widths.

The amendment was agreed to.

Mr. JONES of Washington. Also, the amendment which I send to the desk, Mr. President.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 24, after line 7, it is proposed to insert:

Columbia River, Wash., between Ilwaco and the town of Chinook, with a view to bank protection from floods and erosion.

The amendment was agreed to.

Mr. JONES of Washington. Also, Mr. President, the amendment which I send to the desk, to be inserted on page 23, after line 11.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 23, after line 8, it is proposed to insert:

That the Secretary of War is hereby authorized to cause a preliminary examination and survey to be made of Harlem River, N. Y., with a view to determining and reporting to Congress whether fixed bridges should be permitted across said river and, if such bridges are deemed permissible, what clearances should be required in the interest of navigation.

Mr. KING. Mr. President, I should like to ask the chairman of the committee whether the numerous amendments which he is now offering, providing for new projects, were considered by his committee?

Mr. JONES of Washington. They were, Mr. President.

Mr. KING. And voted down?

Mr. JONES of Washington. They were all recommended. These are committee amendments that I am proposing.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Washington, on behalf of the committee.

The amendment was agreed to.

Mr. JONES of Washington. There are some other committee amendments printed in the bill, Mr. President. I ask that they be disposed of now.

The VICE PRESIDENT. The amendments will be stated.

The next amendment was on page 14, line 12, after the word "appropriations" to insert "heretofore or hereafter," and in line 13, after the word "for" to strike out "that purpose" and insert "such purposes," so as to read:

SEC. 4. The Secretary of War is hereby authorized and directed to cause preliminary examinations and surveys to be made at the following-named localities, the cost thereof to be paid from appropriations heretofore or hereafter made for such purposes:

The amendment was agreed to.

The next amendment was, on page 15, after line 2, to insert:

Channel way of the Moosebec Reach, Me.

The amendment was agreed to.

The next amendment was, on page 15, after line 12, to insert:

New Bedford Harbor, Mass., and the approaches thereto.

The amendment was agreed to.

The next amendment was, on page 16, line 3, after the name "Newtown Creek," to insert "and Maspeth Creek," so as to read:

Newtown Creek and Maspeth Creek, N. Y.

The amendment was agreed to.

The next amendment was, at the top of page 19, to insert:

Intracoastal waterway from Cape Fear River, N. C., to St. Johns River, Fla.

The amendment was agreed to.

The next amendment was, on page 19, after line 23, to insert:

St. Marys and Satilla Rivers, Ga., to determine the feasibility and advisability of (1) constructing a canal with a depth and width sufficient to accommodate the ordinary river boats, to connect the waters of such streams by the shortest possible route in Camden and Charlton Counties, Ga., and (2) dredging the Satilla River from its mouth up to the railroad bridge at Waycross, and the St. Marys River from its mouth to the point where it is nearest to the Satilla River, with a view to opening a navigable channel for the ordinary river boats.

Mr. KING. Mr. President, it is obvious that this is not a navigable stream. The purpose is to find out whether it can be navigated and be made navigable by the expenditure of a vast amount of Federal money. I raise the point of order that we may not appropriate money for unnavigable streams, such as this seems to be.

I will withdraw the point of order, but I call attention to it to show the absurdity of the proceedings and the absurdity of the character of items which we are inserting in this bill.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 20, after line 12, to insert:

Clearwater Harbor, Fla.

The amendment was agreed to.

The next amendment was, on page 20, after line 13, to insert:

Channel from Clearwater Harbor, through Boca Ceiga Bay, to Tampa Bay, Fla.

The amendment was agreed to.

The next amendment was, on page 20, after line 15, to insert:

Channel from Sanford to Indian River, near Titusville, to connect St. Johns River with Indian River, Fla.

The amendment was agreed to.

The next amendment was, on page 20, after line 18, to insert:

Channel from Gulf of Mexico, through Passage Key Inlet, to northern end of Anna Maria Key and into Sarasota Bay, Fla.

The amendment was agreed to.

The next amendment was, on page 20, after line 21, to insert:

Tombigbee River, Miss.

The amendment was agreed to.

The next amendment was, on page 25, after line 18, to insert a new section, as follows:

SEC. 6. (a) That all agreements heretofore made by district engineers for the employment of experts and specialists in the several arts and sciences, upon terms and rates of compensation for services and incidental expenses in excess of the maximum of the salaries authorized by the classification act of March 4, 1923, and all payments made thereunder, are hereby validated.

(b) Funds heretofore or hereafter appropriated for rivers and harbors to be expended under the supervision of the Secretary of War shall be available for expenditure in the purchase of such personal equipment for employees as in the opinion of the Chief of Engineers are essential for the efficient prosecution of the works.

(c) All payments heretofore made by disbursing officers of the Corps of Engineers, as reimbursement of subsistence expenses incurred on journeys on official business under proper orders, commencing after 8 o'clock antemeridian and completed not later than 6 o'clock postmeridian of any day, when said expenses are not in excess of those authorized by existing Army Regulations, shall be allowed and credited by the General Accounting Office.

(d) Actual expenses heretofore and hereafter incurred by civilian employees on river and harbor works for packing, crating, hauling, and transporting household effects, within the weight limits as prescribed in Army Regulations, when making permanent change of station under competent orders, may, on approval of the Chief of Engineers, be paid or reimbursed from funds pertaining to river and harbor works.

Mr. KING. I should like to ask the Senator if this, particularly paragraph (d), is new legislation?

Mr. JONES of Washington. Yes; this is new legislation.

Mr. KING. And the same as to paragraph (c)?

Mr. JONES of Washington. Yes; paragraph (c), of course, applies only to payments heretofore made; but paragraph (b) applies to funds heretofore or hereafter appropriated, and also paragraph (d).

With reference to the first item, paragraph (a), the Senator probably would like to hear what General Taylor pointed out about that.

Mr. KING. I should be glad to.

Mr. JONES of Washington. He says:

I can explain how this happened to come about in connection with this very project that I spoke about, across the Chesapeake & Delaware Canal. It becomes necessary to design some large, heavy, modern bascule bridges. We did not have any force that had any practice in that line of work, so we employed a consulting engineer at a certain fee. We employed a competent consulting engineer, but the comptroller held that we had no authority to employ him, and held up the district engineer's accounts. It is for the purpose of clearing that particular item. Ordinarily we would not have to do it, but it was a case of a special line of work, and even if we could have gotten together an engineering force, which would have taken time, I believe it would have cost more to design the bridges than we could get them designed for by a competent consulting engineer and I doubt very much if the design would have been as economical as that design by a man who makes a regular business of it.

That particular case was intended to be covered by paragraph (a).

Mr. KING. I should like to ask the Senator how many persons there are who will come within the classification?

Mr. JONES of Washington. General Taylor says there is just one case under that.

Mr. KING. It seems to me that the committee ought to have limited it, then, instead of saying "all agreements."

Mr. JONES of Washington. This says "heretofore." He says there is only one case, and "all agreements heretofore made" would cover that.

With reference to paragraph (b), "Funds heretofore or hereafter appropriated," he says:

That came up in connection with the disallowance by the comptroller of the purchase of rubber boots for some of the employees on the Mississippi River particularly. He has disallowed purchases of rubber boots and various other things which every contractor furnishes to his employees. Nobody can get employees to go and work for two or three days and furnish a pair of rubber boots. It was suggested that we could raise the pay of the men sufficiently to pay for the rubber boots. It we did we would be buying rubber for everybody in the Mississippi Valley.

The committee, after considering that situation, deemed that this was a wise authority to give to these engineers. We feel satisfied that it will not be abused.

With reference to paragraph (c), he says:

For many years—always, in fact—it has been the practice to allow expenses for meals to employees who are sent away from their regular stations for any length of time. It takes them away from their station, where they are obliged to buy a meal. The comptroller ruled that if a man left his place of duty after 8 a. m. and returned before 6 p. m., he was not entitled to any allowance for lunch.

Then he cites some particular cases. Paragraph (d) he explained very satisfactorily to the committee.

Mr. WADSWORTH. I think an explanation is due on paragraph (d).

Mr. JONES of Washington. General Taylor says, in reference to the transfer of civilian employees:

We do not have many cases where we have to transfer the civilian employees from one place to another, but we occasionally do, and it is a good deal of a hardship on them to transfer a man and then make him pay for his own household expenses. There seems to be no question about it, except that there was no specific law in the case covering these particular men. For most civilian employees they have a law. For instance, employees of the Quartermaster's Department are covered by the Army transportation act. Other employees in other branches of the Government are also covered, but in the river and harbor acts particularly there has been nothing that authorized that, so that those expenses have been held up, which makes it almost impossible for us to transfer a married man from one station to another.

There, in brief, is the explanation of the necessity for it.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JONES of Washington. That completes the committee amendments.

Mr. REED of Pennsylvania. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 9, after line 7, insert the following:

Fairport Harbor, Ohio, in accordance with the report submitted in House Document No. 592, Sixty-ninth Congress, second session, and subject to the conditions set forth in said document.

Mr. JONES of Washington. I would like to have the Senator from Pennsylvania explain this amendment.

Mr. REED of Pennsylvania. It refers to Fairport, Ohio. The engineer has filed his report with the House of Representatives recommending that the harbor be increased by a slight addition to the breakwater, at a total cost of $715,000, provided that local interests will pay $304,000 and will dredge, at their own expense, a channel of approach to the terminal. He calls attention to the fact that last year the commerce of the port amounted to 4,327,000 tons, which was an increase of nearly 1,000,000 tons over the commerce of the year before; and that the present harbor at Fairport has been improved—every inch of it. It can not possibly handle any further increase in traffic, and local interests expect to expend on wharf facilities something over $2,000,000 in order to accommodate this much-increased traffic.

Mr. KING. Will the Senator permit an inquiry?

Mr. REED of Pennsylvania. I yield to the Senator.

Mr. KING. I do not know whether it has been adopted or not, but I understand that the chairman of the committee submitted an amendment which changes the policy of the Government and forbids the acceptance of local contributions.

Mr. WILLIS. No.

Mr. REED of Pennsylvania. I understand that it was withdrawn—that it was not adopted.

Mr. JONES of Washington. The committee reconsidered that matter.

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

The amendment was agreed to.

Mr. REED of Pennsylvania. Mr. President, I send another amendment to the desk.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 22, after line 7, to insert the following:

Kiskiminitas and Conemaugh Rivers, Pa.

Mr. REED of Pennsylvania. That is merely asking for a survey of two rather important rivers.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. WADSWORTH. I offer an amendment on page 16, after line 3. I propose the insertion of this language, "Waddington Harbor, N. Y.," and also "Port Jefferson, N. Y." It is for surveys.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SWANSON. Mr. President, I offer an amendment providing for a survey.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 17, after line 9, insert:

Chuckatuck River, counties of Isle of Wight and Nansemond, Va.

Mr. KING. Mr. President, was the amendment just read presented to the committee and acted upon favorably?

Mr. JONES of Washington. No; it has not been acted upon by the committee. It is offered from the floor by the Senator from Virginia.

Mr. KING. Does the committee approve of it?

Mr. JONES of Washington. It has not been presented to the committee. It is an amendment presented to the Senate.

Mr. SWANSON. If the Senator will allow me a few moments, I will state the facts.

A line of boats has been established from the Isle of Wight and Nansemond Counties, Va., to Newport News, Va., which goes across Hampton Roads. Some trouble is being experienced on account of shallowness of Chuckatuck River. This line of boats has just recently been established, and this is a request for a survey so that we can find out what it would cost to make an improvement, and whether the traffic is sufficient to justify the Federal Government making an appropriation.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HEFLIN. Mr. President, I send two amendments to the desk.

The VICE PRESIDENT. The clerk will state the first amendment.

The CHIEF CLERK. On page 20, after line 22, the Senator from Alabama proposes to insert the following:

Fowl River, Ala., with a view to securing a navigable channel of 8 feet depth and suitable width from Mobile Bay to a point about 1 mile above the highway bridge on the Cedar Point Road.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHIEF CLERK. Also, on page 20, at the end of line 22, the Senator from Alabama proposes to insert:

Three Mile Creek from Mobile to the Industrial Canal, Ala.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

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

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 24, after line 5, the Senator from Oregon proposes to insert:

Umpqua Harbor and River, Oreg., in accordance with the report submitted in House Document No. 320, Sixty-ninth Congress, first session, and subject to the conditions set forth in said document: *Provided*, That if, in the opinion of the Chief of Engineers, dredging shall be considered desirable, such work is hereby authorized.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JONES of Washington subsequently said; Mr. President, I was interrupted and would like to have the amendment just agreed to read.

The amendment was again read.

Mr. JONES of Washington. I wish the Senator from Oregon would explain the amendment to us, and tell us what it involves.

Mr. McNARY. Mr. President, it does not involve an appropriation of any money. The authorization for the existing project provides for the extension of a jetty 8,000 feet in length. Five thousand five hundred feet have now been constructed.

The southwestern winds have blown in the sand, and it is piled up at the entrance so that ships can not get out or come in. There are five sawmills now idle on account of the collecting of the sand, and all this provides for is that the Army engineers may have authority to dredge so as to open that channel. This was sent to me within the last two days by General Jadwin, the Chief of the Army Engineers.

Mr. JONES of Washington. As I understand, the Senator says it does not authorize any additional appropriation?

Mr. McNARY. Not at all.

Mr. SMITH. Mr. President, I offer the following amendment for a survey.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 19, line 22, after the words "South Carolina" insert the following:

Shem Creek, from Hog Island Channel to point beyond city limits of Mount Pleasant, S. C.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SMITH. I also offer the following amendment.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 16, line 22, after the words "South Carolina" insert the following:

from head waters of the Wando River through Wambaw Creek to the Santee River, S. C.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SMITH. Now, I offer another amendment, and it needs a little explanation. Some years ago the Federal Government——

Mr. JONES of Washington. I suggest the Senator offer his amendment first, so that we may know what it is.

Mr. SMITH. I will offer it, but I thought I would make an explanation beforehand.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 4, after line 4, the Senator from South Carolina moves to insert the following:

Estherville-Minim Creek Canal, S. C.: The Secretary of War is authorized to construct two suitable bridges on the line of existing highways intersected by such canal, to replace bridges originally constructed by the War Department and subsequently removed by the Government as obstructions to navigation.

Mr. SMITH. Mr. President, at the location mentioned two highways have been constructed under the modern method of constructing highways. People have been going into that community, but the Government had cut a canal across these two public roads and had constructed bridges there. There was very little population there at that time, and the bridges were not used to any considerable extent, and the Government removed them because they said they were obstructing navigation.

These State highways cross this canal built by the Government, and the people of the county in which the canal is located think that the Government should restore the bridges for the purpose of accommodating the public, as the Government is responsible for the obstructions across the highways. As far as I have been able to ascertain, I think the department believes it is a part of the duty of the Government to put those two bridges on those two public highways. It will cost but very little, and the State and county are in nowise responsible for the Government having cut a canal which obstructs two public highways in my State.

Mr. JONES of Washington. I hope that the amendment will be rejected. I do not think the United States ought to go to building bridges.

Mr. SMITH. The United States built them before.

Mr. JONES of Washington. I hope the Senate will not adopt the amendment.

Mr. SMITH. Mr. President, if I had had the opportunity, I would have gone before the committee, but on account of conditions it is not necessary for me to explain here now I did not have an opportunity. However, it is a clear case, and there is quite a lot of correspondence showing that the Government cut this canal across two highways. The Government built bridges when the canal was originally constructed, and the local supervisor of roads agreed that he would sustain the bridges, would keep them up, and keep them repaired. But he could not bind the county or the State. Subsequently, because the community was sparsely inhabited, and on account of the opening up of certain other roads, the Government removed the bridges because it was said this canal was being used quite frequently, and by larger vessels. Now that these roads are opened and made highways, the county is asking, through me, that the Government be asked to replace bridges sufficient in number for the accommodation of the public over the roads the State has constructed.

That community is in no sense responsible for the digging of the canal. The Government removed the bridges because it said the bridges were obstructing navigation. Now the Government is obstructing State traffic. It will not cost much, and I think in justice to that county this amendment ought to be adopted.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. SMITH. I give notice that I shall introduce a separate bill covering this matter, because it is a clear-cut case of the responsibility of the Government.

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

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 15, line 3, the Senator from Maine proposes to add the following:

Camden Harbor, Me.
Hendricks Harbor, Me.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

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

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. After line 4, page 9, insert the following:

Sandusky Harbor, Ohio, in accordance with the report submitted in House Document No. 584, Sixty-ninth Congress, second session, and subject to the conditions set forth in said document.

Mr. KING. Does the adoption of it mean that we commit the Government to the development of it?

Mr. FESS. This is in accordance with the river and harbor bill of last year, recommended by General Jadwin upon the recommendation of the division engineer.

Mr. JONES of Washington. To what project is the Senator referring? I was interrupted while the amendment was being read.

Mr. FESS. It relates to Sandusky, Ohio.

Mr. JONES of Washington. I wish the Senator would state briefly the facts set out in the report. I will say that I looked over this awhile ago, and in my opinion it is as meritorious a proposition as we have in the pending bill. I wish the Senator would state the facts briefly as to the commerce and the other conditions there.

Mr. FESS. Mr. President, last year the commerce amounted to just slightly below 7,000,000 tons of freight, and there were something over 300,000 passengers carried. Sandusky is the terminus of two main coal roads. Five great railroads run into the city. The Pennsylvania line has established two coal-handling plants, one costing considerably over $2,000,000, the

other one now in progress of construction, costing a little over $1,000,000. There is no appropriation made by this, but there is an authorization provided of $880,000, and the contributions of the city and of other interests will amount to $280,000. We could not get the report until recently. It came up from General Jadwin within the last day.

Mr. FLETCHER. It would cost how much?

Mr. FESS. Eight hundred and eighty thousand dollars, of which $280,000 is to be contributed.

Mr. FLETCHER. The report has come in recently?

Mr. FESS. It has.

Mr. FLETCHER. I think matters coming up in this way should be submitted at least to the Commerce Committee.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. FESS. I ask unanimous consent to have the report of General Jadwin, which I have just received, printed in the RECORD.

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

[House Document No. 584, Sixty-ninth Congress, second session]

SANDUSKY HARBOR, OHIO

Letter from the Secretary of War, transmitting report from the Chief of Engineers on preliminary examination and survey of Sandusky Harbor, Ohio

WAR DEPARTMENT,
Washington, December 14, 1926.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

DEAR MR. SPEAKER: I am transmitting herewith a report, dated the 13th instant, from the Chief of Engineers, United States Army, on preliminary examination and survey of Sandusky Harbor, Ohio, authorized by the river and harbor act approved March 3, 1925, together with accompanying papers and map.

Sincerely yours,

DWIGHT F. DAVIS,
Secretary of War.

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, December 13, 1926.

Subject: Preliminary examination and survey of Sandusky Harbor, Ohio.

To: The Secretary of War.

1. I submit, for transmission to Congress, my report, with accompanying papers and map, on preliminary examination and survey of Sandusky Harbor, Ohio, authorized by the river and harbor act approved March 3, 1925.

2. Sandusky Harbor is located in the southeasterly part of Sandusky Bay, 55 miles west of Cleveland, Ohio. There is a Federal project for its improvement, providing for a channel 21 feet deep and 400 feet wide from deep water in the lake to the city, and for a channel along the water front 300 feet wide, 21 feet deep in the easterly portion and 20 feet in the westerly, the entrance to be protected on the easterly side by a jetty. Local interests desire such increase in channel depth as will admit of loading lake carriers to full draft.

3. Sanduky Harbor is the principal lake terminus of the Pennsylvania Railroad. Its total commerce in 1925 amounted to 6,734,000 tons, of which about 90 per cent was bituminous coal. There is also an important passenger movement, amounting to about 300,000, exclusive of ferry traffic. The city owns two wharves at the extreme westerly end of the dock channel, on which the Pennsylvania Railroad has erected two modern coal-handling plants. It is claimed that this road, through its connections, provides the most direct route from mines in Virginia, West Virginia, and Kentucky to upper lake points. Four other railroads enter the city and have access to the main water front.

4. The district engineer reports that there have been in the past a large number of groundings in the westerly part of the dock channel, which has a rock bottom, and, moreover, has a lesser depth than the easterly end of the channel, where a softer bottom is found. Losses from groundings during the 10 years prior to 1924 are estimated at nearly $200,000. The inadequate depth has added to the cost of transporting coal, as the large lake carriers are obliged to underload as much as 10 per cent. In view of these conditions, the district engineer believes that a depth of 22 feet should be provided in the dock channel. As the direct beneficiaries of such an improvement would be the Pennsylvania Railroad, the shipping interests, and the city of Sandusky, he considers that they should bear part of the cost of the work, which is estimated at $880,000.

5. The improvement proposed would involve the removal of a considerable quantity of rock. The district engineer therefore investigated a route following a more northerly line. He finds, however, that the new channel would not result in economy and would reduce the length of water front having a deep-water approach. The city has offered to contribute $35,000 to the cost of the work, and a representative of the Pennsylvania Railroad stated verbally to the district engineer that his company would contribute $200,000. The district engineer recommends that the dock channel be given a depth of 22 feet, at an estimated cost of $880,000, with no probable increase in annual maintenance charges, provided local interests contribute $275,000 to the cost. The division engineer concurs.

6. This report has been referred, as required by law, to the Board of Engineers for Rivers and Harbors, and attention is invited to its report herewith, agreeing with the district and division engineers.

7. After due consideration of the above-mentioned reports, I concur in the views of the district and division engineers and the Board of Engineers for Rivers and Harbors. An important transshipment business in bituminous coal has developed at the two municipal piers at the westerly end of the dock channel in Sandusky Harbor. It is the general practice to provide in lake channels with a rock bottom a depth 1 foot greater than in channels having a softer bottom. The channel under consideration is used by a large number of lake carriers, which are forced by the inadequate depth to resort to underloading. The magnitude of the commerce justifies increased depth in the channel of approach to the coal wharves. In view, however, of the special benefits which will be derived by the Pennsylvania Railroad and the locality, it is equitable that they should contribute to the cost of the work. I therefore report that modification of the existing project for Sandusky Harbor, Ohio, is deemed advisable, so as to provide for a depth of 22 feet in the dock channel, at an estimated cost of $880,000, with no probable increase in annual maintenance, provided local interests contribute $275,000 to the first cost of the work.

EDGAR JADWIN,
Major General, Chief of Engineers.

Mr. NEELY. I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 22, after line 10, insert the following:

Guyandotte River, with a view of preventing said river from further encroaching upon the public streets of, and private property in, the village of Barboursville, W. Va.

Mr. NEELY. It is merely an authorization for a survey.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. McNARY. On page 24, after line 6, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 24, after line 5, insert the following:

Umpqua River and entrance.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. CAMERON. Mr. President, I offer the following amendment and ask that it may be read at the desk.

The VICE PRESIDENT. The amendment will be read.

The CHIEF CLERK. Insert at the proper place in the bill the following:

SEC. —. That there is hereby authorized to be appropriated, out of any moneys in the Treasury of the United States not otherwise appropriated, for the fiscal year ending June 30, 1928, and annually thereafter, the sum of $100,000, or so much thereof as may be necessary, to defray the cost of operating and maintaining the Colorado River front work and levee system adjacent to the Yuma Federal irrigation project in Arizona and California.

Section 16 (c), act approved March 3, 1925 (43 Stat. L. p. 1198), is hereby repealed.

Mr. CAMERON. Mr. President, I would like to make just a short statement to the Senate. Last year the river and harbor bill contained an item as follows:

There is hereby appropriated, out of any moneys in the Treasury of the United States not otherwise appropriated for the fiscal year ending June 30, 1927, and annually thereafter, the sum of $35,000, or so much thereof as may be necessary, as the share of the Government of the United States of the costs of operating and maintaining said Colorado River front work and levee system.

I had no knowledge of the resulting situation for some time. I had supposed the appropriation had gone through as outlined in the law. But it seems that the Comptroller General claims that the money can not be used until California and Arizona each put up an equal amount. Therefore, they would have to put up $35,000 apiece.

This is a levee on the Colorado River, which is a navigable stream. The Government of the United States has paid all the

costs of building and maintaining the levee up to the present time. I would like to quote for the information of the Senate the amount of money that has been expended each year, as follows:

For six months in 1918, $65,790.
For the calendar year 1919, $73,471.
For the calendar year 1920, $86,680.
For the calendar year 1921, $150,857.
For the calendar year 1922, $96,746.
For the calendar year 1923, $111,954.
For 10 months of 1924, $30,363.

This makes a total of about $615,000 that the Government has expended for this purpose.

The reason why we ask for $100,000 from the Federal Government is that it might be we would have to pay out as much as $150,000 on the work. It depends on the flow of the floods in the Colorado River if the levee should break. If the money is not expended, if it only costs $35,000 or $40,000, the unexpended portion reverts back to the Treasury.

This is a matter of protection for the farmers of Yuma Valley. The reason why we have to have the protection is that the Government several years ago built a rock levee in Mexico, in Lower California, and ever since they built that levee at a cost to the Government of $1,000,000, the flow of the river coming down with great force strikes the rock levee and reverts back to the Arizona side and overflows more than 30,000 acres of the best land in the Yuma Valley. Consequently the Yuma people, to protect their land, had to build a levee at a cost of $650,000, and to maintain that levee up to the time the Government reimbursed them last year in the river and harbor bill.

On page 14 of the law it was provided:

> There is hereby authorized to be appropriated, out of any moneys in the Treasury of the United States not otherwise appropriated, the sum of $650,000, or so much thereof as may be necessary, to reimburse the reclamation fund for the benefit of the Yuma Federal irrigation project in Arizona and California for all costs, as found by the Secretary of the Interior, heretofore incurred and paid from the reclamation fund for the operation and maintenance of the Colorado River front work and levee system adjacent to said project.

The Government has reimbursed them, which it should have done, through an act of Congress. The amendment just offered is only to protect the people of Yuma Valley, which the Government is justly entitled to do. In the river and harbor bill now before the Senate there are millions of dollars authorized and appropriated for rivers and harbors, small streams, bridges, and everything else, which I favor. I favor the development of the country as a whole. My amendment, however, is a just proposition and there should not be a vote against it in the Senate.

Mr. JONES of Washington. Mr. President, I want to say just a word about the proposed amendment. Over the opposition of the committee in the last river and harbor bill the last provision which the Senator has read from the law was inserted. It was not a proper item for the river and harbor bill. The proposal to-day is to take care of one paragraph in the amendment which we put in the law at that time, but which has not been carried out because of the action of the Comptroller General. My recollection is that the provision of the law is for the expenditure of $35,000 annually on the part of the United States Government for levee protection. It was apparently contemplated that California and Arizona would each contribute a like sum. Those States are not contributing, possibly are not under any obligation to contribute, and probably will not contribute. I understand the Comptroller General refuses to pay any part of the $35,000, and, therefore, it is not available.

The purpose of the Senator's amendment, as I understand it, is to provide $100,000 each year for flood and levee protection. Of course, almost everybody knows the character of the Colorado River, the high floods they have there, and of the necessity for levee protection. But the proposition ought not to be in a river and harbor bill. It ought not to have been in the river and harbor bill a year ago. It was put there, however, by a vote of the Senate. I leave it for the Senate to determine what action should be taken here. We have had no opportunity to investigate or study the situation, and all the knowledge we possess is the general knowledge that we have, of course, with reference to the character of the Colorado River and the floods that come there, which everybody knows are very great and oftentimes very destructive.

Mr. DILL. Mr. President, may I ask my colleague a question? What Federal aid is now provided by the Government in the case of floods in the Colorado River?

Mr. JONES of Washington. I do not know of any special appropriation myself.

Mr. DILL. Something ought to be done.

Mr. JONES of Washington. That is possibly true, but it seems to me that in determining what we should do we should investigate the matter very carefully and see what is the proper course to pursue. I visited that section a year or two ago, and I think we ought to provide some way to protect the territory, but this is a proposition that we have not had any chance to consider. As I said a moment ago, the amendment was put in by the Senate two years ago. That was the decision of the Senate, and now I am going to leave the matter to the Senate to determine what it thinks ought to be done in this particular case.

Mr. COPELAND. Mr. President, are we to understand that the Senator, so far as the project itself is concerned, has no objection to it, but feels that it ought not to be in this bill?

Mr. JONES of Washington. I do not know whether it ought to be done or not, or whether it ought to be done in this way or not. We have had no consideration of it at all. I think I feel that the National Government ought to take some steps with reference to controlling the floods of the Colorado River. That is one aim of the Boulder Dam development. Whether that development would take care of the situation here or not, whether that is the best way, or whether we ought to do something else to take care of these people is another question. The proposition submitted by the junior Senator from Arizona has not had any consideration by any committee.

Mr. ASHURST. Mr. President, I must do something to break the force of the blows of the Senator from Washington, because his remarks have great weight, and justly have great weight, in this Chamber. During the past four or five days I have sat here with unfeigned admiration for the way in which he has managed this bill. I am quite astonished, therefore, when he says there were no hearings and that he is not familiar with this item.

Mr. JONES of Washington. I meant no hearings before the Commerce Committee.

Mr. ASHURST. Let it be remembered that there was copious debate in the Senate on February 27, 1925, on the principal features of this item.

Mr. JONES of Washington. Oh, yes.

Mr. ASHURST. And after that debate in the Senate upon this item, by a roll-call vote, the item was adopted.

Why is this sum of $100,000 necessary annually? This is the reason: Some years ago, about 1910, the United States Government, at an expense of $1,000,000 built a levee on the Mexican side of the Colorado River on Mexican soil. This is called the Ockerson levee. When that million-dollar levee was built on Mexican soil on the western bank of the river the waters rushing against that levee, rebounded and resurged with much force to the other side, and like a giant with claws of steel they tore away the banks on the Arizona side and flooded the farms on the Arizona side.

Is it right, is it honest, is it fair, for the United States Government to go into Mexico and build a levee which throws the waters against the lands of our own citizens and then say to them, "Protect yourselves if you can?" I am not complaining about the Ockerson levee, for it has helped to save the Imperial Valley, but the result of that levee is that some adequate protection must be granted to the landowners on the Arizona side of the river.

The Senate took cognizance of that situation, heard the arguments, and committed itself to a plan of protection in 1925. But we find, as the chairman of the committee said, that it was not workable, and we are seeking a change. The subject has run the gantlet of the Senate, the House, the conferees, and the President. The Government is committed to the protection of the landowners on the Arizona bank of the river. Any further time I would employ now in discussing this subject would at this late hour be trespassing upon the patience of the Senate.

Mr. KING. Mr. President, after the copious debate, to adopt the Senator's term, before the Senate, the Senate allowed as much as $35,000. The amendment suggested by the junior Senator from Arizona [Mr. CAMERON] asked for $100,000. If, after copious debate the Senator was satisfied with that $35,000, ought the Senate to be satisfied now, with limited debate, to change it to $100,000?

Mr. ASHURST. The provision in the river and harbor bill of 1925 contemplated an annual expenditure of about $100,000, of which $35,000 was to be contributed by the Federal Government, $35,000 by the State of California, and $35,000 by the State of Arizona. California—and with no intention to violate the rules of the Senate—indeed, if I could violate the rules in that respect, two able Senators from California are present to defend California—California said, "The Federal Government has built this Ockerson levee at a cost of $1,000,000. California is not going to put up $35,000 annually to help

protect the State of Arizona." Therefore the Comptroller General would not approve the item and he is correct in the matter. California sits easily. She has the Ockerson levee. Whoever heard of a man with four aces clamoring for a new deal? California says, "We are not going to spend $35,000 a year for this purpose." Now, this is not the so-called Boulder Dam project. It has nothing whatever to do with the Swing-Johnson bill.

This is a matter which proposes to revet the eastern—the Arizona—side of the Colorado River and save farms and homes from being swept away.

Mr. RANSDELL. Mr. President, I wish to say merely a few words about this flood-control matter. Senators all know that I have been an advocate of aid for flood control for many years, because I live directly on the banks of the Mississippi River, and I have taken a great deal of interest many times in getting special legislation authorizing aid for the prevention of Mississippi floods and the Sacramento floods in California. We had special legislation authorizing such aid. This, however, is not a flood control bill; it is a navigation bill; it is to provide for certain work on the rivers and harbors of this Nation in aid of navigation and not to control or prevent floods.

The matter involved in the pending amendment was not brought before the Commerce Committee, of which I am a member. We had no opportunity to consider it. I will say to the two Senators from Arizona that I am as sympathetic as a man can be in anything relating to relief from the effect of floods. "A burnt child dreads the fire," and my own property has been more than once overflowed.

Mr. CAMERON. Mr. President, will the Senator from Louisiana yield to me?

Mr. RANSDELL. Pardon me a moment. I will yield to the Senator in just a moment.

Mr. CAMERON. Mr. President, will the Senator yield now?

Mr. RANSDELL. I will not yield at the present time, but I will yield to the Senator in a moment.

I wish to say that if the Senators from Arizona will bring this matter before Congress in a proper way, in the shape of an authorization measure, so that Congress, in an orderly manner, may make an appropriation for the relief of the flood situation in their State, I think I will vote for it; but I must have more facts than I have now to support this amendment. We have no report of the engineers in regard to it; we have nothing to enable us to act intelligently in the closing hours of the debate on the pending bill.

Mr. CAMERON. Mr. President, will the Senator from Louisiana yield to me now?

Mr. RANSDELL. I will now yield to the Senator from Arizona.

Mr. CAMERON. Mr. President, I wish to say to the Senator from Louisiana that there was an authorization for an appropriation for this work in Arizona in the river and harbor bill last year, but the Comptroller General decided only day before yesterday that the money could not be used because in the act there was a provision that the sum appropriated by the Government should be merely a share of the expenditure. We had no chance on earth of bringing the question before the committee on account of that decision being so recent, for the committee has not sat for several weeks. This item, as I have said, was in the bill last year, and I think it was justly there. I have sat here to-day and voted for everything that Senators from the South wanted to have put in this bill, for every item for the rivers of the South, and when I present an amendment which proposes a small appropriation for this very necessary work in Arizona, an amendment which is fair and reasonable, I do not think that Senators ought to object for an instant. That is the way I feel about it.

Mr. RANSDELL. Mr. President and Senators, we must not get excited about this matter.

Mr. CAMERON. I am merely saying what I think about it.

Mr. RANSDELL. We have 60 days yet remaining of this session, and if a proper authorization measure providing for flood control shall be introduced I will aid the Senator to secure its passage. Then I will aid in getting an appropriation from the Appropriations Committee. We must not, however, try to destroy all the purposes of the river and harbor bill. That would be wrong; there is no telling to what length we might proceed if we do not have a rule and follow that rule in the consideration of river and harbor bills.

Mr. CAMERON. Mr. President, will the Senator from Louisiana yield to me?

Mr. RANSDELL. I will yield to the Senator.

Mr. CAMERON. I will say that Arizona has not asked for a single appropriation under this river and harbor bill. There is no provision for flood protection whatever on the Colorado River or on the Gila River in the river and harbor bill. I think every other State in the Union is getting benefit out of the bill. As I said a moment ago, I have voted for every amendment which has been proposed to the bill; I have not voted against anything which Senators from the South have advocated; and when the Senators from Arizona come here with such a proposition as that embodied in the amendment, and ask only for an appropriation to which Arizona is entitled, I do not think there is a Member of this body who ought to vote against it. I ask for a vote on my amendment.

Mr. KING. Mr. President, the Senator from Louisiana [Mr. RANSDELL] has stated that there ought to be some rule with respect to river and harbor bills. The Senator from Arizona [Mr. CAMERON] has just stated that he has voted for everything that has been asked for——

Mr. CAMERON. I have done so.

Mr. KING. That every State in the Union has got something, and he thinks his State ought to get something. Of course, I, too, think so. That is what these river and harbor bills are for. In order to carry out the pork-barrel theory, each State and each district ought to be represented. I sympathize with the able Senator from Arizona.

Mr. CAMERON. I am not looking for sympathy.

Mr. KING. But, seriously, Mr. President, the pending measure is the worst river and harbor bill, in my judgment, that has ever been presented to the Senate. We have added nearly 200 new projects or surveys, in addition to the large number that are carried otherwise. I hope the President of the United States will do his duty and will serve the public by vetoing this vicious measure when it shall come to him.

Mr. ASHURST. Mr. President——

SEVERAL SENATORS. Vote!

The VICE PRESIDENT. The Senator from Arizona has already spoken once upon the amendment.

Mr. ASHURST. I ask that I be allowed to occupy two minutes.

Mr. RANSDELL. I hope the Senator from Arizona will be allowed to speak.

The VICE PRESIDENT. The Senator from Arizona is not in order, under the unanimous-consent agreement, unless there shall be unanimous consent that he may proceed. Is there objection to the Senator from Arizona proceeding? The Chair hears none, and recognizes the Senator from Arizona.

Mr. ASHURST. I thank the Senate.

Mr. President, I ask the Senators to turn to page 4990 of the CONGRESSIONAL RECORD of February 27, 1925, whereon it appears that the Secretary of the Interior, through his fact finding commission, recommended that this item be treated as other items on the river and harbor bill, because it had to do with levee work on a river which the fact finding commission declared was navigable at that point. Whether the river be practically navigable is a question not necessary to be discussed at this time.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Arizona [Mr. CAMERON].

The amendment was agreed to.

Mr. LENROOT. I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment proposed by the Senator from Wisconsin will be stated.

The CHIEF CLERK. On page 8, after line 3, it is proposed to insert the following:

Sheboygan Harbor, Wis.: The modification of the existing project recommended in House Document No. 475, Sixty-eighth Congress, second session, is hereby authorized.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Wisconsin.

Mr. JONES of Washington. I hope the Senator from Wisconsin will explain his amendment, as it is an item, as I understand it, which saves money instead of spending it.

Mr. LENROOT. Mr. President, I wish to explain the amendment for the benefit of my friend from Utah [Mr. KING], because here is one amendment that he will support, for it saves money. The Board of Engineers estimates the cost of an uncompleted project to be $1,094,000; but they have recommended a modification, abandoning a part of the project, so the total cost will be but $122,500 instead of $1,094,000.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. LENROOT. Mr. President, I ask unanimous consent to insert in the RECORD a telegram in connection with the Sheboygan Harbor amendment, which has been adopted.

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

The telegram is as follows:

SHEBOYGAN, WIS., *December 20, 1926.*

Senator IRVINE L. LENROOT,
Washington, D. C.:

We thank you for your message reference improvement Sheboygan Harbor. The need of a turning basin and deeper entrance channel is imperative. After soliciting various Sheboygan shipping interests, it is the consensus of opinion that we should adopt the recommendation of Chief of Engineers, given in 1924, to modify Sheboygan project by providing for 900-foot turning basin and abandon project to construct south breakwater and remove south pier.

W. A. REISS.

Mr. BLEASE. Mr. President, I offer an amendment.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 4, after line 4, it is proposed to insert the following:

That a survey be made of the shoals near Red Bluff, on the Waccamaw River near Conway, S. C., by the War Department, for the purpose of removing said shoals, and that such survey and report thereon be made to the Secretary of War not later than April 1, 1927.

Mr. BLEASE. Mr. President, if Senators desire an explanation of this amendment, I am prepared to give it.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. BLEASE. Mr. President, I ask, in connection with this amendment, that there be printed in the RECORD certain correspondence, which I send to the desk.

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

The matter referred to is as follows:

CONWAY, S. C., *December 9, 1926.*

Senator COLE L. BLEASE,
Washington, D. C.

DEAR SIR: We are inclosing to you copies of correspondence relative to shoals which are obstructing the Waccamaw River between Conway and Red Bluff, a distance of 12 miles by land from Conway.

It has always been possible to use light-draft boats on this part of the river for towing logs to the market in Conway, but there seems to have been a considerable lowering of the stage of water in the river because of the damming of the river at Waccamaw Lake, which has brought these shoals into greater prominence, to the inconvenience of those who had enjoyed the use of this part of the river for getting logs to the Conway mills. And we are appealing to you to use your best endeavors to have such legislation enacted as will give us as millmen and the hundreds of farmers who sell us timber through the fall and winter months the necessary relief. There are not many of these shoals.

Thanking you in advance for your consideration, we are,

Yours very truly,

CONWAY LUMBER CO.,
H. W. AMBROSE,
Secretary and Treasurer.

CONWAY, S. C., *December 2, 1926.*

UNITED STATES ENGINEERS,
Charleston, S. C.

GENTLEMEN: We write to ask what would be the proper procedure to take up with the authorities the matter of getting a few shoals taken out of Waccamaw River below Red Bluff.

Up until very recently it has been possible to handle rafted logs down the river from Red Bluff the year round with light-draft gas boats. Now it is not possible to do this at times such as the present when the river is very low. We have had a regular weekly log traffic from Red Bluff and below the year round. Now this is practically at an end owing to shoals in the river at some two or three places. At all other places there is plenty of water. If these shoals could be dredged out the river would still be navigable for logs and light-draft boats.

The damming of Waccamaw Lake at the head of Waccamaw River no doubt is responsible in a measure for the very low water in the river at this time, which has brought these shoals out so prominently that automobiles are being driven across the river at places—something that has not been done in 20 years to writer's certain knowledge.

We had a delegation from Conway attend the hearing in Whiteville some 15 or 18 months ago on the question of damming the lake where it empties into Waccamaw River for development purposes. We protested on the ground that the main source of supply for the river would be curtailed and lessen the depth of water in the river at times when drought conditions reduced the depth very materially anyway. We were overruled in that the river was allowed to be dammed and the results are exactly as we anticipated they would be. We are having unprecedented low stages of water in the Waccamaw River from Red Bluff to Conway, where, as stated before, there has been an all-year-round log traffic.

Please let us hear from you at your convenience.

Yours very truly,

CONWAY LUMBER COMPANY,
H. W. AMBROSE,
Secretary and Treasurer.

CHARLESTON, S. C., *December 4, 1926.*

The CONWAY LUMBER CO.,
Conway, S. C.

Attention Mr. H. W. Ambrose, secretary and treasurer.

GENTLEMEN: I have your letter of December 2, in which you ask the proper procedure to take up the matter of removing a few shoals from the Waccamaw River below Red Bluff.

The present project authorized by Congress provides only for clearing the channel above Conway; therefore only snagging can be done under existing authority. If you think that these shoals, which I understand are very small, are caused by snags or logs, I could have an inspection made, and if the inspection showed this to be the case I could perhaps obtain sufficient funds to remove the logs. At present there are no funds available for work on the stream.

To do anything more than snagging it will be necessary to have a new project adopted by Congress. This is naturally a somewhat lengthy proceeding. The first step is to have an item inserted in the river and harbor bill providing for a preliminary examination and survey. The preliminary examination and survey when authorized by Congress will be made in due course, and if the reports submitted are favorable, then very probably Congress will adopt a new project in accordance with the recommendations in the report. The work would then be done as soon as funds are made available.

Yours very truly,

WILLIAM F. TOMPKINS,
Major, Corps of Engineers, District Engineer.

Mr. McKELLAR. Mr. President, I offer an amendment, which I ask the clerk to read.

The CHIEF CLERK. On page 6, after line 14, it is proposed to insert the following:

Cumberland River above Nashville, Tenn., completion of locks and dams 1 to 17, inclusive, and 21, project authorized by act of August 5, 1886, in accordance with report of Chief of Engineers of date May 13, 1926, modifying the project so as to provide for the elimination of the proposed locks and dams 9 to 17, inclusive, and the substitution of the combined river and power system to be built, owned, and controlled and operated solely by the United States.

Mr. McKELLAR. Mr. President, I will ask the indulgence of the Senate for just a moment to explain the amendment. The Cumberland River runs through Tennessee. On the upper stretches of that river there is not a railroad, and it is very vital that there be navigation on the river, on which 290,000 tons of freight are carried. In addition to that, the proposition contained in the amendment is recommended by the Chief of Engineers, on condition that it be a joint power and navigation project. I have stricken out the joint feature. In other words, if the amendment shall be adopted, it will mean that it will not cost the Government anything, because the power which will be developed by the dams will more than pay for the improvement of the river, and the Government will actually not be out any money in that regard.

This is a question of whether Congress will be willing to permit an improvement of that kind which will pay for itself. I hope that Senators will join with me in securing the adoption of the amendment.

Mr. JONES of Washington. Mr. President, may I ask the Senator a question?

Mr. McKELLAR. Yes.

Mr. JONES of Washington. Is there not an authorization in this amendment?

Mr. McKELLAR. There is an authorization.

Mr. JONES of Washington. How much is involved?

Mr. McKELLAR. No amount is fixed in the amendment, but it is left to the engineers entirely to report.

Mr. JONES of Washington. The Senator made the statement that it would cost the Government nothing?

Mr. McKELLAR. It will cost the Government when the three dams are completed $3,000,000, but the power which will be developed by the three dams will be worth a great deal more than that, according to the report, and will be owned by the Government.

Mr. JONES of Washington. Is the National Government going to develop the power?

Mr. McKELLAR. According to the report of the engineers, if this amendment shall be adopted, it will do both; it will develop the power and aid navigation.

Mr. KING. Mr. President, if I understand the proposition—and I do not pretend to, because it is quite novel—it means that a project which is now in process of completion, if it has not been completed——

Mr. McKELLAR. It is in process of completion——

Mr. KING. And which does not contemplate that the Government of the United States shall enter into the construction of plants to create hydraulic energy—and, of course, if it generates power it must sell it in competition with others—shall

be abandoned and that we shall now convert that project into a power-producing project, which is to be owned always by the Government, and the Government necessarily is to go into competition with those who may produce power in that vicinity.

It may be a very wise thing to adopt this socialistic or paternalistic proposal—I shall not enter into a discussion of socialistic and paternalistic schemes at this time—but we ought to learn something about this proposal; we ought to determine whether it will be an improvement, whether it is a wise scheme or an unwise one.

It will cost only $3,000,000 more. Of course, "what is that between friends," when we are passing a bill now that will appropriate from $200,000,000 to $250,000,000 out of the Treasury of the United States, and ultimately that is what this bill will do. Senators can not disguise it; they can not camouflage it. This is a bad bill, committing the Government——

SEVERAL SENATORS. Vote!

Mr. KING. Of course the Senators who are getting a large part of this money for their States cry "vote!"; but this is a measure, Mr. President, which, it seems to me—and I am speaking now of the item particularly before us—ought to receive further consideration, and before the Senate commits itself to this proposition it ought to be debated.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Tennessee [Mr. MCKELLAR].

The amendment was rejected.

Mr. FLETCHER. Mr. President, I offer an amendment providing for a small survey.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert:

Channel of suitable dimensions from southern terminus of the Florida East Coast Canal at Miami into Florida Bay.

Mr. JONES of Washington. That, as I understand the Senator, is for a survey?

Mr. FLETCHER. Yes.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. GILLETT. I offer an amendment for a survey.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 16, after line 14, it is proposed to insert:

Nantucket, Mass.

Mr. KING. Mr. President, I hope the Senator from Massachusetts will advise us whether this contemplates an expenditure such as that involved in the purchase of the Cape Cod Canal. Is the project to be taken over by the Government?

Mr. GILLETT. At most the survey will cost only a few hundred dollars.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

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

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The question is, Shall the bill pass?

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

Mr. WILLIS. Let us have the yeas and nays.

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

Mr. GEORGE (when his name was called). I have a pair with the senior Senator from Colorado [Mr. MEANS]. I am informed that if he were present he would vote as I shall vote on this question. I therefore vote "yea."

Mr. KENDRICK (when the name of Mr. JONES of New Mexico was called). I desire to announce the unavoidable absence of the Senator from New Mexico [Mr. JONES], and to say that if he were present he would vote "yea."

Mr. NORRIS (when Mr. LA FOLLETTE's name was called). I desire to announce that the junior Senator from Wisconsin [Mr. LA FOLLETTE] is absent on account of illness. If he were present he would vote "nay." He is paired with the senior Senator from Arkansas [Mr. ROBINSON].

Mr. FRAZIER (when Mr. NYE's name was called). My colleague [Mr. NYE] is paired on this question with the senior Senator from Alabama [Mr. UNDERWOOD]. If my colleague were present, he would vote "nay"; and I understand that the Senator from Alabama, if present, would vote "yea."

Mr. OVERMAN (when Mr. SIMMONS's name was called). My colleague [Mr. SIMMONS] is unavoidably absent. He is paired with the junior Senator from Montana [Mr. WHEELER]. If my colleague were present he would vote "yea," and if the Senator from Montana were present he would vote "nay."

The roll call was concluded.

Mr. BAYARD. I desire to announce the necessary absence of the Senator from Rhode Island [Mr. GERRY] and to state that he is paired with the Senator from Idaho [Mr. BORAH]. If present the Senator from Rhode Island would vote "yea."

Mr. JONES of Washington. I desire to announce that on this question the Senator from Maine [Mr. GOULD] is paired with the Senator from New Mexico [Mr. BRATTON].

I also desire to announce that the Senator from West Virginia [Mr. GOFF] and the Senator from Minnesota [Mr. SCHALL] are necessarily absent. If present they would vote "yea."

Mr. HEFLIN. I wish to announce that my colleague, the senior Senator from Alabama [Mr. UNDERWOOD], is necessarily absent on account of illness.

The result was announced—yeas 57, nays 9—as follows:

YEAS—57

Ashurst	George	McNary	Smith
Bayard	Gillett	Mayfield	Stanfield
Bingham	Gooding	Moses	Steck
Broussard	Hale	Neely	Stephens
Cameron	Harris	Oddie	Stewart
Caraway	Harrison	Overman	Swanson
Copeland	Hawes	Pepper	Trammell
Curtis	Heflin	Pine	Tyson
Deneen	Johnson	Ransdell	Wadsworth
Dill	Jones, Wash.	Reed, Mo.	Walsh, Mass.
du Pont	Kendrick	Reed, Pa.	Warren
Edge	Keyes	Robinson, Ind.	Watson
Edwards	McKellar	Sheppard	
Fess	McLean	Shipstead	
Fletcher	McMaster	Shortridge	

NAYS—9

Blease	Frazier	King	Norris
Couzens	Howell	Lenroot	Willis
Ferris			

NOT VOTING—29

Borah	Goff	Norbeck	Smoot
Bratton	Gould	Nye	Underwood
Bruce	Greene	Phipps	Walsh, Mont.
Capper	Harreld	Pittman	Weller
Dale	Jones, N. Mex.	Robinson, Ark.	Wheeler
Ernst	LaFollette	Sackett	
Gerry	Means	Schall	
Glass	Metcalf	Simmons	

So the bill was passed.

INTERIOR DEPARTMENT APPROPRIATIONS

Mr. CURTIS. I ask unanimous consent that the Interior Department appropriation bill be laid before the Senate that it may be made the unfinished business.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 14827) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1928, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

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 five minutes spent in executive session the doors were reopened, and (at 7 o'clock and 37 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, December 22, 1926, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 21 (legislative day of December 17), 1926

ASSISTANT SECRETARY OF TREASURY

Carl T. Schuneman to be Assistant Secretary.

ASSISTANT ATTORNEY GENERAL

George R. Farnum to be Assistant Attorney General.

UNITED STATES ATTORNEY

Frederick H. Tarr to be United States attorney, district of Massachusetts.

UNITED STATES MARSHAL

Albert W. Harvey to be United States marshal, district of Vermont.

COLLECTOR OF CUSTOMS

George M. Foland to be collector of customs at Indianapolis, Ind.

POSTMASTERS

CALIFORNIA

John W. Drane, Alturas.
Edward F. Hopkins, Arroyo Grande.
Elmer B. Whitson, Balboa.

Sam Brewster, Burney.
James A. Lewis, Carpinteria.
Hazel M. McFarland, Folsom City.
George M. Heath, Ione.
Phyllis V. Henry, King City.
Donald I. Castile, Le Grand.
Kathleen M. Fleming, Lincoln.
Donald L. Burbeck, Mill Valley.
Ida P. Naylor, Newport Beach.
George W. Fraser, Pinole.
Bernice C. Downing, Santa Clara.

COLORADO

Henry R. Pilati, Aguilar.
Robert L. Newton, Arvada.
John M. Dietrich, Center.
Joseph A. Measures, Grand Junction.
John W. Moore, Las Animas.
James R. Lysaght, San Acacio.
John H. O'Connell, Sugar City.
John C. Callaghan, Westcliffe.

CONNECTICUT

William J. Reel, Canaan.
Harry N. Prann, Centerbrook.
Charles E. Gray, North Stonington.
George L. Benedict, Winsted.

DELAWARE

Ebe H. Chandler, Dagsboro.
Stanley S. Stevens, Delaware City.

FLORIDA

Edward S. French, Belleview.
Charles R. Lee, Clearwater.
Walter E. Weihe, Groveland.
Irma H. Smith, Hastings.
Silvan L. Bergert, Loughman.
Albert L. Lucas, Ocala.
Thomas W. Lundy, Perry.
Harold J. Engel, Valparaiso.
Ida V. Dalton, Vernon.
Malcolm M. Maner, Zephyrhills.

GEORGIA

Jacob S. Eberhardt, Carlton.
Eugene H. Wood, Roswell.

INDIANA

Milo E. Garrett, Auburn.
Willard G. Minard, Bourbon.
Harry W. Baals, Fort Wayne.
Reuben Hess, Kentland.
Phineas O. Small, La Porte.
Fred R. Ewing, Princeton.
Louis T. Heerman, Syracuse.
Rex Hannum, Worthington.

IOWA

William G. Wood, Albia.
Bertha Zadow, Blencoe.
William W. Andrew, Dexter.
Harry Carver, Fontanelle.
Ben W. Stearns, Logan.
Oscar J. Houstman, Olin.
Charles P. Ell, Rudd.

KENTUCKY

Barbra A. Rasnick, Benham.
Hobart Ison, Blackey.
Grover S. Greear, Blue Diamond.
W. Wallace Cox, Crestwood.
Eli H. Blewett, Franklin.
Charles L. Loyd, Fredonia.
James H. Branstetter, Glasgow.
Melvin C. Bray, Hindman.
Della McDaniel, Horse Cave.
Charles M. Hall, Jeff.
Elsie F. Fravert, St. Matthews.
Attilla C. Devore, Sanders.
Nancy E. Sergent, Shonn.
Edith Ashby, Uniontown.
Elizabeth T. Peake, Waverly.
Eugene E. Johnson, White Plains.
James A. Miller, Wickliffe.

LOUISIANA

Walter L. Huckabay, Bienville.
Ethel I. Montgomery, Delhi.
Jesse R. Ramsey, Pleasant Hill.
Frank M. Caldwell, Robeline.

MARYLAND

Leslie W. Gaver, Middletown.

MASSACHUSETTS

James N. Young, Adams.
Molly A. Gilman, Allerton.
Fred S. Black, Auburn.
Henry L. Pierce, Barre.
Almon L. Pratt, Belchertown.
Lucius E. Estey, Brookfield.
Ethel M. Graham, Bryantville.
Lyman Pearson, Byfield.
Charles J. Dacey, Conway.
Horace W. Collamore, East Bridgewater.
Alfred A. Averill, Edgartown.
Grace G. Kempton, Farnumsville.
Walter C. Wright, Graniteville.
Clarence E. Arnold, Hopedale.
Xavier A. Delisle, Lowell.
Louise S. Snow, Middleton.
Annie E. Cronin, North Wilmington.
James H. Butler, Pittsfield.
Nathaniel E. Lewis, Provincetown.
William P. Orr, South Attleboro.
Douglas H. Knowlton, South Hamilton.
Silas D. Reed, Taunton.
George A. Wilder, Townsend.
Edgar S. Woodman, West Medway.
Myra G. Jordan, West Upton.
Mabel Holt, Wilmington.

MICHIGAN

Marie L. Mottes Alpha.
Hiram L. Dawson, Ellsworth.
Glenn H. Perkins, Freeport.
Christine Anderson, Holton.
Helen B. Martin, Indian River.
Neil W. Roe, Lake Odessa.
Ada E. Gibbs, Mancelona.
Etta R. DeMotte, Memphis.
Alberta Montpas, Powers.
Rush S. Knepp, Schoolcraft.
Oscar W. Greenland, Stambaugh.
Frank P. Church, Stanton.

MINNESOTA

Stanley E. Nelson, Adrian.
Herman J. Ricker, Freeport.
Theodore Thielen, Pierz.
Otto C. H. Heinzel, Sauk Rapids.
William A. Clement, Waseca.

MISSOURI

Rolla Hayes, Clever.
Albert C. Yoder, Rosendale.

MONTANA

Truman B. Hopkins, Basin.
Alva M. Mullikin, Hingham.
Catherine Murray, Klein.
Henry D. Thomas, Moccasin.
John B. Randall, Wolf Point.
Ernest C. Robinson, Wyola.

NEBRASKA

Paul R. Lorance, Auburn.
Edward E. Ely, Milford.
Elmer G. Watkins, Orleans.

NEVADA

Daniel E. Morton, Carson City.
Owen H. Bott, Mason.

NEW JERSEY

Forman R. Thompson, Matawan.
Henry C. Allen, Paterson.
Charles H. Updike, Trenton.

NEW YORK

Donald A. Scott, Caledonia.
Edna M. Weaver, Cherry Creek.
Jennie E. Carroll, Cuylerville.
Henry C. Almy, Friendship.
Howard F. Fleming, Gardiner.
George H. Rix, Hemlock.
Thomas W. Hamer, Lacona.
Gottlieb H. Morris, Lynbrook.
Charles H. Betts, Lyons.
Ralph J. Borden, McGraw.
Charles W. Fletcher, Montour Falls.
Samuel K. Seybolt, Pine Bush.

Edmund E. Westerman, Pittsford.
Helena Swackhamer, Schenevus.
Dexter S. Slack, Speculator.

NORTH CAROLINA

Wiley B. Knowles, Wallace.

OHIO

Ralph I Wolf, Coolville.
Albert W. Griswold, Georgetown.
Frank G. Winterringer, Hilliards.
Joseph C. Gill, McArthur.
Gurth W. Repp, Pioneer.
Elsie M. Smith, Sharonville.
Joseph M. Collins, Springfield.
Duane G. Keener, West Salem.
Alice C. Griffith, Worthington.

OREGON

Lawrence S. McConnell, Sherwood.
Mart Griffin, Umatilla.

PENNSYLVANIA

Hilda A. Lago, Bessemer.
Arthur R. Lovell, Blandburg.
J. Henry Gibson, Conneautville.
Joseph G. Hart, Doylestown.
Samuel B. Daniels, Emblenton.
Charles W. Goss, Expedit.
John Martinelli, Fairbank.
Clarence F. Ellis, Jamestown.
Harold D. Lowing, Linesville.
Arch R. Lykens, Martinsburg.
Robert G. Stilwell, Masontown.
John W. Biddle, Millville.
Mary M. Davis, Mount Morris.
Elma C. Dryden, New Galilee.
August G. Bummer, New Ringgold.
Foston W. Eicher, Portage.
Jennie W. Smeltzer, Sagamore.
Hulda J. McCormick, South Connellsville.
Charles H. Potter, Titusville.

SOUTH CAROLINA

Edward H. Jennings, Charleston.

WEST VIRGINIA

Nora V. Roberts, Glenville.
John Lindley, Monaville.
Flavius E. Strickling, West Union.

WYOMING

Percy G. Matthews, Evanston.
Harold T. Duffy, Wheatland.

HOUSE OF REPRESENTATIVES

TUESDAY, *December 21, 1926*

The House met at 12 o'clock noon.

Right Rev. Monsignor P. C. Gavan, pastor of the Sacred Heart Church, Sixteenth and Park Road, Washington, D. C., offered the following prayer:

We pray Thee, O God of might, wisdom, and justice, assist with Thy holy spirit of counsel and fortitude the Members of this august assembly. Let the light of Thy divine wisdom direct all their deliberations this day, so that their decisions may promote the welfare and procure the happiness of the people whom they are chosen to represent. Enkindle in their hearts that true spirit of benevolence and good will which seems to seek and find more lively expression at this season than at any other, and tends to unite us all more closely together in the golden bonds of true brotherhood.

We ask these favors of Thee, O God, through Jesus Christ, Thy Son, our Lord and Saviour. Amen.

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

THE NEED FOR PUBLIC BUILDINGS OUTSIDE OF THE DISTRICT OF COLUMBIA

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD with reference to the need for public buildings outside of the District of Columbia.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. REED of New York. Mr. Speaker, I desire to call the attention of the Members of the House to a bill (H. R. 15340) which I have introduced to meet an urgent demand for public buildings outside the city of Washington. It was thought by many Members and by those cities where the need for a public building is most acute, that the bill which was enacted May 25, 1926, would speedily bring relief. A study of conditions in many cities and a careful analysis of the bill which the House passed in May, 1926, clearly show that, outside of a few very large cities, the relief will not be had for several years.

It will be recalled that under its provisions the annual expenditure shall not exceed $25,000,000, of which amount not more than $10,000,000 may be expended annually in the District of Columbia; and of the expenditures made outside of the District of Columbia for the fiscal years 1927, 1928, and 1929, respectively, at least one-third shall be for buildings authorized in prior acts. This leaves only $10,000,000 for new projects. A few large cities will require all of this to meet their urgent demands.

The bill which I have introduced does not change the procedure or policy of the bill of May 25, 1926; it provides an annual expenditure of $35,000,000 instead of $25,000,000 to meet the urgent needs of smaller cities which have outgrown present facilities and which feel, and rightfully so, that the country at large should receive some consideration. There are many places that have a large parcel-post business, especially in farming centers and industrial districts, and in both it is vitally important that the business be handled promptly. This is particularly true with reference to the large variety of perishable produce handled by parcel post in farming communities.

A study of the history of the bill of May 25, 1926, the facts presented in support of it, and the information which each Member has of post-office conditions in his own district clearly indicates the pressing need for relief. I invite your attention to the more pertinent facts developed at the hearings.

In the Sixty-sixth Congress, second session, there was introduced H. R. 11791, a bill to provide for the construction of certain public buildings, and for other purposes. This bill was referred by the Committee on Public Buildings and Grounds to the Secretary of the Treasury for his opinion. Later, after this opinion had been given in a letter dated December 21, 1924, the chairman requested the Secretary of the Treasury to have H. R. 10406 redrafted to meet the recommendations contained in the letter. The bill H. R. 11791, as redrafted to meet the recommendations of the Secretary of the Treasury, was introduced and hearings held upon it in January, 1925. The situation with reference to the need for public buildings was disclosed by Mr. Garrard B. Winston, Undersecretary of the Treasury, at this hearing. He made this statement:

> We are paying this year about $23,000,000 for rent outside the District of Columbia and about $1,135,000 within the District.

Later on, in his statement, Mr. Winston said:

> Coming to the situation specifically with regard to public buildings, you can roughly divide the building situation into about five classes:
>
> First, where there are the buildings necessary in Washington; second, where money is necessary to enlarge existing buildings; third, buildings that have been authorized by Congress to be constructed, but where the authority is no longer sufficient to meet the increased building costs; fourth, sites on which there is no authorization to erect buildings; and, fifth, entirely new projects.
>
> Now, if this bill should be passed, I assume that the general program will be something along this line:
>
> First, take the buildings which are clearly necessary, as to which there is no doubt of their necessity, and immediate necessity; the situation outside of Washington is just as serious as it is in Washington, if not more so, as indicated by the fact that we are paying $23,000,000 for rent outside and a little more than $1,000,000 in Washington.

The President's Budget message to the Sixty-ninth Congress, first session, contained this recommendation:

> No general building bill has been enacted since before the war. This matter must necessarily come up for consideration. I am not in favor of the passage of an act which would be characterized as a general parceling out of favors that usually bears a name lacking in good repute. I am willing to approve an act similar in character to that which has already passed the House, providing a lump-sum appropriation to be expended under the direction of the Treasury or any proper authority over a term of years, with such annual appropriations as the national finances could provide.

In accordance with the President's message there was introduced H. R. 6559, which was similar to the bill which passed the House at the Sixty-eighth Congress, second session, but which failed to pass the Senate.

Hearings were had on H. R. 6559 before the House Committee on Public Buildings and Grounds, January 7, 9, and 11, 1926. At these hearings Hon. McKenzie Moss, Assistant Secretary of the Treasury, appeared. Referring to H. R. 6559, he said:

We should bear in mind that while this bill calls for $165,000,000, it does not call for the present appropriation of anything like that sum, but for an annual expenditure of not exceeding $25,000,000, $10,000,000 inside the District of Columbia and $15,000,000 outside; so that it seems that Congress might be perfectly willing to vote this bill through, and might not be willing to adopt a measure which would call for the appropriation of $250,000,000.

At this same hearing, Hon. John H. Bartlett, First Assistant Postmaster General, appeared and among other things stated:

At the present time we are occupying 1,171 Government buildings in the country, and at the present time we are occupying 4,720 leased buildings, meaning thereby post offices and post-office stations. We are paying something like $4,000,000 more for rents by the month in small offices, where we have not seen fit to make leases. Putting it in another form, we are paying rents under these post office and postal stations leases of $11,746,540. Every day there comes to our attention the necessity for space, for room, here and there and everywhere, over the country. We are the ones who get the storm battering all the time.

Further on in Mr. Bartlett's statement, stressing the importance of the need for post-office buildings outside the District of Columbia, he said:

I have here a list of 27 leased buildings of a very large nature we have just been forced to get some contractor to put up and lease to us in order that we could handle the parcels post of this country. If we had not done this, you would just have had a riot here for buildings. But we just had to handle the mail, so that when we were in that desperate situation we just had to get somebody to put up a building and lease it to us. Now, the least term that anybody will put up a building for will be 10 years, and many of the demands which now would have been just overwhelming, have been satisfied to some extent for some little time because we have been compelled to do this. I have here a list of these 27 leased buildings which I presume you would like to put in the RECORD. I do not know who got this up, but Los Angeles happens to be at the top of this list. At Los Angeles we lease a building—we call it the Arcade Station—one building, containing 136,000 square feet, for which we are paying a rental of $125,750 a year.

We have a building in Chicago, at the Van Buren Station, erected in this same manner, for which we are paying $500,000 a year rent for the first five years and $310,000 a year for 15 years thereafter.

The list of 27 cities to which Mr. Bartlett referred is as follows:

	Square feet	Rent	Per square foot
Los Angeles, Calif., Arcade Station	136,000	$125,750.00	$0.91
Oakland, Calif., Sixteenth Street Station	23,000	21,000.00	.91
San Francisco, Calif., Ferry Station	142,700	107,300.00	.75
Hartford, Conn., Parcel Post Station	13,380	17,000.00	1.27
Atlanta, Ga., Station B	49,202	23,000.00	.47
Chicago, Ill., Van Buren Station [1]	358,215	500,000.00	.86
Indianapolis Ind., Illinois Street Station	57,734	66,000.00	1.14
Louisville, Ky., Main Street Station	59,850	25,600.00	.42
Baltimore, Md., Falls Station	29,282	25,000.00	.85
Boston, Mass., Burlington Avenue	205,827	125,000.00	.61
Detroit, Mich., Roosevelt Park	60,000	69,640.00	1.16
Minneapolis, Minn., Parcel Post Station	50,417	71,900.00	1.42
St. Paul, Minn., Commercial Station	71,092	120,000.00	1.68
Kansas City, Mo., Gateway Station	51,427	95,848.00	1.86
Omaha, Nebr., Terminal Station	27,000	24,570.00	.91
Atlantic City, N. J., Parcel Post Station	14,504	21,000.00	1.44
Newark, N. J., Market Street Station	39,857	63,210.00	1.58
Buffalo, N. Y., Annex	72,000	53,000.00	.74
Cincinnati, Ohio, Third Street Station	157,021	135,820.00	.86
Cleveland, Ohio, Parcel Post Station	80,074	78,072.00	.97
Dayton, Ohio, Annex	9,554	15,600.00	1.63
Philadelphia, Pa., North Philadelphia	100,000	65,000.00	.65
Pittsburgh, Pa., Ferry Street Station	85,370	76,500.00	.90
Providence, R. I., Gaspee Station	12,697	8,619.50	.68
Dallas, Tex., Parcel Post Station	81,466	59,900.00	.73
Norfolk, Va., Parcel Post Station	29,843	28,500.00	.96
Seattle, Wash., Seattle Terminal Station	75,900	68,750.00	.91

[1] $500,000 per year until December, 1927, and $310,000 for 15 years.

Later on in his statement, speaking of the problem in the smaller cities, Mr. Bartlett said:

I think it is fair, now, to say that the most pressing needs in an economical way are in cities of some little size that have never had a Government building, and that have grown so that we are just driven to get somebody to build a building for us and lease it to us. Under that process we do not have the right to condemn land. The contractor goes around and gets an option wherever he can, and we are forced then to take a 10-year lease on the building which he constructs for us, and thereby defeat the hopes of that town of getting a Government building for that length of time. Under this very uneconomical arrangement we are compelled to pay from 12 to 15 per cent for our money.

At the hearing, Hon. James A. Wetmore, Acting Supervising Architect of the Treasury, appeared and was heard. In the course of the hearing this question was propounded to him:

There is a kind of a general supposition that the proportion of $10,000,000 a year to the District of Columbia and $15,000,000 a year to the 48 States and Territories is hardly an equitable ratio, and I was just wondering, if the amount should be increased to $35,000,000 a year for the entire authorization, $10,000,000 for the District of Columbia and $25,000,000 for the 48 States and Territories, if that would in any way interfere with or hamper the administration of the bill in the actual construction of the buildings.

Mr. WETMORE. As an administrative matter, no. I mean, by that, that my office could handle $35,000,000 worth of work a year as readily as $25,000,000; but it does involve the financial program of the President of the United States. Last year when the bill had been prepared, which the House passed, it carried a provision of this kind, $25,000,000 a year to be expended, all together. That provision was put in at the suggestion, I understand, of the Director of the Budget, after conference with the President, as the amount it was felt could then be allowed to be used for public building work.

In his message transmitting the Budget to Congress this year the President said nothing about what amount of money he would approve a bill for, or the amount of annual expenditure. The only mention of a limitation in specific terms was in connection with the District of Columbia. He said that for the District of Columbia a program contemplating an expenditure of not exceeding $10,000,000 a year. He did not say how much outside. He did say that he would approve a bill similar to the one that was passed last year. The one that was passed last year permitted an annual expenditure of $25,000,000, all told. I could not answer as to whether that would meet with the financial program of the President this year or not—$35,000,000 instead of $25,000,000.

As I stated at the beginning, the bill which I have introduced does not change the policy of the bill passed in May, 1926; it liberalizes it to meet the needs of the cities outside of the District of Columbia. Their needs are well known to every member of the House and could not have been stressed with greater emphasis than by those who appeared before your Committee on Public Buildings and Grounds. The disclosure with reference to the need of public buildings to preserve the Postal Service outside of the District of Columbia is not less striking than the uneconomical methods forced upon those officials responsible to the public for efficient Postal Service. The facts as disclosed at the hearings are best known to the people in the 48 States who suffer the inconvenience, except that it may not be generally known that as taxpayers they are paying for post office rentals and postal station leases the sum of $11,746,540 a year. It may not be known to them that to meet the most desperate cases the Government is forced to have a contractor option land, have him construct a building, then take a lease from him for 10 years. This method forestalls the city where this is done from getting a Government building for 10 years and under this method the Government pays from 12 to 15 per cent for the money. These are the undisputed facts in the record.

While $10,000,000 annually for buildings in Washington is provided, the needs outside should be met with promptness and vigor, which can only be done by liberalizing the bill to facilitate the erection of public buildings in the 48 States.

It may be that where the need is most acute, it will be difficult to understand why the District of Columbia should require an annual expenditure of $10,000,000 for public buildings, especially in view of the reduction in employees since the war and the return to a peace-time basis, and the rest of the country receive only $10,000,000 annually for new projects. It will be still more difficult of explanation when it is learned that a few large cities will absorb the $10,000,000, thus foreclosing the smaller but none the less deserving cities from relief.

BUSINESS OF THE HOUSE

Mr. MOORE of Virginia. Mr. Speaker, I ask unanimous consent to proceed for three minutes in order to make an inquiry of the gentleman from Connecticut [Mr. TILSON].

The SPEAKER. The gentleman from Virginia asks unanimous consent to proceed for three minutes. Is there objection?

There was no objection.

Mr. MOORE of Virginia. Mr. Speaker, the gentleman from Connecticut [Mr. TILSON], as the floor leader of the House, has adopted a practice that seems to be very admirable, of making a tentative statement every day which goes into the RECORD following the adjournment order, announcing what business will be taken up on the following day by the standing committees. I have taken the floor to ask the gentleman whether he does not consider it desirable to enlarge that statement, so as to indicate tentatively the business that will be taken up on the following day in the House. For instance, while we all know that Monday is suspension day, we will say, we have no means of forecasting what suspensions will be asked for in the House on that day. It is conceivable that the gentleman from Connecticut might ascertain from the Speaker a little in advance as to who will be recognized, and on what bills, to move suspension. On Calendar Wednesday it is conceivable that the gentleman from Connecticut could ascertain what standing committee will respond when called, and what specific measures it will submit to the House.

When I came here I suggested the great expediency of some little advance notice, and one of the Members who expressed his very emphatic approval of that proposal was the distinguished former Speaker of the House, Mr. Clark, of Missouri. It has always seemed to me that in line with the practice of other parliamentary bodies—all of them, I believe, in Europe—it would be very desirable if the average Member of the House, like myself, for instance, could have some fair notice, at least a few hours before the meeting of the House, of what business is expected to be considered.

Mr. TILSON. Mr. Speaker, if I may proceed for a few minutes in reply to the gentleman from Virginia [Mr. MOORE], I wish to say that as the Members of the House know, the tentative program of the business for the week is posted in the Speaker's lobby on the Saturday preceding the week in question. The notice contains the bills, so far as they are known, that will be considered, with the exception of Calendar Wednesday. For Calendar Wednesday the notice gives the committee on call upon that day, and, if known, the measure likely to be considered.

So far as suspensions are concerned, as the House knows, the matter of recognition for suspension is one entirely within the control of the Speaker of the House. It is a prerogative that is his absolutely. I do not know that it would be proper for me to try to inform the House in advance as to a matter entirely within the Speaker's discretion, or that it would be possible for me, should the Speaker deem it proper, to tell in advance with certainty what motions to suspend he will eventually entertain.

Mr. MOORE of Virginia. The gentleman understands that I am making the suggestion subject to the difficulties that he may encounter with the thought, however, that he might be able very largely to give the information to the House which would be useful to it. So far as the notices on the bulletin board are concerned, they refer to an entire week, and of course are therefore very general and very inadequate. Directing my inquiry to the strong common sense of the gentleman, does he not think it would be very well, to the extent he may be able to do so, to provide some notice of anticipated business, perhaps in the manner that I have tried to set out, which I think all of the Members of the House would be very glad to receive? The gentleman knows what is coming up, the Speaker knows what is coming up, and one or two other Members may know what is coming up, but the rank and file of the House do not. They are more or less ignorant as to what is going to occur when they meet here in the morning.

Mr. TILSON. Mr. Speaker, it is not quite true that the Speaker or the floor leader always knows just what is coming up, as Members of the House will very readily realize. So far as the Speaker granting recognition for suspension is concerned, he might be willing to entertain certain motions to suspend in case the Consent Calendar, for instance, had advanced to a certain stage, and he might be unwilling to do so unless it had advanced to that stage; so that the Speaker might not be able to state in advance what motions to suspend he would entertain.

Mr. MOORE of Virginia. I had it in mind that the Speaker and the gentleman are fairly close in their relations.

Mr. TILSON. That is very true.

Mr. MOORE of Virginia. While it would not always be possible to do what is desired, very often it would be possible, and I ask the gentleman to consider this matter and see whether he can not pursue a course which will be helpful to the House in the direction indicated.

Mr. TILSON. I shall be very glad to confer with the Speaker, as I do from day to day, in regard to such matters and try to give the membership of the House, just as far as it is practicable, advance information as to what is coming up. Certainly there is no intention to keep from Members anything relating to the order of business, but it is often difficult to tell in advance exactly what is going to happen, and if we attempt to inform the House and it turns out that we have made a mistake, there is much more cause for blame from the Members than if we assume that all Members are going to be here all of the time and will therefore know without being notified at all what is coming up next.

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

Mr. TILSON. I will.

Mr. CRAMTON. I understand how difficult it may be for the gentleman from Connecticut ever to prophecy in this matter, but I hope in the consideration of this subject he will not overlook the District of Columbia day, so that we may know what that committee proposes to bring up on that day.

Mr. TILSON. I try to find out in advance as far as I can what propositions are to be brought up by the District of Columbia Committee, but this is not always free from difficulty. I can assure Members of the House that I shall do my best to give them, as far as my information goes, sufficient notice to at least put them on guard so that by referring to the RECORD each morning they can find out with reasonable certainty what is going to take place that day.

Mr. BLANTON. Will the gentleman yield?

Mr. TILSON. I will.

Mr. BLANTON. The Committee on the District of Columbia is not now nearly so dangerous as it used to be, because the gentleman from Connecticut always exercises a very wise censorship over its program.

THE DEPARTMENT OF AGRICULTURE APPROPRIATION BILL

Mr. MAGEE of New York. 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. 15008, the agricultural appropriation bill.

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. 15008, the agricultural appropriation bill, with Mr. TREADWAY in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 15008, the agricultural appropriation bill, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 15008) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1928, and for other purposes.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

BUREAU OF ENTOMOLOGY

Salaries and general expenses.

Mr. MOORE of Virginia. Mr. Chairman, I move to strike out the last word. I have two letters here I desire to insert in the RECORD. They relate to the expediency of investigations by the Department of Agriculture with a view of finding methods more effective than any now employed, or in addition to those now employed, to correct acidity in soil, which is something that has been much considered in various parts of the country. One of the letters is from Admiral Taylor, retired. I need not tell the House of his very distinguished career. I believe that no man of more ability or skill has served in the Navy Department in our time. He has been unexcelled as a Navy constructor, as has been recognized quite universally.

It happens that Admiral Taylor owns a farm in Virginia and has given the subject which I have mentioned a great deal of study and thought, and his letter embodies a specific suggestion as to the propriety of the Government extending its investigation in China for the purpose of finding some plant that can be grown, and more effective than any other now known, which could be used as the soy bean and certain clovers are now used as a corrective. His letter I referred to the Department of Agriculture, and I have a communication from Doctor Taylor discussing the proposal, and the two letters I should like to put in the RECORD.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent to extend his remarks in the manner indicated. Is there objection? [After a pause.] The Chair hears none.

The letters are as follows:

LETTER OF ADMIRAL TAYLOR

WASHINGTON, D. C., *November 30, 1926.*

Hon. R. WALTON MOORE,
House of Representatives,
Washington, D. C.

DEAR MR. MOORE: As one of your country constituents in Louisa County owning land that I can not farm at a profit I am appealing to you to initiate action that, if successful, will be of real and lasting benefit to farmers of Piedmont Virginia. To make my appeal clear some general discussion of the situation is needed.

The soil of Piedmont Virginia is mostly clay that has been under cultivation a long time. Dr. Harvey W. Wiley remarked once in my presence that the Piedmont Virginia soils contained more of the elements of permanent fertility than those of the valley or Tidewater.

However, generally speaking, at present the fertility is like a miser's hoard—hidden and nonproductive. The reason is that Piedmont Virginia soils are mostly sour or acid, which causes inability to keep them at the high level of production needed for profitable farming.

I can illustrate the situation by the history of my own neighborhood in the western part of Louisa County. Here the land is naturally of more than average fertility and it was early cleared and cultivated. Something over 100 years ago the inhabitants found that it was becoming harder and harder to produce profitable crops; farming was playing out. Then some one introduced the practice of sowing red clover—a biennial or winter legume—in the wheat, the main money crop, and ploughing it under during a five-year rotation, which included two crops of red clover.

This system restored and maintained fertility for nearly 70 years and farming was profitable during this period, but between 1870 and 1880 the land grew acid and ceased to produce red clover satisfactorily and farming in this community became steadily less productive and is now a losing proposition.

While corn, for instance, will grow on acid land, it uses up fertility, and apart from heavy use of fertilizers or manure the only practicable method of maintaining fertility and high production is by use of legumes.

A second trouble is that the best grasses for hay and grazing are sparse growing and short lived in the acid soils of Piedmont Virginia.

There are several methods of curing the above conditions. Probably the theoretically best is to cure the acidity of the soil by the liberal application of lime or ground limestone. The State lime-grinding plant at Staunton will supply ground limestone in carload lots at a reasonable price, and when it is applied any legume and in time the best grasses will grow. Unfortunately, not only the first cost but the cost and time required to haul and spread ground limestone for farmers not close to a railroad station in these times of labor scarcity render it about as easy for the average farmer to nullify his soil acidity as to lift himself up by his boot straps.

What is the next best method? It is one quite practicable for the average farmer, namely, the use of legumes that will grow on sour land. I believe there are no legumes that will grow as well upon acid as upon nonacid land, but there are a number of summer legumes that will grow well upon acid land. Many native summer legumes will grow upon acid land. Our native beggar weeds furnish one example. Unfortunately, our native legumes are of little agricultural value. They have not been cultivated and developed by selection for thousands of years, and even our native weeds have not had to contend for thousands of years against man's efforts to exterminate them and are not aggressive. The Indians cultivated Indian corn, and that is about the only one of our crops that is of American origin. Our weed pests also are practically all of Old World origin.

During the last few years, owing mainly to the initiative and skill of the Department of Agriculture, there has become available for the Piedmont Virginia farmers an almost ideal summer legume that will grow upon acid soil. This is the soy bean, cultivated for thousands of years in Asia but taken up in this country a comparatively few years ago.

The soy bean is valuable along four lines—a four-product legume. It is valuable for its beans, it makes excellent hay, it is excellent for plowing under as green manure, and is valuable for grazing; though little used for that purpose. But we need a supplement in the form of a winter or biennial legume that will do well upon acid soil and grasses that will flourish upon acid soil as blue grass, for example, flourishes upon limestone soil. We can hardly even hope for a four-product winter legume corresponding to soy beans, but even a two-product one would be of great value. We are not entirely without winter legumes that will grow after a fashion upon acid soils. Crimson clover, for instance, is more tolerant of soil acidity than red or sweet clover; but in Piedmont Virginia, climatic conditions are such that it is difficult to get a good stand, and it is virtually a one-purpose legume valuable as green manure only.

Hairy vetch is another winter legume somewhat tolerant of soil acidity, but it, too, is difficult to get to grow; the seed is expensive, and while it makes a show in the spring, I have heard it described as "like a pile of feathers." It is sometimes called sand vetch, because it prefers a sandy soil, which is not prevalent in Piedmont Virginia.

When we consider the possibility of a winter legume adapted to our conditions, the first idea is naturally to breed or develop one. The chance of doing that within a reasonable time is slim.

If there is such a plant in the world, it should be found and fostered. Now, we need not ransack the whole world in this connection. There is little chance of our desired plant ready for use without further development being found, except in a locality which meets the specifications below:

1. It should be approximately in the latitude of Piedmont Virginia.
2. Like Piedmont Virginia, it should be near the eastern edge of a large continent.
3. It should have rainfall corresponding to that of Piedmont Virginia in annual total and monthly distribution.
4. It should have acid soil.
5. It should have been under cultivation or producing the legume at least as long as the limestone country around the Mediterranean, whence nearly all our agricultural plants have come, has been under cultivation.

There is just one region in the world that meets the above specifications, and that is in eastern China. The Department of Agriculture has had agricultural explorers in China and Manchuria, but their discoveries, except of soy-bean varieties, have been mostly of things that are adapted only to our far Southern States.

I come now to the point of this too lengthy communication. It is to urge you to use your influence with the Department of Agriculture—supplemented by an appropriation if necessary—to have the proper region of China thoroughly searched for a winter legume and grasses that may meet our needs in Piedmont Virginia.

While I have restricted myself to Piedmont Virginia, it may be remarked that there is a large area of eastern Ohio whose agricultural needs are practically the same, and many other Eastern States where a winter legume and valuable grasses that will flourish on acid land would help the farmer greatly.

Some leguminous weed that has persisted in China in spite of cultivation may be adapted to our conditions. Nonagricultural explorers, I am told, have reported notable grasses on the edges of the Gobi Desert. If they are growing on sour land after thousands of years of grazing, one of them may be able to replace with a grass of agricultural value the broom straw of Piedmont Virginia. The problem has, of course, been already considered in a general way by the Department of Agriculture in its general exploration of China, but what I am hoping you will urge and bring about is a restricted and specific effort to solve the restricted and specific problems outlined above, whose solution would mean so much to Piedmont Virginia.

Very sincerely,

D. N. TAYLOR.

LETTER OF DOCTOR TAYLOR

UNITED STATES DEPARTMENT OF AGRICULTURE,
OFFICE OF CHIEF OF BUREAU OF PLANT INDUSTRY,
Washington, D. C., December 13, 1926.

Hon. R. WALTON MOORE,
House of Representatives.

DEAR MR. MOORE: I duly received yours of the first instant, together with Admiral Taylor's very interesting letter of November 30 to you, emphasizing the importance of finding crops which would succeed on the acid soils of the eastern Central United States. No doubt he has been giving much personal attention to this general problem, as the difficulties of the present situation with respect to crops fully adapted to these soils are quite accurately set out in his letter.

Our specialists who have given the matter attention for a good many years and have brought in a wide range of leguminous crops from other parts of the world for testing are in agreement that, from the climatological standpoint, certain portions of China appear most likely to have crops not yet introduced into this country which would be desirable to secure and introduce. We have not, however, any very definite information regarding the existence there of such crops, so that what is apparently desirable is a thorough agricultural exploration of that region, in the hope that not only summer growing and winter growing perennial legumes may be found, but also grasses and other plants with herbaceous and forage characteristics which would make them useful in livestock farming. Our specialists are agreed that it is not only possible but quite probable that there exist somewhere in the world among the Meibomias, Lespedezas, Crotalarias, Vicias, Craccas, and related legumes, something that will meet in some degree the needs of the region under discussion.

In connection with our foreign plant introduction work, we have obtained many interesting and potentially valuable plants from eastern Asia during recent years. Admiral Taylor's reference to the soy bean is illustrative of this, for this crop is very rapidly becoming an important staple in our Cotton Belt and Corn Belt agriculture.

Unfortunately, present conditions in the regions of China in which a thorough search needs to be made are so unsettled that it is doubtful whether exploration work could be effectively done in the very near

future. When conditions are sufficiently settled for effective work, it would be desirable to do it. We are not, however, in position at the present time to undertake so extensive an activity of this character, which would probably involve an exploration covering a period two and one-half years, including three summers and two winters.

We shall be glad, however, to keep the matter in mind, as its importance to our agriculture is fully realized.

Very truly yours,

WM. A. TAYLOR, *Chief of Bureau.*

The Clerk read as follows:

PREVENTING SPREAD OF MOTHS

To enable the Secretary of Agriculture to meet the emergency caused by the continued spread of the gypsy and brown-tail moths by conducting such experiments as may be necessary to determine the best methods of controlling these insects; by introducing and establishing the parasites and natural enemies of these insects and colonizing them within the infested territory; by establishing and maintaining a quarantine against further spread in such a manner as is provided by the general nursery stock law, approved August 20, 1912, as amended, entitled "An act to regulate the importation of nursery stock and other plants and plant products, to enable the Secretary of Agriculture to establish and maintain quarantine districts for plant diseases and insect pests, to permit and regulate the movements of fruits, plants, and vegetables therefrom, and for other purposes," in cooperation with the authorities of the different States concerned and with the several State experiment stations, including rent outside of the District of Columbia, the employment of labor in the city of Washington and elsewhere, and all other necessary expenses, $670,000.

Mr. BLACK of New York. Mr. Chairman, I move to strike out the last word. I ask unanimous consent to proceed out of order on the subject of our relations with China.

The CHAIRMAN. The gentleman from New York asks unanimous consent to proceed out of order on the subject of our relations with China. Is there objection? [After a pause.] The Chair hears none.

Mr. BLACK of New York. Mr. Chairman and gentlemen of the committee, I am prompted to break in on this bill this morning because of the report in the papers that Great Britain was making overtures to China in relation to increasing customs duties of China, and these conclusions I am presenting to the committee I have reached after some study on the subject.

It is almost axiomatic that there are two essentials to a sovereign state, jurisdiction coextensive with its territory and control over its public revenues and appropriations. We have been in the anomalous condition of dealing with China as a sovereign and at the same time denying her these necessary powers. More than that, we have formally recognized this fault.

Such self-stultification on our part is being aggressively called to our attention by the present-day people of China. China may have political divisions, but her people are unanimous on two matters—the annulment of extra-territoriality and Chinese control of Chinese customs duties. We here are divided in politics, but our people are unanimous on the maintenance of the Monroe Doctrine.

We have been looking upon the East as a land of dreams, but the dreamer is awakening. "The unchanging East" has become the progressive East. The Occident, with its industrial innovations, Chinese students with Phi Beta Kappa keys from American universities, and improved systems of communications have made China conscious of nationality and power. With the dethronement of the Manchus and the birth of the Republic came political, economic, and sociological changes that have caused China, the most venerable of nations, to seek of our young and vigorous Republic the scheme of fair play set forth in the formula of the Declaration of Independence.

Mr. T. W. Hu, of Princeton, in an article in the Chinese Social and Political Science Review, says "China is regarded as an economic and political hunting ground with no game laws." The Chinese know that the flag of freedom often leads the international poachers. The Chinese realize that we come to them with a Bible in one hand and a blackjack in the other.

On one occasion General Chang Kai-shek told a news reporter that he believes the United States is worse than Great Britain because the former does what she does not profess, while the latter does what she professes. Although we proclaim friendship, we often join with the other powers to stifle China. Whatever we thus do, we are doing for the benefit of those nations which desire the chestnuts, but do not wish to pull them out of the celestial fire. Good will can be easily lost and difficult to regain. It is not too late for the United States to keep the good name earned by John Hay and others and at the same time keep the Chinese trade not only for the present but for future development. We must preserve the friendship gained for us after the Boxer rebellion when Li Hung Chang said:

I tremble to think of what might have been China's fate but for the United States.

The United States in taking independent and immediate action to open negotiations with China with a view to revising the commercial treaty on the basis of equality and reciprocity will accomplish for mutual benefit. China is determined on modification. China has already announced the termination of the Sino-Belgian treaty of 1865. According to the conservative Peking program our treaty will be due for revision or termination in 1934. It was signed in 1903 and ratifications were exchanged in January, 1904. Article XVII stipulates—

that either party may demand revision at the end of every 10 years of the tariff and the articles of this convention.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BLACK of New York. I ask unanimous consent, Mr. Chairman, to proceed for an additional five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BLACK of New York. To meet China's demand now is not only the magnanimous but the practical thing to do. By showing a good grace in doing now what we ultimately must do by the terms of the treaty we gain the gratitude of China.

What will be the practical result to American trade when China gains tariff autonomy? To answer this, I can do no better than quoting Mr. Eldridge, Chief of the Far Eastern Division of the Bureau of Foreign and Domestic Commerce:

From a purely economic standpoint Americans should welcome such a development. With it would come, we may confidently expect, greater demand from China for machinery, iron and steel products, automotive equipment, and railway materials, while the decline in piece-goods imports would affect us but slightly.

We may give up a few interests, but only to gain a future and invaluable benevolence.

What does China demand? Doctor Sze, the Chinese minister addressing the second Conference for the cause and cure of war held recently at Washington, outlined the difficulties China would remove. He said:

The most serious of these restrictions have been the denial to China of the right to hold foreigners within her borders amenable to her own laws and courts, and the requirement that China shall not levy more than 5 per cent ad valorem duty upon exports and imports.

I wonder how we would relish extraterritorality in the United States. Suppose our seaport towns were governed by foreign courts. Criminals would be let loose all over the country, and our own courts could not try them. Our merchants in dispute with foreign traders here would have to submit to foreign tribunals and consequent favoritism.

I wonder how our business men would like foreign governments to fix our tariff duties. Yet our business men insist that we fix the Chinese rates. Do you wonder that the celestials wonder at Christianity?

We are told that in the past consular officials in China have sold citizenship to criminals in China who wanted immunity from Chinese courts.

China to change its tariff rates must get the joint consent of 13 powers. The United States, which properly boasts of its freedom-loving 13 original Colonies, is one of these 13 despots.

Our declared policy is all against the maintenance of the unilateral treaties.

The nine-power treaty, which sprung from the Washington Disarmament Conference, in its first article calls upon the contracting powers—

to respect the sovereignty, the independence, and the territorial and administrative integrity of China.

This was an affirmation of the policy of John Hay, recognizing the administrative integrity of China. Charles Evans Hughes has said the action of the conference in this respect was a charter of Chinese independence and self-government.

Has it been and are we willing to make it such? That is the present issue as presented to us by the Chinese political renaissance.

As Doctor Sze said at the conference on American relations with China, held at Johns Hopkins University in 1925:

It would not cause surprise should the Chinese people fail to ascribe great value to mere declarations of intentions or to good wishes unaccompanied by specific undertakings.

Of course, this very capable diplomat realizes that this country somehow or other rarely settles any problem. As it investigates Chinese questions and files voluminous reports on them, so it does with its internal questions, such as Muscle Shoals, coal, farm relief, and countless others. We think China labors slowly following the teachings of Lao-Tze, but we are not the last in the race for procrastination honors. We may deal slowly with domestic problems, but there is an element of competition in international affairs that calls for a decisive application of wise policies.

The so-called Strawn commission has made a 156-page report on extraterritoriality. The commission was appointed to hear and report, but it believes its function was to hear and determine. It examined prisons, codes, and courts in China and came to the conclusion that because China had some old prisons, conflicting laws, and inefficient courts that China should not have the attributes of sovereignty as to jurisdiction over its territory. Imagine the report that could be drawn by observant Asiatics after dropping in on some of our courts and jails. Read the Strawn report, and if you substitute for the word "China" in many places "United States" you get a fairly accurate idea of the administration of justice in advanced America.

The report is just a pettifogging effort to delay the consummation of the promises of the nine-power treaty to China. It is the sort of thing we do here when we do not want to do anything.

Since his return Mr. Strawn has repeatedly made public utterances, the tenor of which has created a wrong impression in China and has worked almost irreparable harm to the American cause in China. President Coolidge has cleared the air somewhat by pointing out the Strawn statements only reflected Strawn's personal opinions and not the policy of our Government.

The Chinese are willing to employ expert jurists of neutral countries to sit in cases where foreign nationals are involved. This system worked out well in Siam. Turkey, a smaller power than China and an enemy in the war, has abrogated the capitulations without any serious dissent from the powers. China, an ally in the war, will soon do the same. We have allowed Siam to control its own courts and residents. Why in the case of China can we not follow Socrates and let those who pick a state for residence follow its laws?

It has often been asked, shall we deal with north or south China control in negotiating revision. First, China is united on the question of revision. When the Peking Government terminated the Sino-Belgian treaty Canton indorsed the action. There are many prominent personages in China and abroad who are not politically affiliated with either faction, but who are doing what they can to further the national aspirations of China. Of these the most prominent is the Chinese minister here. He has said:

> Chinese diplomatic representatives represent the Chinese people and not a faction that may happen to control the capital city.

He further has said that it was not to be assumed that he opposed the Cantonese movement, because he represents China through Peking. Of these men China could pick a man agreeable to all factions. At any rate, such agency is the business of China. It is our business to let China know that we are willing to cure the injustice, no matter whom she sends to negotiate.

Some fear the soviet influence over Canton. What has given the soviet an influence? Trotsky says: "What is the use of sending to the east and west secret agents with Moscow gold and dynamite when such agents can not accomplish one-thousandth part of the revolutionary educational work done by foreign capitalists and the foreign press in China?" Moreover, Soviet Russia renounced her treaty rights and privileges. Should capitalistic states, built on common-sense political philosophy, do less? Communism has only affected a few political leaders and has barely touched the mass of Chinese people. The Chinese are traditionally religious and will never assimilate the blasphemies of Bolshevism. The Public Ledger reports that in the new platform adopted by the Kouimintang Congress are much more moderate notions than in former ones which gave evidence of soviet influence.

The present antiforeign agitation springs from the Shanghai shootings, which parallel the Boston massacre. It has organized the spirit of China much the same as American patriotism was organized by the Boston affray.

British trade has suffered through British oppression of the Chinese. In 1914 China took 16.5 per cent of its imports from Great Britain and only 6 per cent from us; but in 1924 the British sold China only 12.1 per cent whereas we sold 18.3 per cent. Great Britain is sensitive to this and would draw us farther within the sphere of Chinese ill will.

Let us not join in any British movement to partition China and let us gain the good will of 400,000,000 of the world's great family by ending at once these un-American unilateral treaties.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. BANKHEAD. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman from Alabama moves to strike out the last two words.

Mr. BANKHEAD. Mr. Chairman and gentlemen of the committee, I wish to trespass on your kindness just for a moment, merely to submit a unanimous-consent request.

It will be recalled that the Interior Department appropriation bill for the present fiscal year carries a small appropriation for some $15,000, to be expended by the Reclamation Service in making preliminary investigations of the feasibility and possible reclamation of a vast area of swamp and overflowed lands in different sections of the country. Under that authorization a special commission recently made a visit to six of the Southern States, including the Carolinas, Georgia, Tennessee, Mississippi, and Alabama, and have submitted a very short summary, covering only two pages, of their preliminary inspection. For the benefit of the Members, particularly those from my section of the country, and to answer a number of inquiries relative to the status of this appropriation, Mr. Chairman, I ask unanimous consent that this short release may be incorporated in the RECORD.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent to revise and extend his remarks as indicated. Is there objection?

There was on objection.

The matter referred to by Mr. BANKHEAD is as follows:

DEPARTMENT OF THE INTERIOR.

The three special advisers on reclamation and rural development, appointed recently by Secretary Work, to investigate opportunities for planned rural development in the Southern States, have completed their inspection trip and are now engaged in the preparation of their report, it was announced at the Interior Department to-day.

The special advisers comprise Howard Elliott, chairman of the board of directors of the Northern Pacific Railway, acting chairman; George Soule, economist and director of the National Bureau for Economic Research; and Daniel C. Roper, former Commissioner of Internal Revenue and long connected with agriculture in South Carolina.

Mr. Elliott had with him as assistants on the trip J. M. Hughes, land commissioner of the Northern Pacific Railway, and Dr. C. N. Duncan, economist of the Association of Railway Executives.

The Department of the Interior was represented by Elwood Mead, Commissioner of the Bureau of Reclamation; Copley Amory, expert reclamation economist; Hugh MacRae, of Wilmington, N. C., special adviser; and H. A. Brown, chief of the division of settlement and economic operation of the bureau.

The party left Washington on December 2 and visited in order properties selected for study by the officials of the respective States near Pembroke, N. C.; Charleston, S. C.; Albany, Ga.; Selma, Ala.; Hattiesburg, Miss.; and Mayland, Tenn. At various points the party was joined by the agricultural and development agents of a number of the southern railroads. These included Clement S. Ucker, general development agent of the Seaboard Air Line; J. F. Jackson, general agricultural agent of the Central of Georgia Railway; E. S. Center, jr., general agricultural agent of the Western Railway of Alabama; Roland Turner, general agricultural agent of the Southern Railway; G. A. Cardwell, agricultural and industrial agent of the Atlantic Coast Line; and E. Malcolm Jones, agricultural and industrial agent of the Gulf, Mobile & Northern Railway Co. In Tennessee the party was accompanied by Homer Hancock, commissioner of agriculture, and R. Maddox, the State forester.

The special advisers on reclamation and rural development visited the South under an appropriation of $15,000, provided by Congress for an investigation to determine how unused lands might best be developed. As pointed out by Secretary Work in a letter to Chairman Elliott:

"In all of these States there are large areas of fertile but neglected, uncultivated land. There are swamps to be drained, areas given over to weeds, and brush to be cleared, settled, and made productive. We have learned, however, that works for reclamation will not alone result in settlement and the creation of prosperous agricultural communities. The character of the homes which can be established, the rewards for toil and thrift which settlers secure depend on adequate credit facilities, the kind of crops grown, the skill of cultivators, and on the cooperative and other organizations created for marketing crops and securing the proper social and educational advantages.

"I am hopeful that a brief but intensive study of the typical areas selected by each State will show that great national benefits will result from the creation of rural communities having a definite agricultural program and organized to cooperate in social and business affairs. The decline in agriculture, shown in the statistics of these States, is not local. The exodus from the land is nation-wide. To correct it farming communities must be organized as the industries of cities are organized. These unoccupied lands of the South would seem to be a fine opportunity for making a demonstration of what can be done by careful planning to enable families of industry and thrift to become home owners and lead thereon a pleasant and profitable life.

"It is my desire that the advisers, after visiting these areas and considering the information which has been collected, should make a report advising me as to whether this investigation should be continued, and if so, what it should include. I shall then transmit this report to the President. If conditions are regarded as justifying continuing this investigation, this report might outline what the advisers consider to be the respective spheres of Federal, State, and private activity.

"The special advisers have been selected from outside of the Government service, in order that their conclusions shall represent a detached, impartial, and wholly national viewpoint as to what shall be done and the methods which should be employed."

Mr. LOWREY. Mr. Chairman, I move to strike out the last three words.

The CHAIRMAN. The gentleman from Mississippi moves to strike out the last three words. The gentleman is recognized for five minutes.

Mr. LOWREY. Mr. Chairman, we are considering the bill for appropriations to the Department of Agriculture. We all admit that we are dealing with our basic industry. We all agree, I believe, that our rural population who live on the farms are just about the sturdiest stock that we have. They live the simple, steady, quiet, virtuous home life. And from that sturdy population come a large proportion of our leaders, who in city and in country are directing our activities—moral and religious, industrial and commercial, social, political, and intellectual. The farm population not only feed us but lead us. Hence the biggest question now before the American people is the rehabilitation of agriculture. Both the business world and the political world seem now to realize this.

But I hope to say more on this subject when we come to the farm-relief measures which are to be considered by this Congress. At present I wish to refer to some of the remedies that have been proposed recently in this House.

One gentleman has with seeming seriousness—or perhaps with unseeming seriousness—suggested that the farmer's troubles began when prohibition began. And another offers an amendment to help the farmer by allowing farm organizations to process and sell beer. Strange how easily some men's minds turn toward liquor. But it is a psychological fact that what comes into a human mind on almost any occasion depends on what is already in that mind. A Baptist minister discussing the text: "In the beginning God created the heavens and the earth" began with the suggestion that God made the earth's surface three-fourths water and hence must from the beginning have planned immersion for Christian baptism. As a Baptist I suppose I can be allowed to tell that story. But the suggestion therein contained is no more foreign than the suggestion that agricultural depression comes from prohibition. This is just about as reasonable as the suggestion of the poor old country woman that if you will stick the shovel in the fire the screech owl will stop "hollerin'."

But it is hardly fair that we should expect argument or reason in a cause of this kind. The cheap old lawyer said to the young attorney, "When you have no case, abuse your opponent; it is all you can do." We had a fine illustration of such tactics recently when considering the bill which contained appropriations for prohibition enforcement. Note some of the expressions and epithets to which we listened on that occasion: "Impudent, insatiable gang of grafters, pharisees, and humbugs"; "insulting to intelligence, dangerous to decency, law, and order, and perilous to the integrity and safety to this Republic"; "a decree of disorder and disgrace, railroaded through the Congress by fraud and deception on the part of some men who betrayed their constituents while under the threats and terrorism of a militant minority of moral monstrosities"; "a law enacted under the whips and lashes of the forces of organized hypocrisy and bigotry"; "organized leagues of looters who have destroyed freedom and made a mockery of religion."

But why should prohibitionists worry over assaults like these? We are rather in the position of the man who was abused by his nervous and sickly little wife: "I am big and stout and it does not hurt me; she is little and weak and it seems to please her. Then, why should I object?"

The CHAIRMAN (Mr. BACON). The time of the gentleman from Mississippi has expired.

Mr. LOWREY. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. LOWREY. But by the way, what has become of that bunch from the mighty East, who made such a howling (?) success of their protests against prohibition enforcement on December 9, when we were considering the Treasury bill? From the noise made that afternoon one would have thought they were the whole Congress, or were running it all. But alack and alas, they made noise and demonstration enough to impress the uninformed that they had America by the ears with a downhill pull. They took each his turn at the bellows and one would have thought that they had pumped enough hot antiprohibition gas to send their lighter-than-air craft floating majestically through the heavens. But the gas was so rare and so hot that the bag could not hold it. So the poor, pitiful bag punctured and flopped flabbily to the ground. Then the brusque and bristling army of antis "folded their tents like the Arabs and as silently stole away."

Since that fateful day the bold and loud defenders of king alcohol have been absent from the field. We have seldom seen them. On the afternoons of the 9th and 10th their speeches, made in the House, were so punctuated with the words applause and laughter that one would have thought that the whole population of Washington had gathered to hear and applaud the brilliant assaults and bitter harangues on prohibition. But follow through the voting and judge how many people were really joining in that applause.

The gentleman from Massachusetts [Mr. GALLIVAN] offered four amendments intended evidently to weaken or discredit the plan for prohibition enforcement. As the record shows these amendments went down under votes of 9 or 10 to 1. Then others came with amendments—five in number, I believe—all of which were defeated by overwhelming majorities. From this episode, if we judge by the newspapers, the public have learned a thing which a Mississippian from my district learned some years ago.

He lived in the upper Delta, just south of Memphis, when that splendid country, which is now so beautifully drained and developed, was largely cane brakes, sloughs, and frog ponds. This typical swamper of the old type went into Memphis and was shocked to find that the hotels were serving frog legs to their guests and charging a good price on the menu. Now, he, a cultured Mississippian, was too much a gentleman to eat bullfrogs. Yet if those semibarbarous Tennesseeans were stooping so low, he was willing to coin a little money out of their degradation. He was sure there were a million frogs in the bayou in front of his house. So he forthwith contracted with the hotel proprietor to deliver 100 frogs a week.

But when the day came for the first delivery this doughty Mississippian showed up with two small frogs and with an excuse that ran about as follows:

I always knowed that bullfrogs was might' nigh all mouth, and could do a blame sight of hollerin', but I'll be durned if I ever knowed before jest what big croakin' a few little frogs could do.

[Laughter.]

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn. The Clerk will read.

The Clerk read as follows:

PREVENTION OF SPREAD OF EUROPEAN CORN BORER

To enable the Secretary of Agriculture to meet the emergency caused by the spread of the European corn borer, and to provide means for the investigation, control, and prevention of spread of this insect throughout the United States, in cooperation with the States concerned, including, when necessary, cooperation with the Federal Horticultural Board in establishing, maintaining, and enforcing quarantines promulgated under the plant quarantine act of August 20, 1912, as amended, including the employment of persons and means in the city of Washington and elsewhere, and all other necessary expenses, $685,120, of which amount $50,000 shall be immediately available: *Provided*, That in the discretion of the Secretary of Agriculture $300,000 of this amount shall be available for expenditure only when an equal amount shall have been appropriated, subscribed, or contributed by States, counties, or local authorities, or by individuals or organizations, for the accomplishment of such purposes.

Mr. CHALMERS. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Ohio moves to strike out the last word.

Mr. CHALMERS. I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CHALMERS. Mr. Chairman, I have no suggestion to make, but I want to say frankly to the Members of the House that I am disappointed in the provisions of this bill to meet this grave danger to one of the greatest sources of wealth in this country.

I am disappointed in the amount of space and attention and time given to this in the hearing before the committee. I am disappointed that the bureau has not a plan to suggest to the committee and to the House to meet this danger.

I called the attention of the House to the seriousness of this problem nearly five years ago—five years from the 10th of next March. When the agricultural appropriation committee had their bill at that time and suggested an appropriation of $200,000 to handle this problem, it was on my motion that the appropriation was raised to $275,000. I find this in the RECORD of March 10, 1922, when I discussed that subject and the principle I brought out at that time, and the statement I made on that day are true to-day, nearly 5 years later. I said:

> I move to strike out the last word. I do this for the purpose of emphasizing the importance of the European corn-borer danger to one of the great crops of this country. I have been assured by the chairman of the Subcommittee on Appropriations that the appropriation had been increased to protect the corn belt of Ohio, and I know from the report of two experts that the Department of Agriculture sent to the south shore of Lake Erie that there is danger of the spread of this pest.

There was danger then, and there is danger now. The trouble has come on, and this pest has gone through my district and to the west of it. Inasmuch as northern Ohio and the south shore of Lake Erie is a very important area in the Corn Belt and the lands there are very important, I hope in the very beginning of the danger of this pest that enough money will be appropriated, at least as much as last year, to stamp out this pest at this time. I hope some way may be found, so that this appropriation may be increased to take care of this evil.

In my own district, in Ottawa and Lucas Counties, are some of the most valuable corn land in the Corn Belt. I have the honor to represent some of the most scientific and intelligent farmers in the country.

As far as my vote and influence are concerned, I shall not take a chance of ruining their crops. If this borer is permanently lodged in this country, it may depreciate the value of our farm lands running into millions of dollars.

In behalf of the farmers of this country I appeal to the Members of Congress to do everything in our power to stop the spread of this pest.

As I said in my opening remarks, I have no plan to offer. It might be wise to create a "no man's land" for corn, a no-corn belt, and quarantine this belt, and stop this pest in its course to the West, where between three and four billion bushels of corn are grown.

The appropriation was not made, and we are threatened to-day with a very grave danger to the Corn Belt in this country.

Mr. REED of New York. Will the gentleman yield?

Mr. CHALMERS. Yes; I yield to the gentleman from New York.

Mr. REED of New York. I wonder whether the gentleman can tell us just how far west they find this pest now.

Mr. CHALMERS. I will say to the gentleman from New York——

Mr. REED of New York. It is a very serious problem at home and has been for a long time.

Mr. CHALMERS. I would refer the gentleman to the chairman of the subcommittee or some member of the subcommittee for an answer to that question.

Mr. DICKINSON of Iowa. What was the gentleman's question?

Mr. REED of New York. How far west do they find this pest now?

Mr. DICKINSON of Iowa. It has gotten into the central portion of Michigan; it is in northeastern Indiana and northwestern Ohio. It is affecting an area that includes northern and northwestern Ohio, northeastern Indiana, southeastern Michigan, and it is more than half way across the State of Michigan at the present time.

Mr. REED of New York. I do not want to take the time of the gentleman from Ohio, but, of course, we are very much interested in my district because that is where it is alleged to have started. It was brought in with the broomcorn that was imported into this country out of which to make brooms.

Mr. DICKINSON of Iowa. That was the origin of it, as I understand.

Mr. CHALMERS. I will say to the gentleman from New York that I found the quarantine line last summer almost midway in Indiana, near South Bend, Ind.

I do not agree with the committee to-day that ample provision has been made in this bill to meet this very dangerous situation. I saw a statement a short time ago that there ought to be a few million dollars appropriated to combat this pest now and stamp it out now when we, perhaps, have the opportunity and before the pest reaches into the heart of the Corn Belt of the country. Yet in this bill we are offered a little over half a million dollars. I do not know what is necessary, but I had hoped and am now hoping that this bureau in the Department of Agriculture will give it the most serious consideration and recommend to the House a plan to meet this danger.

In 1922 I referred to the experiment stations in northern Ohio, but I will not take the time, Mr. Chairman, to read the rest of my remarks at that time. To-day I simply call the attention of the House to this most serious situation, and I hope, Mr. Chairman, that our experts will give it careful and scientific consideration and at an early date will come before the House with a plan to meet this situation.

I yield back the balance of my time.

Mr. DICKINSON of Iowa. Mr. Chairman, I rise in opposition to the pro forma amendment. Nobody could be more interested in the corn borer than I am, representing the biggest corn-growing district there is in the United States. Nobody is more interested in the eradication of the corn borer than I am because we all realize that when it gets into Iowa, if it does get into Iowa, it is going to be a very serious situation.

The committee has lent its encouragement in trying to get the formulation of a program. Up to this time the whole investigation of the corn borer has been to try to find a method by which they could in some way confine the corn borer to a certain area, to find insects that would eat the corn borers, to take cornstalks off the ground and have them burned in order to avoid a place where they could live through the winter and then produce the moths which spread the borer, but so far the department has not reached any definite program. However, there has been organized in 11 States of the Union a group of men who are working on this program. It is expected that that program, in cooperation with the department, will be presented to the Committee on Agriculture during this session of Congress and within a very short time. They had their last meeting, as I recall, in Chicago less than 10 days ago. They believe the only way they will be able to stop the corn borer is to fix a quarantine area and that would have to be a certain strip of land across certain sections of States where they will not be able to produce any corn for a certain given time. If they do that they will need money with which to provide compensation to the farmers for either changing their crops or letting their lands lie idle.

Mr. CHALMERS. Will the gentleman yield?

Mr. DICKINSON of Iowa. I yield.

Mr. CHALMERS. I will say to the gentleman that I understand this corn borer lives on other vegetation besides corn, and it will be necessary not only to create a "no-corn belt" but provide for killing off all green vegetation of the whole belt in order to keep the corn borer from moving on.

Mr. DICKINSON of Iowa. The corn borer does thrive on other vegetation besides corn, and all of the vegetation which it is found they do thrive on would have to be included in the quarantine.

Mr. KETCHAM. Will the gentleman yield at that point?

Mr. DICKINSON of Iowa. I yield to the gentleman.

Mr. KETCHAM. My understanding is that other plants serve as a sort of host for this insect during the time it is not developing or growing, but that the corn plant or the maturing corn is absolutely essential to its growth after a new brood has been hatched out.

Mr. DICKINSON of Iowa. I think that is absolutely essential to its expansion.

I think the history of the corn borer is about as follows: It first appears in the corn, and it eats the ear and eats the stalk and will absolutely deplete it. Then the borer lives in the dead stalk of corn for some six or seven months, and the stalk carries him through as an abiding place until the next year. Then out of that stalk the borer hatches into a moth. The moth must have corn on which it can light in order to lay its eggs and hatch out.

Mr. KETCHAM. If that be true, then it would not be necessary to establish a quarantine as to all crops.

Mr. DICKINSON of Iowa. The only difficulty would be that there might be a corn borer that would get into a hard-

shell weed along a fence row where it might possibly thrive during the winter; but that is a matter that would have to be left to the scientists. We can not settle that phase of the problem here.

Mr. KETCHAM. While I am on my feet, may I ask the gentleman another question? Is it not true that the subcommittee is entirely friendly to the appropriation of every dollar that is needed to be used by the scientists and also in connection with all the programs of quarantine and things like that which can be devised for the eradication of this pest?

Mr. DICKINSON of Iowa. Absolutely. We want to allow them all the money necessary, but we must have a policy determined upon in order to find out how to proceed. That is a question that must be fixed by legislation, and will probably be before the gentleman's committee.

Mr. KETCHAM. Just one additional question. Then, we are doing all we can in voting this appropriation at the figure which has been placed in the bill by the subcommittee?

Mr. DICKINSON of Iowa. Absolutely. We have increased the amount $200,000, in accordance with the Budget, and we would increase it any other amount they would say they could use and use properly for the purpose of eradicating the corn borer.

Mr. HUDSON. Will the gentleman yield?

Mr. DICKINSON of Iowa. I yield.

Mr. HUDSON. What is the purpose of the increase? What will that additional amount be used for—additional patrols?

Mr. DICKINSON of Iowa. It will be used for two purposes, to put on a quarantine on a wider area in the corn region——

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. TILSON. Mr. Chairman, I ask unanimous consent that the gentleman be allowed to proceed for five additional minutes. The gentleman is giving the House real information.

The CHAIRMAN. Without objection, the gentleman from Iowa is recognized for five additional minutes.

There was no objection.

Mr. DICKINSON of Iowa. We are giving them $200,000 more here, which is for a further expansion of their quarantine and for inspection and research; but what we will really have to do in order to control this corn borer is to go out and establish a quarantine.

The Government can not go into Michigan and establish a quarantine within the State of Michigan. It can quarantine the State of Michigan, but it can not go into the State of Michigan and establish one within its borders. Therefore there has got to be cooperation between the States and the Government in working out a program that will establish a corn quarantine area out there. I do not know how wide it ought to be, probably 25 or 30 miles wide.

Mr. HUDSON. If the gentleman will yield, I think it is quite true, as the gentleman says, that the Federal Government can not go into the State of Michigan and establish a quarantine, but the State authorities have asked the Federal authorities to establish their quarantine, in coordination with them, early enough to make the quarantine effective. I think one of the great troubles, and a thing that has made for the spread of this pest, is that the Federal quarantine is not established early enough. The green corn was on the market and was being distributed before the quarantine was established last year in the State of Michigan by the Federal authorities.

Mr. BLANTON. Will the gentleman yield?

Mr. DICKINSON of Iowa. I yield.

Mr. BLANTON. The gentleman's subcommittee has given in this item of the bill every dollar that the Budget recommended, as I understand it.

Mr. DICKINSON of Iowa. Yes; and all that the department says it can use and use properly.

Mr. BLANTON. The department put their estimates before the Budget, and the Budget allowed their estimates, and you have allowed them.

Mr. DICKINSON of Iowa. Absolutely.

Mr. HUDSON. Is it not true that the department probably would not dare say they could use more unless the Budget had said they could have it?

Mr. DICKINSON of Iowa. I do not think the department would back away from asking whatever they needed through fear that they would be cut down.

Mr. HUDSON. Will the gentleman yield further?

Mr. DICKINSON of Iowa. I yield.

Mr. HUDSON. I hope that the Committee on Agriculture will impress upon the Department of Agriculture the necessity and the wisdom of establishing this quarantine earlier in the season if it is to be effective.

Mr. DICKINSON of Iowa. Let me proceed just a little bit further, and then I am through. The States that are interested in the quarantine of the corn borer already have appointed men that have been meeting with representatives of the Department of Agriculture as a commission, and they are working on a program whereby they expect to establish a quarantine. It may be necessary to pay the owner of the land a rental for the land, and it may be necessary to go to the extent of including other crops besides corn, if they find that the borer does carry through the winter in weeds or in any other crop.

The gentleman from Texas [Mr. BUCHANAN] states he believes we will have to adopt practically the same system that was adopted in Texas in the control of one of their cotton pests. The department is thoroughly familiar with that method, and it is my recollection that they included a quarantined area of some 30 miles in width and they found that the pest never got beyond that area. In this way they confined it to that area. If we could do this with the corn borer, we could save the great corn-producing States.

Let me suggest one further thing. As you go West and get into the western corn area you will find that less and less of the corn is cut off and used for fodder or shredded. It is therefore left on the stalks during the winter and the cattle simply run in the stalks. If you should ever allow the corn borer to get out into that section of the country where the corn is not cut off and put into shocks for fodder you would find this pest would increase probably fifty times faster than it does at the present time. Why? One of the ways of confining the corn borer is to take the stalks all off the ground or plow them under deep or burn them off. Where they cut all the corn off the ground and use the cornstalks for fodder, it is much easier to confine the corn borer, and it is much harder for the corn borer to spread than it is in an area where they do not cut off the cornstalks.

Mr. HUDSON. It has also been found in the roots of the stalks.

Mr. DICKINSON of Iowa. Yes; it will spread in the roots of the stalks.

For these reasons I wanted to suggest to you the necessity of this matter being taken up, and taken up promptly, and the program worked out by the officials of the Government and the Representatives from the States. [Applause.]

Mr. ADKINS. Mr. Chairman, I move to strike out the last two words. Mr. Chairman, about six years ago this corn-borer proposition was brought to the attention of various departments of agriculture in the Corn Belt. I think it was 1918 or 1919. The directors of agriculture in the Middle West thought it was pressing enough to demand their attention, and so they called a meeting of quite a large number of directors of agriculture in the Middle West at Schenectady, N. Y., and Boston, Mass., to investigate it and see whether the matter was serious enough to take action and quarantine in various States in the Corn Belt against those infected areas.

Quite a number of us, probably 15 or 20 directors of agriculture from Minnesota, North Dakota, Illinois, and the Middle West, gathered there and visited the field in the area affected by the corn borer. We found that the sweet corn was badly damaged. The sweet corn where gathered was 25 to 50 per cent damaged. The directors went to a farm near Boston where the crop had been seriously damaged and the matter was talked over. We observed the methods which they employed to restrict the area and check the ravages of the corn borer. The Government had large tanks there with gasoline engines and a mile or two of hose, long gas pipes, and the oil was pumped into the gas pipes, which were perforated, forced oil through, and set on fire and spread over this area that was affected by the corn borer, and killed all vegetation.

We decided that if the corn borer ever got into the Corn Belt in the West it would almost break up the Nation to exterminate it. We saw the way it was spread was that the wind carried the moths, and it is a fact that it carries them over wide areas in the summer season. We went back home and made a report on the corn borer to our respective governors. My own is on file, I think, for I made it to Governor Lowden at that time. We recommended a strict quarantine and urged Congress to take the necessary steps to stop it where it was.

Well, the number of wails that went up was large. It got so embarrassing that the governor called me in to know something about it. There is a large amount of sweet corn grown in my State, and we put a quarantine against the importation of sweet corn on the cob. All sweet corn imported had to go through a certain place for inspection, and if we found a

considerable number of cobs in the corn which were subject to examination the importation was prohibited, on the theory that the borer might be brought in in the cobs. It got very embarrassing because of the insistence that we should do away with the regulations.

I brought home a stalk that I cut off where the borer had gone in, put it in alcohol, and exhibited it in the departments. We gave it all the publicity we could. While the thing was in its infancy, while the area was restricted, we tried to prevent its spread, because we knew what it meant if it got into the Corn Belt.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. ADKINS. I ask for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. ADKINS. In Washington about that time the department was trying to develop a parasite in order to neutralize the effect of the spread of the corn borer. I do not know how well they have succeeded. Wherever a "miller" hits a cornstalk, whether it is the top or the bottom or the ear, he lays his eggs, and when they hatch out they bore in, and that is why they call it the borer, I presume.

In one area that was affected the men in charge had not only destroyed all the cornstalks but they had destroyed all the vegetation, potato stalks, weeds, and all, everything that could act as a hostage to the corn borer. They took every "smidge" of corn and vegetation and destroyed it. This was where the high Dent corn was growing. That area was all cleaned up clean. I talked with the scientist who had it in charge. I said, "I have been curious to know what the percentage of loss will be, if any, in this area—which was about as large as this room—where you have taken every precaution to burn and destroy everything." He said there will be some damage, because, even with all this precaution, there will be a few "millers" blow through and will lay some eggs. I asked him to make a special report, which is now on file with our records in Illinois, on this particular piece of corn. He found, I think, it was something like 15 or 20 per cent had been damaged. Great care had been taken to destroy everything around it because of these "millers" carried by the wind. We have this proposition on our hands. I do not want to bore you further by going into further details. We gave it a very large amount of time and we had to do a lot of arguing with the interests that were opposed to the restricting quarantine that we put on to keep it from getting into the State of Illinois. We went into it very thoroughly, and I say to you that you will have a problem on your hands when this has spread over, as our predictions intimated at that time, into the great Corn Belt of the Middle West, when you undertake to exterminate it. If successful, it must be done in a large way, as the "foot-and-mouth" disease was handled.

Mr. TILSON. Mr. Chairman, will the gentleman yield?

Mr. ADKINS. Yes.

Mr. TILSON. Is the gentleman satisfied that the scientific side of this has been pushed or is being pushed to the limit of ascertaining the life history of this pest, so that we may with more knowledge exterminate it?

Mr. ADKINS. That was one feature that I took particular interest in as did also the other director at that time. They had the laboratory on the ground. I think that the scientists in the department are going the full limit so far as their resources will permit to try to find not only a better means of control but to see if it is possible to develop a parasite that will check its ravages. [Applause.]

Mr. BUCHANAN. Mr. Chairman, this insect is probably 1,500 or 2,000 miles from my State, or at least from the section of my State in which I live. It is a long way from the South. Yet I can not but realize that the material prosperity of one section of our country adds to the glory and welfare of the whole. I therefore rejoice with the citizens of every section in their contentment and prosperity and sorrow with them in their adversity. The gentleman from Ohio stated that he was not satisfied with the action of the department and the action of the committee, and was dissatisfied with the amount of space the committee had given to this insect in the hearings. He forgets that we have heard and had hearings upon this corn borer for five years and are perfectly familiar with it, and that we review from year to year its activities and its spread and its habits, and what the department is trying to do to exterminate it. In making that statement he casts a reflection on three men on the Republican side who have the agricultural interests of the country at heart, and who are doing everything in their power to stamp out this pest. It is a reflection that they did not deserve.

The department made a mistake. When this pest was first discovered in this country it ought to have been taken up and the great damage it does made known to the various States where it occurred. These States ought to have been requested through their legislatures to pass a State law creating corn-free zones and weed-free zones wherever it appeared and not allowed any corn or weeds to grow in those zones. Then they ought to have gone there and sprinkled it with oil and burned the vegetation. Why do I say that? A few years ago the pink bollworm, not the boll weevil with which you are familiar but a more destructive pest to cotton than the boll weevil, appeared in four or five places in Texas and one in Louisiana.

I immediately took it up by telegraph with the governor of our State, and at a called session of the legislature they passed a law providing for free cotton zones, and then sprinkled the ground with oil and burned up the vegetation and stamped out the pink bollworm. That should have been done with the corn borer when its infestation was small, but they did not do it, and it has spread. It is now going to take an enormous amount of money to establish these corn and weed free zones and keep them clear of vegetation. But the great value, the great service of the corn crop to this Nation deserves the expenditure of that money.

Let me make a prediction—and it is based on history. Back in 1889 the cotton boll weevil had appeared in Texas. While we were fooling along with it just exactly like this Congress and this department is fooling along with this corn borer the Galveston storm occurred and spread that boll weevil for 500 miles. Look out for a storm from Michigan or Chicago in the right direction to take it to the corn belt when the moths are flying. That will spread your corn borer for a thousand miles, and then you will have a problem indeed. I make that suggestion. Prepare your program, bring it here, and you will find the South standing back of you in support of it. [Applause.]

The Clerk read as follows:

UPPER MISSISSIPPI RIVER REFUGE

For the acquisition of areas of land or land and water pursuant to the act entitled "An act to establish the upper Mississippi River wild life and fish refuge," approved June 7, 1924, and amendment thereto approved March 4, 1925, and for all necessary expenses incident thereto, including the employment of persons and means in the city of Washington and elsewhere, $5,000, being part of the sum of $1,500,000 authorized to be appropriated for such purpose by section 10 of said act; and for all necessary expenses of the Secretary of Agriculture authorized by section 9 of said act, $25,000; in all, $30,000, which shall be available until expended: *Provided*, That the Secretary of Agriculture may incur obligations and enter into contracts for the acquisition of additional areas to an amount which, inclusive of the amounts heretofore and herein appropriated, shall not exceed a total of $1,500,000, and such contracts shall be deemed contractual obligations of the Federal Government.

Mr. DOWELL. Mr. Chairman, I move to strike out the last word for the purpose of making an inquiry of the chairman of the committee as to just what progress has been made by the department in the purchase of lands along the Mississippi under the act which was passed by Congress a few years ago.

Mr. MAGEE of New York. The department is entering into contracts to purchase, but the committee does not understand that extensive purchases have yet been made. Of course, they can continue and make contracts according to their best judgment.

Mr. DOWELL. What I am getting at is this. According to my recollection, we have been appropriating about a million and a half dollars each year for this purpose.

Mr. MAGEE of New York. No. We have appropriated $425,000 and authorized that contracts be entered into to the maximum of $1,500,000. The following from the hearings may give you the information you desire:

Mr. MAGEE. Now, take the upper Mississippi River refuge. The appropriation for 1927 was $25,000, and the amount asked for 1928 is $30,000, an apparent increase of $5,000.

Mr. HENDERSON. That increase was occasioned, really, in this way: Last year, since the work did not begin at the first of the fiscal year, less was required for administration expenses than for a full year. Consequently, there was a carry-over, and the appropriation for the current year was reduced to $20,000. It should be raised again to $25,000, inasmuch as this year will be a full year, with no carry-over for 1928. The other $5,000, for the acquisition of land, I take it is merely to carry the language in the appropriation act. We have already a sufficient amount available for the purchase of land to meet the prospective needs for the year.

Mr. DOWELL. As I understand it, this appropriation is merely an administrative proposition, and the department is

not carrying out the authorization or purchasing the land along the river.

Mr. MAGEE of New York. They are authorized to purchase land to the extent of $1,500,000.

Mr. DOWELL. But there has been nothing of that kind done, as I understand the chairman, and the appropriations that are being made are being made for administration purposes.

Mr. MAGEE of New York. Total appropriations for this purpose amount to $425,000, and there is a material balance unexpended. We have recommended just what the department requested.

Mr. DOWELL. That is what I wanted to know. What are they recommending in the way of purchase?

Mr. MAGEE of New York. I will read further:

Mr. MAGEE. How much land have you purchased?

Mr. HENDERSON. The land to which actual title has passed is not very extensive, but we have contracts for some 28,000 to 30,000 acres.

Mr. MAGEE. Will this appropriation be sufficient for 1928?

Mr. HENDERSON. I think it will; yes, sir.

Mr. DOWELL. Does the gentleman know what prices are being paid for this land, and what is contained in this contract?

Mr. MAGEE of New York. The figures can be obtained from the department, although I know the price paid is small per acre. They appear to be moving as fast as they reasonably can.

Mr. DOWELL. The gentleman has answered my inquiry and I withdraw the motion.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn and the Clerk will read.

The Clerk read as follows:

For investigating and reporting upon the utilization of water in farm irrigation, including the best methods to apply in practice; the different kinds of power and appliances; the flow of water in ditches, pipes, and other conduits; the duty, apportionment, and measurement of irrigation water, the customs, regulations, and laws affecting irrigation; for investigating and reporting upon farm drainage and upon the drainage of swamp and other wet lands which may be made available for agricultural purposes; for preparing plans for the removal of surplus water by drainage; for the development of equipment for farm irrigation and drainage and for giving expert advice and assistance; for field experiments and investigations and the purchase and installation of equipment for experimental purposes; for the preparation and illustration of reports and bulletins; for investigating farm domestic water supply and drainage disposal, the construction of farm buildings and other rural engineering problems involving mechanical principles, including the erection of such structures outside of the District of Columbia as may be necessary for experimental purposes only; for rent outside the District of Columbia; the employment of assistants and labor in the city of Washington and elsewhere; and for supplies and all other necessary expenses, $244,290.

Mr. BLANTON. Mr. Chairman, on page 52, line 3, I move to strike out the words "customs, regulations, and laws."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

On page 52, line 3, strike out the words "customs, regulations, and laws."

Mr. BLANTON. Mr. Chairman, I want to use a few minutes to call the attention of my colleagues to a situation here that is intolerable. On March 3, 1925, we passed what is known as the traffic act, and therein required every motorist within the District of Columbia to take out a permit to drive his car and to pay $2 a year for such permit, and it provided that such permit should expire 13 months thereafter and be renewed annually. It provided every motorist who failed to take out a permit under that act should be subject to a fine of $500 or imprisonment for six months in jail. Here is the language of the act of March 3, 1925:

No individual shall operate a motor vehicle in the District, without having first obtained an operator's permit issued under the provisions of this act. Any individual violating any provision of this subdivision shall, upon conviction thereof, be fined not more than $500 or imprisonment for not more than one year, or both.

Not one step did the commissioners take to put that act into effect. Not one of the 160,000 motorists was compelled to take out a new permit and pay the $2. And not one single thing was done under that act. It was absolutely ignored by the Commissioners of the District of Columbia, under whose control the director of traffic's hands were tied and the commissioners arbitrarily construed that act to mean that all of the old motorists who had old permits should have 13 months in which to take out another permit and their construction was in direct conflict with the provisions of that act.

Then, in an effort to try to make them comply with the law, Congress, on July 3 of this year, passed another act which provided that these permits should be reissued for three years for $3 each, or a dollar a year. It provided that every motorist should take out a permit under that act and it provided that the traffic director should begin immediately to take up the old permits and to issue new ones, and under his statement that he could not do it at once, that he did not have the force to reissue 160,000 permits at once, Congress generously gave him a year in which to reissue, but Congress directed by that act that the director of traffic should immediately begin to call in the permits and reissue the new ones. This new act of July 3, 1926, provided:

No individual shall operate a motor vehicle in the District without first having obtained an operator's permit issued under the provisions of this act. Any individual violating any provision of this subdivision shall, upon conviction thereof, be fined not more than $500 or imprisoned for not more than six months, or both.

This act shall become effective immediately upon passage, and promptly thereafter the director shall commence the call of outstanding permits and the reissuance thereof in accordance with the provisions of this act, and shall complete such reissuance within a period of one year.

Not one single step has been taken by the commissioners to execute this act. Instead of making the renewal permit date from March 3, 1925, when the old permits expired, the commissioners have ruled that all motorists have until July 3, 1927, to renew their old permits, and in violation of law are thus permitting over 100,000 motorists to drive their cars from March 3, 1925, to July 3, 1927, or 28 months, without paying anything whatever therefor. And said commissioners are thus unlawfully permitting over 100,000 motorists in the District of Columbia to-day to drive their cars 28 months free under permits 20 years old.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BLANTON. I would ask for two additional minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. BLANTON. These motorists are trying to save that dollar a year, and the commissioners are backing them up in it. Of course, it means $100,000 loss to the District of Columbia, and this loss, as usual, is made up out of the United States Treasury. The commissioners are supporting the people here in their selfish scheme to prevent that $100,000 going into the District treasury, because they know they get their money, if they need it, from the people's Treasury of the United States. Now, you are going to face this situation: On July 3 of next year you will find the commissioners coming before Congress and saying, "We have not had time to issue the permits; we want more time," and not a single Member of this Congress ought to vote to give them another day; and I want to say to the people of the District of Columbia right now that after July 3, 1927, every motorist who has not procured a permit under this act of July 3, 1926, will be subject to a fine of $500 or imprisonment for six months in jail, and I am going to insist that they be prosecuted for failing to procure their permits in time. Congress has given them plenty of time to secure new permits.

First, we gave them from March 3, 1925, to July 3, 1926—16 long months—and they took no steps whatever to secure permits. They drove their cars these 16 months without paying one cent for permits. And then, in addition, we have given them from July 3, 1926, until July 3, 1927, to secure their permits, with notice that they must be procured expeditiously, and yet they are taking no steps to procure same. And when these 28 months have expired—this 2 years and 4 months from March 3, 1925, to July 3, 1927, in which they have been procrastinating, they need not expect Congress to grant them one moment of time additional, for they do not deserve it; and if they have not secured their permits by July 3, 1927, they can expect to be fined $500 each and sent to jail for six months, as they will have no excuse whatever. They know that if they all wait until a few days before July 3, 1927, to apply for their permits it will be absolutely impossible for the traffic department to issue them, and they are thus sleeping on their rights with their eyes open and may expect to take the consequences.

They had better get busy and take out their permits if they do not want to make themselves subject to this jail penalty. The commissioners are derelict in their duty when they failed to pass a wise regulation which the traffic commissioner asked them to pass that compelled these motorists to renew. He has issued a call for December, and they pay no attention to it; and the commissioners ought to be brought up before the committee of Congress and told that they must obey the laws of Congress.

The CHAIRMAN. The time of the gentleman from Texas has expired. Without objection, the pro forma amendment is withdrawn. The Clerk will read.

The Clerk read as follows:

Total, Bureau of Public Roads, $457,170, of which amount not to exceed $206,000 may be expended for personal services in the District of Columbia.

Mr. HASTINGS. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Oklahoma moves to strike out the last word. The gentleman is recognized for five minutes.

Mr. HASTINGS. Mr. Chairman, what I am about to say would be better said when we reach the last item in the bill, on page 77, with reference to Federal aid to roads. But, appreciating that that is the last item in the bill, and that we might have a stampede to pass the bill and I might not have the attention of the members of the committee at that time, I want now to invite attention to that appropriation which is carried in the item here.

I note that the appropriation for Federal aid is only $71,000,000. The committee reports that there will be an unexpended balance of the sum of $3,038,267.84 on June 30 available for expenditure during the fiscal year of 1928, which, added to the $71,000,000, would make $74,038,267.84 for Federal aid for the fiscal year ending June 30, 1928.

Notwithstanding the reassurances of the chairman of the subcommittee in charge of this bill, I have some misgivings with reference to this appropriation. Congress, indorsing the recommendations of its legislative committee, has determined upon a policy of $75,000,000 per annum for State aid. The several States are very much interested in knowing in advance how much money they are to receive from Federal appropriations so that plans in advance may be made accordingly. In the first place, I do not understand how it can be anticipated there will be an unexpended balance of $3,038,267.84. Some of this remaining balance may be contracted for and expended during the remainder of this fiscal year. I regard the act authorizing the appropriation of $75,000,000 for State aid as a command to the Committee on Appropriations to provide that amount. If we add the unexpended balance to the amount appropriated in this bill, it will leave it still short approximately $1,000,000 of the amount authorized by Congress.

There is another reason why I have some apprehension with reference to this appropriation. The President in his recent message transmitting the Budget to Congress on December 6, 1926, used the following language:

In view of the increasing ability of the States to finance their own road construction due to the general adoption of the gasoline tax, I renew my recommendation of a year ago that future legislation restrict the Federal Government's participation in State road construction to primary or interstate highways, leaving it to the States to finance their secondary or intercounty roads. This would operate to diminish the amount of the authorizations after the fiscal year 1929, when the present authority expires.

I want to invite your attention to the last line. I do not believe there is any appropriation made by Congress in which the people of the country are so genuinely interested and about which there is so little complaint as this appropriation for Federal aid. I do not have the time nor the opportunity to discuss this matter at length at the present time. The people are watching the policy of this Government with reference to this matter with great interest. I am in favor of continued appropriations. I want to invite the attention of the people of the country to what I believe to be the attitude of the present administration with reference to this appropriation in order that they may not be deceived into the belief that it is not necessary for them to be active in support of the appropriations for further Federal aid for roads. There is no question but what the sentiment in the East is opposed to further appropriations for this purpose. Members of Congress who are deeply interested in this legislation should follow it with continued and renewed interest. There was collected as revenue from trucks and wagons, automobiles and motor cycles, tires and accessories for the fiscal year ending June 30, 1926, the sum of $135,215,194.50. The President fails to mention that the users of automobiles and trucks believe that at least a substantial part of this sum should be used for road construction and with this sentiment I am in hearty accord. [Applause.]

The CHAIRMAN. The time of the gentleman from Oklahoma has expired. Without objection, the pro forma amendment is withdrawn.

Mr. MAGEE of New York. Mr. Chairman, I want to correct a statement that the gentleman from Oklahoma [Mr. HASTINGS] has made with reference to this appropriation. It is entirely immaterial whether we appropriate in this bill $71,000,000 or $50,000,000, because under the plan adopted by the chairman of the Committee on Appropriations in 1922, we appropriate only to meet the obligations of the Government as they accrue. Of course it is impossible for the Chief of the Bureau of Public Roads to estimate the exact amount of money needed in any fiscal year. Last year, as you will recall, they estimated $75,000,000. That amount was carried in the appropriation bill for this fiscal year. Now it happens there will be an unexpended balance of at least $3,000,000.

The committee feels that next year there will be a materially larger balance than $3,000,000; very likely $4,000,000 or $5,000,000. Mr. MacDonald said he would need only $72,000,000. We gave him $71,000,000. If he needs more than $71,000,000, that will not affect the road situation. We can not affect the contractual obligations up to the limit of the authorizations provided, and if the appropriation is insufficient by a million dollars the deficiency committee will appropriate it. In the last deficiency bill we appropriated $22,900,000, and the Chief of the Bureau of Public Roads says he is sure he will not ask for a deficiency appropriation this fiscal year.

It is entirely immaterial. If the gentleman from Oklahoma will take a little time and read the hearings and get the information necessary on the subject, he will get it entirely clear in his mind.

Mr. HASTINGS. The gentleman from Oklahoma did read the hearings, and after reading the hearings he found the gentleman's statement in the hearings that there would be $3,038,000 of unexpended balance, and the gentleman was appropriating only $71,000,000. He knew that was under the $75,000,000 appropriated by Congress, and I felt that with this appropriation and the unexpended balance you would be $1,000,000 short of the amount authorized by Congress.

Mr. MAGEE of New York. The gentleman is laboring under a misapprehension. There is no dispute or difference of opinion between the department and the committee. The same proposition applies to the appropriations for forest roads and trails, and there the question was clearly brought out in the hearings. I will read what Colonel Greeley says, because the same question is involved:

Since the fiscal year 1923 the policy has been followed of not appropriating the full amounts currently authorized, but only so much as was required to cover the actual disbursements year by year.

Mr. MAGEE. That, as I understand it, is the plan instituted by the chairman of the Committee on Appropriations in 1922, making it applicable both to forest roads and trails and also the Federal highway system; that is, instead of appropriating the amounts authorized, only appropriate to cover the obligations as they fall due?

Colonel GREELEY. Yes, sir; as they actually fall due.

Mr. MAGEE. So the amount actually carried in this bill under these items, under the plan of the chairman of the committee, is practically immaterial; that is, whether it is a certain amount, or less than a certain amount, providing the appropriation is recommended, because if the obligations are more than the appropriations actually carried, they are taken care of in the deficiency bill. That is right, is it not?

Colonel GREELEY. That is right; yes, sir.

Mr. HASTINGS. Then, if the gentleman will yield a moment further, the gentleman gives us the assurance that there is no disposition to expend each fiscal year less than the $75,000,000 authorized by Congress to be expended.

Mr. MAGEE of New York. It depends entirely upon the number of payments found to be due under the contractual authority given the Secretary of Agriculture.

Mr. BUCHANAN. The difference of understanding, it seems to me, is that the law authorizes the Secretary of Agriculture to let these contracts to the full extent of the authorization and they are all let, and then we appropriate as the obligations fall due.

Mr. HASTINGS. But the gentleman will remember that this appropriation is for the year ending June 30, 1928. That is a year and a half in advance and it does not seem to me that the Bureau of Roads could anticipate that long in advance as to how much the expenditures would be, and Congress has authorized an appropriation of $75,000,000. In view of what I have read from the President's message, it would seem that there is a disposition to discourage further appropriations after 1929, and that is a situation I think we ought to watch.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MAGEE of New York. Mr. Chairman, I ask for two minutes more.

The CHAIRMAN. The gentleman from New York asks unanimous consent to proceed for two additional minutes. Is there objection?

There was no objection.

Mr. MAGEE of New York. I want to say to the gentleman from Oklahoma that the subcommittee has no inclination to interfere with the authorizations made by Congress.

The pro forma amendment was withdrawn.

The Clerk read as follows:

For acquiring and diffusing among the people of the United States useful information on subjects connected with the marketing, handling, utilization, grading, transportation, and distributing of farm and nonmanufactured food products and the purchasing of farm supplies, including the demonstration and promotion of the use of uniform standards of classification of American farm products throughout the world, independently and in cooperation with other branches of the department. State agencies, purchasing and consuming organizations, and persons engaged in the marketing, handling, utilization, grading, transportation, and distributing of farm and food products, and for investigation of the economic costs of retail marketing of meat and meat products, $571,780: *Provided*, That practical forms of the grades recommended or promulgated by the Secretary for wool and mohair may be sold under such rules and regulations as he may prescribe, and the receipts therefrom deposited in the Treasury to the credit of miscellaneous receipts.

Mr. CONNALLY of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CONNALLY of Texas: On page 54, line 21, after the word "receipts," insert: "For instituting and conducting scientific and technical research into American-grown cotton and its by-products and their present and potential uses, with a view to discovering new and additional commercial and scientific uses for cotton and its by-products, $50,000."

Mr. MAGEE of New York. Mr. Chairman, I reserve a point of order against the amendment.

Mr. CONNALLY of Texas. Mr. Chairman, I hope the gentleman from New York will not press the point of order. I am prepared to argue it later if he does press it, because of the fact that it is germane, in that this section provides sums for the diffusion of information relating to the utilization of farm products, and certainly the discovery of new uses comes within the purview of utilization.

Now, let me suggest to the gentleman and the House that the purpose of this amendment is to authorize and direct the Department of Agriculture to conduct a scientific research into the subject of new utilizations for one of our great staple products. I would like to suggest to gentlemen in the House that the purchasing power of the cotton-producing States from cotton in 1924, I believe it was, approximated one billion and a half dollars. The prosperity of that great section and its ability to receive a fair return for its product means a great deal to the rest of the Nation. I see the gentleman from Michigan [Mr. HUDSON] sitting over there, and I would suggest to the gentleman from Michigan that the farmers who raise cotton and do not make something above the cost of production are not able to buy automobiles manufactured in Detroit. And I see my friend the gentleman from Wisconsin [Mr. COOPER], and I wish I had the time to pay a tribute to the gentleman from Wisconsin.

Mr. HUDSON. Will the gentleman yield?

Mr. CONNALLY of Texas. I yield.

Mr. HUDSON. Let me suggest to the gentleman that we are constantly reducing the price of automobiles in order to meet the situation.

Mr. CONNALLY of Texas. I am glad the gentleman from Michigan suggests that they are constantly reducing the price of automobiles in order to meet the situation, but let me suggest to the gentleman from Michigan that however laudable their action in that regard may be, they will have to reduce the price of automobiles to practically nothing unless the condition under which the cotton farmer is now laboring is improved.

I am not laboring under any delusion that you can by legerdemain or sleight of hand reach into some bag and pull out prosperity, like Thurston, the magician, pulls rabbits and mocking birds out of people's coat tails. I do not believe we can do that, but I do believe that when an activity is presented which private people can not perform and which affects a great industry of the Nation that the Government is justified in adopting a plan for the carrying on of investigations which private industries can not make. For instance, we have either got to cut down—and I think we are going to cut down anyway—the production of cotton or else we have got to find new uses for cotton.

Mr. HUDSON. Will the gentleman yield again?

Mr. CONNALLY of Texas. Yes.

Mr. HUDSON. Let me suggest to the gentleman that the production of new machinery might help out in the cotton proposition.

Mr. CONNALLY of Texas. I will say to the gentleman that the purpose of this amendment, of course, is to authorize the Department of Agriculture to establish a research laboratory, and if it finds new uses I have no doubt but that the ingenuity of gentlemen who are interested in manufacturing machines will quickly follow along and produce those particular machines.

But I was diverted by the gentleman from Michigan. As I said, I see the gentleman from Wisconsin [Mr. COOPER] over there. I wish I had time to pay a tribute to the gentleman and say what I think of the gentleman from Wisconsin after having served with him on a great committee of the House for a number of years, but I would suggest to the gentleman from Wisconsin that we are not able and shall not be able to purchase the products of his district in the same volume or for the same profit to his people unless we are able to receive a fair return for the agricultural products of the South.

It has been suggested, my friends, what are these new uses. Well, I do not know all of the new uses. but I know that within the past few years a great many new uses have been developed for other products, and I believe that cotton and its by-products are susceptible of a higher development.

I would suggest one thing—artificial silk. You know there has been a campaign in the South to induce people to wear cotton stockings and cotton clothes. Of course, you are not going to be able to induce them to do that; but if you can make them think they are wearing silk when they are really wearing cotton, they will be glad to buy the cotton. Lots of them in all sections of the country would even be glad to wear artificial silk, if they knew it were artificial silk themselves, if they could make other people think it was real silk.

The Department of Agriculture advocates and wants this amendment. Do not understand me as saying they want it on this bill. I do not know about that, but this bill or a similar bill has already been reported favorably by the Committee on Agriculture.

Mr. MAGEE of New York. Will the gentleman yield?

Mr. CONNALLY of Texas. I yield to the gentleman.

Mr. MAGEE of New York. We only appropriate when the legislative committee authorizes it. If the gentleman wants an appropriation of this kind, why does he not secure an act authorizing it?

Mr. CONNALLY of Texas. I am not sure we shall get the bill through, and it seems to me if the Committee on Agriculture has already agreed on a similar bill and the Department of Agriculture advocates it the gentleman from New York ought to know that at this short session general legislation is going to have very little show, if any; and if we agree on this proposition, what would be the objection to incorporating the appropriation in this bill rather than waiting a year and a half?

Mr. MAGEE of New York. Will the gentleman yield further?

Mr. CONNALLY of Texas. I yield to the very affable and accommodating gentleman who, I am sure, is not going to insist on his point of order when he knows of the distress.

Mr. MAGEE of New York. Oh, yes; the taffy of the gentleman from Texas will not prevent the gentleman from New York insisting on his point. [Laughter.] Now, I want to answer your question.

Mr. CONNALLY of Texas. Yes.

Mr. MAGEE of New York. The committee has had no hearing upon this proposition. We know nothing about it. We have only two bases of making a recommendation of appropriation to the House; one is an estimate submitted through the Budget Bureau to the Committee on Appropriations of the House, and the other is a request from the Secretary of the Department of Agriculture. I think the committee is entitled to have hearings upon this or any other matter, involving the material sum of $50,000, in order that the committee may be in position to reach an intelligent conclusion in the premises.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CONNALLY of Texas. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

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

There was no objection.

Mr. CONNALLY of Texas. I am sorry the gentleman from New York took what I thought to be a well-deserved compliment to be taffy. I am sorry the gentleman can not distinguish between the real article and the counterfeit. It may be that thought was suggested to his mind by the fact I was discussing the question of artificial silk, which is not the real article. I am sure that is the only reason.

Mr. MAGEE of New York. Will the gentleman from Texas yield?

Mr. CONNALLY of Texas. I yield.

Mr. MAGEE of New York. I do not appreciate any of these nice compliments which the gentleman is giving me. I have a duty to perform. I understand the gentleman is somewhat of a practical joker and that is all right; I have no complaint to make. I simply wish to impress upon my distinguished friend from Texas that the sugar-coated pill does not appeal to me very strongly.

Mr. CONNALLY of Texas. I was sincere and I did not really believe that the gentleman would insist on the point of order when he realizes that the Department of Agriculture is favorable to it and when he realizes that the legislative committee of the House having jurisdiction of it has adopted this proposition. I could not believe that his desire to observe the technicalities and his desire to simply act when the Bureau of the Budget speaks would be sufficient to induce him to ignore an important situation like the one which is presented in this proposition. Unless we do adopt it now the probabilities are we can not adopt it until the long session of Congress, which will be a year from now, and it will not become effective until July, 1928. In the meantime we will have lost that time and lost a great opportunity during that time.

Mr. JONES. Will the gentleman yield?

Mr. CONNALLY of Texas. I yield to my colleague.

Mr. JONES. May I suggest in this connection that most of the activities of the Department of Agriculture—and I say this not in criticism, because they have done some fine work—have been looking toward the problem of production. We have now mastered that problem to a much greater degree than we have the problem of distribution. I think the gentleman's amendment is a good one, because it will look toward an angle of the problem that has been neglected and one in which the farmers and agriculture generally are most interested.

Mr. CONNALLY of Texas. I thank my colleague for that interjection. You can go through this bill and find that paragraph after paragraph is designed to encourage the production of this article and that article, to destroy this pest and that pest, and to contribute to the economical and increased production of farm products; but, my friends, on the other side of the proposition you are doing agriculture a real harm if you encourage overproduction and at the same time do nothing to encourage utilization of farm products and stimulate the consumption of them so as to make not only the producer better off, but the consumer benefited and profited by the increased consumption.

I want to refer now to a news report in the Star of last night headed, "W. D. Hines named cotton body head; will assume duties in a few months and manage institute." I would like to have this incorporated in my remarks.

Walker D. Hines, a very able and distinguished gentleman who was railroad administrator just after the war, has been elected president of the Cotton Textile Institute (Inc.) The details as to this organization are not disclosed in the press report, but judging from the report it would seem that this is an institute which will embrace the cotton manufacturing trade and will seek to organize that industry for its own benefit, with Mr. Hines as a sort of czar of the cotton-manufacturing business like the czar of baseball, or as Will Hays is the czar of the movie business. Now, my friends, the cotton producer is entitled to the service of the Government in affording information, not alone as to the production of cotton but as to the utilization of it after it is produced.

As it is now with our market report the Government lets the cotton trade and the spinner know exactly what the farmer has got. They know what he is going to produce and when it is going to be marketed.

Gentlemen, I plead with you—this is only $50,000; it is a small sum, the cotton industry in normal times produces a billion and a half of dollars which go into the avenues of trade in this country. I hope the committee will not insist on the technicality in this regard in a bill carrying $128,000,000 and refuse a $50,000 appropriation for scientific research in the utilization of cotton. [Applause.]

Mr. KETCHAM. Mr. Chairman, under the reservation of the point of order on the amendment of the gentleman from Texas I want to say that while I think none of us will disagree with the gentleman as to the merits of his proposition, I am sure it would be better not to adopt the amendment, even if the point of order should not lie, in view of the fact that we have not at this time considered the amount of money involved, or to what extent, or in what direction, the inquiries and study proposed should go. They have not been made the subject of inquiry by the committee itself.

I may say to the gentleman from Texas that in the bill introduced by his colleague [Mr. JONES] it has been subjected to hearings by the Committee on Agriculture for a number of days and was unanimously reported. In that bill there is a section that exactly covers the proposition which the gentleman from Texas [Mr. CONNALLY] is making. I have no manner of doubt that the same unanimity will prevail in reference to that bill whenever it is offered in the House. It would seem that the orderly way would be for the House to wait until this provision is enacted into law and hearings can be had on the appropriation by the proper committee and action taken.

Let me say further that testimony was given before the Committee on Agriculture that studies on new uses of cotton are already being conducted in a limited way, and so it seems to me that we are providing in the right way for orderly procedure; and even if the point of order does not lie, I think it would be unwise to appropriate at this time $50,000 for that purpose. I think we had better wait and see the direction in which we are going. It may be that $50,000 is not sufficient to do the work.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. KETCHAM. I will.

Mr. CONNALLY of Texas. The gentleman says that he does not know anything about this; the gentleman is a member of the Agricultural Committee and the committee has had hearings and unanimously reported a bill. Does the gentleman think that this is going ahead blindly if the committee has unanimously reported it?

Mr. KETCHAM. The committee acted on the theory that it was a worthy proposition, but as to the extent to which the study should go, and in what direction, we did not have the information. We do not pretend to stand here and inform the House what ought to be done in working out the details of the studies and reports mentioned in the amendment.

Mr. CONNALLY of Texas. The gentleman's committee reported the bill, did it not?

Mr. KETCHAM. I was stating the position of the committee when I said that we agreed unanimously that it was a worthy project.

Mr. CONNALLY of Texas. Can the gentleman tell us if there is any chance of the bill passing at this session. If it is a worthy project, why wait a year or a year and a half?

Mr. KETCHAM. I am only judging of the action of the House by the action of the committee. We were unanimously and heartily in favor of it, and I sincerely hope the Membership of the House will be equally so when the bill is taken up in the House.

Mr. MAGEE of New York. Mr. Chairman, I make a point of order against the proposed amendment in that it is not germane to this paragraph of the bill, and that it is legislation on an appropriation bill—making appropirations without authority of law.

This proposition has not been called to the attention of the subcommittee in charge of the appropiration bill and I am against making appropriations in any bill unless it is duly authorized by law. This is a proposition for the legislative committee. I make the point of order on the grounds stated.

Mr. CONNALLY of Texas. Mr. Chairman, I have a right to address the Chair upon that subject, have I not?

The CHAIRMAN. The Chair will be very glad to hear the gentleman from Texas.

Mr. CONNALLY of Texas. The point the gentleman from New York makes is that the amendment is not germane.

The CHAIRMAN. Not wholly that. The gentleman from New York makes the further point that it is legislation on an appropriation bill.

Mr. CONNALLY of Texas. If it is germane to this particular section, it will be in order; because even if this section were not legislation, if it is germane, it would be in order. The paragraph on page 54, to which the amendment is offered, deals with—

> acquiring and diffusing among the people of the United States useful information on subjects connected with the marketing, handling, utilization, grading, transportation, and distribution of farm and nonmanufactured food products, etc.

One of the purposes of the paragraph under consideration, one of the purposes for which an appropriation of $571,000 is made, is to secure information with respect to the utilization of farm products. This amendment is drafted with a view of

simply elaborating the utilization of farm products. What are farm products? One farm product is cotton, and so my amendment provides that the department shall carry on, in ascertaining and diffusing information regarding the utilization of cotton, an investigation and research in order to obtain information and then diffuse it with reference to the utilization of cotton. That is certainly within the purview of this particular section, and the appropriation, as a matter of course, follows. If you have the power to do a thing, you have the power to appropriate money with which to do it. It certainly is in keeping with the whole theory of this bill. In line 15, on page 25 of the bill, there is a paragraph—

For acclimatization and adaptation investigations of cotton, corn, and other crops introduced from tropical regions, and for the improvement of cotton and other fiber plants by cultural methods, breeding, and selection—

And so forth.

That section refers to cotton produced elsewhere imported into the United States. If it is within the scope of the activities of the department to do those things with reference to foreign cotton, why is it not within the purview of their power to do a little for the domestic cotton?

The CHAIRMAN. Will the gentleman permit the Chair to call his attention to what the Chair thinks is the difference between the two paragraphs?

Mr. CONNALLY of Texas. Oh, there is a great deal of difference between the two paragraphs.

The CHAIRMAN. The Chair means in the purpose of the language. The Chair understands the gentleman's amendment to have to do with the study of the commercial and scientific use of cotton and to try and find another use for the article, whereas the language that he now refers to on page 25 has to do with the increased production, not the increased consumption.

Mr. CONNALLY of Texas. Of course, I do not contend that my amendment is germane to the language on page 25. I do not offer it there. I am merely citing page 25 to show the broad sweep of the activities of the department in reference to agricultural matters and the power of the department to conduct these investigations. I am offering my amendment on page 54, because I think that is where it belongs, under the head of the utilization of farm products. These other sections of the bill deal with farm products while growing, cultural methods; but mine deals with the farm product after it has been grown, its utilization, and utilization is certainly within this paragraph. I shall not insist upon taking up any more of the time of the Chair, if the Chair has made up his mind.

The CHAIRMAN. Will the gentleman from Texas cite to the Chair any statute having to do with the consumption and not production?

Mr. CONNALLY of Texas. I cite the Chair to line 5 on page 54, where it refers to utilization. Utilization of what? Of farm products. I want to find out how to utilize cotton to the maximum of its capacity. In line 12 we have the language—

and persons engaged in the marketing, handling, utilization, grading, transportation, and distribution of farm and food products—

And so forth.

Its purpose is to get all information it can for the trade and for the public. What is the greatest information that it can obtain? The greatest information is information as to what you can do with it after you have it. What is the use of telling a man that we want him to buy cotton unless he knows what he can do with it after he gets it? Why encourage a man to purchase wheat if a man does not know that wheat in the form of bread will sustain life? Why induce a man to buy grapefruit from Florida unless he knows that it is going to benefit him after he gets it? The whole of this section is to utilize, to acquire information and diffuse it among the people regarding agricultural products. Yet gentlemen talk about finding a new use for cotton. Suppose it should be found that cotton may be used in some of the industries in substitution for silk or for bagging purposes in substitution for jute and hemp, or that it could be used in the manufacture of high-grade paper in competition with linen, or for innumerable purposes that might be discovered. Is not that information regarding utilization? My point is that this is absolutely within the purview of this section—the utilization of cotton. What are you going to do with it? Make clothes out of it, make gloves and shoe soles, make cotton clothes for you gentlemen in the North to wear during the summer instead of wearing sea grass and palm beach and things of that kind? Use white duck, manufactured in new grades. We might make it more cheaply than the clothes that you are buying and they might be more comfortable. These are new uses.

I hope the chairman will not be supertechnical in this matter. I am pleading for a great industry, for an industry that is prostrated. I am not pleading for funds out of the Treasury in the way of a bounty. The great Government of the United States has encouraged us to produce cotton, has told us how to do it that it might be used for clothing and all the things that go into modern civilized life, and now that we have produced it, I am pleading that the Government shall only lend us a little charity, as it were, and tell us how we can better utilize this great product, find new uses for it that will contribute not alone to our prosperity but to the comfort and happiness of the consumer. I hope the Chair will remember that he is serving this great House and not the gentleman from New York. I hope that he will remember that he is here serving a great purpose and not serving the Bureau of the Budget or somebody else.

Here is the law. The laws says acquire and diffuse among the people of the United States useful information on the utilization—utilization of farm products. The gentleman from Texas in his humble way has offered an amendment by which that information can be secured for the utilization of farm products—to wit, cotton—and I hope the gentleman from Massachusetts will vindicate his past record in this House by showing a broad view of this subject. I submit the case. [Applause.]

Mr. MAGEE of New York. Mr. Chairman, I do not care to make a political speech upon this question.

Mr. CONNALLY of Texas. The gentleman can not.

Mr. MAGEE of New York. I will suggest to the gentleman from Texas that I perhaps could make a political speech fully as effective as the one he can deliver. I would not concede I could not. In this paragraph the Chair will notice the words "for acquiring and diffusing among the people of the United States useful information, and so forth." I have not the exact language of the amendment, but my recollection is that it provides for an appropriation for scientific and technical research in new uses of cotton and its by-products. A bill—H. R. 15345—has been reported which proposes to do just that. There is no use attempting to get the necessary legislation on an appropriation bill. I am objecting from the fact that there is no authority for our committee to recommend an appropriation for the purposes proposed by the gentleman.

The CHAIRMAN. The Chair is ready to rule. The amendment offered by the gentleman from Texas [Mr. CONNALLY] is to make an appropriation—

For instituting and conducting scientific and technical research into American-grown cotton and its by-products and their present and potential uses with a view to discovering new commercial and scientific uses for cotton and its by-products.

The gentleman from New York makes the point of order that the amendment is not germane and is an appropriation unauthorized by law. The gentleman from Texas answers the point of order made by the gentleman from New York by stressing the word "utilization" in the paragraph under consideration. The Chair has followed his argument and has studied the definition of the word "utilization" and does not find that in connection with the paragraph in question it deals directly with production of commodities designated in this bill. The Chair finds "utilize" is to make useful or to turn to profitable account or use, to make use of, as the utilization of the whole power of the machine; to utilize one's opportunities.

Now, the Chair considers that the paragraph in question has to do with information for the production of agricultural commodities, not to do with their marketing, and it was with that thought in view that the Chair asked the question as to whether authority in law could be cited that the term "utilization" should apply to consumption of an article after it has been produced, but the citation requested was not supplied. It therefore seems to the Chair, no citation of that nature having been furnished, that the contention of the gentleman from New York that the amendment is not germane even to the definition of the word "utilization," and that the paragraph itself has to do with information concerning production rather than the use of the finished article——

Mr. CONNALLY of Texas. Will the chairman yield right there?

The CHAIRMAN. Let me finish the sentence.

Mr. CONNALLY of Texas. I do not want the Chair to think this section has to do with production. This section deals with information relating to the marketing, handling, utilization, transportation, and so forth, of farm products.

The CHAIRMAN. The Chair has considered the reference the gentleman from Texas makes and finds nothing in answer to the question the Chair directly applied to the gentleman from Texas, and therefore, although the statement is not quite complete which the Chair desired to make, he will rule that the amendment is not germane and sustain the point of order.

Mr. CONNALLY of Texas. I offer another amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 54, line 9, after the word "world," insert: "including scientific and technical research into American-grown cotton and its by-products and their present and potential uses with a view to discovering new and additional commercial and scientific uses for cotton and its by-products."

Mr. MAGEE of New York. Mr. Chairman, I make a point of order on the amendment on the same ground as the other.

The CHAIRMAN. The gentleman from New York makes a point of order on the amendment as previously stated on the other amendment offered by the gentleman from Texas.

Mr. CONNALLY of Texas rose.

The CHAIRMAN. Does the gentleman desire to be heard?

Mr. CONNALLY of Texas. I do.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. CONNALLY of Texas. I call the Chair's attention to the fact that this amendment appears at the end of line 9, and it simply says "including" this new activity, if it be a new activity, and it does not increase the appropriation at all.

I am not criticising the Chair, but a little while ago the Chair predicated his decision that this was not in order, on the ground that beginning at line 3, page 54, and ending on line 20, this section of the bill dealt with the production of agricultural products. I know that the Chair does not want to make a mistake; and if the Chair will carefully read the first five lines of that section he will see that it deals not with the production of agricultural products but with the use of them after they are produced, the transportation of them, the purchasing of them. You do not purchase anything until after it is produced, do you? That is all. I want to read this. I want the RECORD to show what I am really contending for. I contend that this sectiou provides for acquiring and diffusing among the people of the United States what? Useful information on the subjects—everything now, broad language—on the subjects connected with the marketing and handling. You do not market until you produce, with the production behind you. It is the handling, utilization, grading, and transportation. You can not transport it until after it has been produced. "Distributing farm and nonmanufactured food products and the purchasing of farm supplies."

Now, Mr. Chairman, I know the Chair wants to do the right thing, but my amendment does not add any other activity. It simply says that in doing these things you shall include among them the "utilization"—using the very word used in this section—the new "utilization" of cotton.

Now, "utilization" covers the whole subject. It covers present utilization and past utilization, and it covers future utilization. This amendment does not add a dollar to the appropriation. It merely tells the Department of Agriculture, in giving information on the subject of utilization, to see if they can not get some new information and not hand out the same old information that it got last year or the year before, but to acquire new information on the new utilization of cotton.

Mr. WINGO. Will the gentleman from Texas and the Chair permit me to direct the attention of both of them to this? Lines 3 to 6, on page 54, cover the question of acquiring and diffusing information. On what? Not on the subject but on "subjects," plural. What subjects? Subjects connected with the production? No. With marketing alone? No; because it is a well-known rule of construction that all the courts agree on that you must give to every word of a legislative act some meaning, and you have the words "marketing, handling, transportation, and distribution." That covers the marketing end, but you also have the grading of it and the utilization of it.

The Chair a while ago read from the dictionary that one of the definitions of utilization is the use of. One of the subjects to get information on is the utilization of farm products. I think even the Chair will admit that cotton is a farm product.

Mr. MAGEE of New York. Mr. Chairman, I wish to make an additional point of order, that the proposed amendment, as I understand, adds additional duties to an executive officer.

Mr. CONNALLY of Texas. That adds new words but it does not add new objections. That is covered in the first objection. The gentleman from Texas is trying to do something to make the Department of Agriculture a really useful instrumentality for the agricultural interests of this Nation. The gentleman from Texas is trying to offer something here that we have a right to adopt under the law, as pointed out by the gentleman from Arkansas [Mr. WINGO], if the Chair please.

The purpose of this section is to secure information on the utilization of farm products. Now, in line 3 I read: "For acquiring and diffusing among the people of the United States useful information on subjects"—not one subject, but on all subjects—"connected with the marketing" and utilization, and so forth, of cotton.

Now, what is the utilization of a product? I did not hear all that the Chair read out of the dictionary, but it does not take a dictionary maker to know that "utilization" and "use" come from the same stem, the same root, the same fundamental word. "Utilization" certainly covers the uses to which a thing can be put.

I plead with the Chair not to shut his eyes to the clearness of this proposition, and not to shut his heart to the justice of it. This is in order, Mr. Chairman, and I hope that the Chair will reread this paragraph and see that it deals with the utilization of the products after they are produced and to secure information on them, and will hold this amendment to be in order.

Mr. LINTHICUM. Mr. Chairman, can we have the amendment reported again?

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

The amendment was again read.

Mr. MAGEE of New York. Mr. Chairman, the amendment we are discussing is a marketing provision under the Bureau of Agricultural Economics. It is not a scientific proposition. It seems to me the language of this amendment is not materially different from the language of the amendment previously offered and it certainly has no place in this paragraph of the bill. No one could tell what amount of money might be required for the investigations proposed by this amendment.

Mr. KETCHAM. Mr. Chairman, if the Chair still has any doubt in his mind as to whether this is legislation or not, may I direct his attention to a provision contained in a new bill which has just been introduced and referred to the Committee on Agriculture and unanimously reported by that committee. A section that practically covers the thought of the amendment of the gentleman from Texas, I believe, is found in these words:

The Secretary of Agriculture shall conduct studies and prepare and publish from time to time reports on the various uses of cotton of the several grades and qualities upon which reports are issued in accordance with section 3 of this act.

I think all of us who are familiar with the activities of the Department of Agriculture know that they crowd every legislative phrase to its full meaning, and if they have neglected to set up a new bureau or appoint a new force of clerks to transact any of the activities provided in any legislative enactment I am sure my attention has not been called to it. Therefore it is my contention that at the present time this activity is not discharged by the department, and was not contemplated by his section, and that if you attempt to write in this appropriation bill the language of this amendment you do what the Jones bill does. It, therefore, seems to me that this amendment is clearly legislation upon an appropriation bill.

Mr. BLANTON. Mr. Chairman, I would like to call the Chair's attention to a decision rendered by the present occupant of the chair that is directly in point. The Chairman will remember that on a supply bill, when the present occupant of the chair was presiding over the Committee of the Whole House on the state of the Union, the gentleman from Illinois, Mr. Mann, offered an amendment to a paragraph in the bill. The amendment which he offered was clearly legislation on an appropriation bill, but the gentleman from Illinois raised the point that the paragraph in the bill to which he offered his amendment was in itself legislation unauthorized on an appropriation bill; that there had been no point of order made against the paragraph and, therefore, the paragraph itself was subject to an amendment that contained legislation. The then Chairman, who is now presiding, sustained the position of the gentleman from Illinois and held that, by reason of the fact that the paragraph in the bill contained legislation, that an amendment offered to that paragraph containing legislation would be in order.

Now, here is the application. The Chairman has asked the gentleman from Texas, my colleague [Mr. CONNALLY] whether or not there is any permanent law which relates to the distribution and the utilization of farm products. This paragraph in the bill, to which his amendment is offered, is legislation unauthorized by law, according to the Chair's ruling, because it provides for the utilization, for the distribution, for the grading, and for the transportation of farm prod-

ucts after they are produced. There was no point of order whatever made against this paragraph, and the amendment offered by my colleague from Texas certainly is in order under the ruling heretofore made by this Chairman with respect to the matter to which I have called the Chair's attention, namely, an amendment offered by the gentleman from Illinois, Mr. Mann.

The CHAIRMAN. The Chair does not feel that the point made by the gentleman from Michigan is well taken in that he is referring to the possibility of other legislation dealing with this specific subject. Of course, it is not within the province of the Chair to pass on recommendations made by the Department of Agriculture or a report made by the Committee on Agriculture, which has the right to submit legislation. If the same purpose can be accomplished in another way than by direct legislation from the Committee on Agriculture, that does not necessarily sustain a point of order that an amendment presented to an appropriation bill is not germane.

The organic act establishing the Department of Agriculture designates as one of the objects of the establishment of the department the diffusion among the people of the United States of useful information upon the subject of agriculture. The Chair felt, in the first instance, that the gentleman from Texas offered an amendment which was not germane to the subject of the diffusion of knowledge among the people of the country in reference to agriculture, but was setting up new machinery to discover uses for cotton which was not in the nature, as the Chair understood it, of agricultural information. The second amendment offered by the gentleman from Texas directly applies to the part of the paragraph which provides, in accordance with the phraseology of the organic act, for the diffusion of agricultural knowledge among the people of the United States, and not having as its first purpose the making of an investigation and the making of an appropriation therefor. It seems to the Chair that while, very likely, it is the intention of the gentleman from Texas that his new amendment shall cover practically the same thing asked for under his original amendment that nevertheless it comes within the terms of germaneness in its phraseology at the place where he is offering it, namely, to diffuse information among the people of the United States relative to an agricultural product. The Chair, therefore, overrules the point of order. The question is on the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. MAGEE of New York) there were—ayes 45, noes 53.

Mr. CONNALLY of Texas. Mr. Chairman, I ask for tellers.

Tellers were ordered; and the Chair appointed as tellers Mr. MAGEE of New York and Mr. CONNALLY of Texas.

The committee again divided, and the tellers reported that there were—ayes 55, noes 57.

So the amendment was rejected.

Mr. LOZIER. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Missouri is recognized for five minutes.

Mr. LOZIER. I have made this pro forma motion in order to propound an inquiry to the gentleman from New York, chairman of the subcommittee having charge of this bill. We are now considering appropriations for the Bureau of Agricultural Economics. One of the chief satellites of the bureau is Mordecai Ezekiel, who in a lengthy pamphlet issued by the department has prepared a formula by which he claims that the production and price of hogs may be determined quite definitely for a number of years in advance. Boiled down, according to the vacuous utterances of Mr. Mordecai Ezekiel, in order to figure out the number of hogs in the United States in one, two, three, or five years in the future, it is only necessary that a person be a graduate of several universities, to have specialized in higher mathematics, algebra, geometry, trigonometry, differential and integral calculus and be able to understand, explain, and demonstrate the Einstein theory.

In other words, this economic agricultural meteor has devised and given to embattled and handicapped farmers a sure and definite rule by which he may know long in advance the supply of hogs in the country and the market prices that will prevail at any given future date. Thus enlightened, and with this foreknowledge, the farmers' troubles may quickly disappear and he may bend his energies and accentuate his hog-raising activities to meet the situation, and with his accumulated supply of hogs he may take advantage of the high market prices that Mr. Mordecai Ezekiel has enabled him to forecast. Important, if true.

Tell it in Gath and publish it in the streets of Askelon that Mordecai Ezekiel has furnished a waiting world a formula for the solution of the hog problem and for forecasting the pig crop and market price of pork on foot several years in advance.

It is true Mr. Ezekiel admits that his formula is too intricate for the ordinary farmer to work out the problem of future pig production and pork prices, but this profound agricultural economist very modestly admits that the farm advisers and county agents and agricultural experts possess the requisite qualifications to enable them to apply his formula and determine future hog supplies and pork prices with reasonable mathematical certainty. I assume that Mr. Ezekiel contemplates that the farm advisers, county agents, and agricultural experts will pass on this new discovery to the farmers, who according to Mr. Ezekiel are not sufficiently intelligent and skilled in mathematics to comprehend his hog supply and pork-price forecasting formula.

I am wondering if this Mordecai Ezekiel formula for forecasting the supply and market price of hogs several years in advance is the farm relief that the present administration has been promising the agricultural classes. If so, why not have President Coolidge, Secretary Jardine, and the Republican steering committee get behind the Ezekiel plan for farm relief?

We have had the McNary-Haugen plan, the Yoacum plan, the Aswell plan, the Tincher plan, the Fort plan, and numerous other plans for the rehabilitation of agriculture. We have not been able to secure congressional approval for any of these plans for farm relief. Let everybody get behind "the Mordecai Ezekiel plan" for farm relief. Consider the psychological effect of the name, "the Mordecai Ezekiel plan."

Here we have a combination of two illustrious Old Testament characters, Mordecai, the upright Jewish captive, who in sackcloth and ashes lay at the gate of Ahasuerus and planned and consummated the deliverance of his people from the plot of Haman; and Ezekiel, of blessed memory, whose lamentations have come down the ages to stimulate and inspire religious loyalty and devotion. "The Mordecai Ezekiel" farm relief bill would be much more appealing than the "McNary-Haugen bill." Let us all unite on the "Mordecai Ezekiel" farm relief bill, in view of the distressing fact that the administration will probably not permit the passage of the "McNary-Haugen" or any other worth-while farm-relief legislation.

When "the Mordecai Ezekiel" farm relief bill is presented to the public, methinks the newspapers will quit talking about the "McNary-Haugen" bill and other farm-relief measures and give over their front pages to an elucidation of "the Mordecai Ezekiel hog control, pork price forecasting farm relief bill."

Publish it far and wide to the agricultural classes that a Daniel has come to judgment in the person of Mordecai Ezekiel, around whom the "farm bloc" will gather as a battalion of death, crying with one accord, give us "the Mordecai Ezekiel pork price, market forecasting plan" or give us death.

In view of the great services rendered the American farmers by Mr. Mordecai Ezekiel I want to ask the chairman of this committee, whether, in his opinion, the pending appropriation is sufficiently large to cover the salary of Mr. Mordecai Ezekiel. I should consider it a great calamity if this bill did not make provision for adequate compensation for this great satellite of the Bureau of Agricultural Economics.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. LOZIER. I yield to the gentleman from Minnesota.

Mr. NEWTON of Minnesota. Why single out just one man?

Mr. LOZIER. Because he is outstanding, a star of the first magnitude in this great bureau.

Mr. NEWTON of Minnesota. I beg to differ from the gentleman.

Mr. LOZIER. But consider the far-reaching accomplishments of this gentleman. This outstanding representative of the Department of Agriculture has prepared, as he claims, a method or formula by which those versed in higher mathematics may be able to determine definitely in advance the supply of swine and the market price of pork one, two, or several years in advance, and I am very much interested in this bill making provision for an adequate salary for Mr. Mordecai Ezekiel in order that his formula may be perfected and tried out in America. Such outstanding genius should be amply rewarded.

Mr. NEWTON of Minnesota. The gentleman is always fair and does not like to be partial in any way. My recollection has been that these predictions in reference to the prices and the production of hogs have not always been confined to hogs, but at times they get out figures on wheat, and out in our country I do not recall that anyone has ever said a good word about their wheat-crop predictions; and this last year the cotton people were complaining. Is Mordecai Ezekiel handling the wheat and cotton estimates, or does that go to some one else? If so, I think his salary ought to be fixed somewhere along the line.

Mr. LOZIER. Answering the gentleman from Minnesota, may I say that while some statisticians and agricultural

economists have attempted to forecast the production and price of wheat, no one has gone as far as Mr. Ezekiel in devising a formula by which, with mathematical precision, one may in advance determine the supply and market price of hogs one, two, three, or more years in the future.

Mr. NEWTON of Minnesota. The gentleman thinks the theory is wrong?

Mr. LOZIER. I think if there is anything in the Mordecai Ezekiel theory, it should be applied to other agricultural commodities, such as wheat, corn, cotton, rice, beef, and mutton, and other products of the farm. [Applause.]

Mr. MAGEE of New York. Mr. Chairman, my answer to the question is that ordinarily you must expect to find stars everywhere, not only in the Department of Agriculture but in other places. [Laughter.]

Mr. WINGO. Mr. Chairman, I rise in opposition to the pro forma amendment.

I want to say just a word to the Members from the cotton States, especially those of you who are young in your service *in the House*. You need not be surprised at what you witnessed a few moments ago. This has been the tragedy of the cotton situation always in this House. This is not the first time you have had such a proposition for the benefit of the cotton growers defeated that would not have cost the United States Treasury one additional dollar. The Chair finally held that the amendment of the gentleman from Texas [Mr. CONNALLY] was in order. We are in the Committee of the Whole, no record vote can be had. The gentleman did the best he could. He got a division and then tellers. Fifty-five gentlemen on the Democratic side walked through the tellers in favor of the amendment, and not a single Republican from the Wheat and Corn Belts.

Mr. CONNALLY of Texas. There was one Republican, the gentleman from Iowa [Mr. COLE].

Mr. WINGO. Yes; I stand corrected. The gentleman from Iowa [Mr. COLE] was the lone Republican voting with us. By that vote you made it a partisan matter much to my regret.

Now, gentlemen, nobody can accuse me of being partisan upon any of these agricultural questions. I have time and again tried to help the men from the West and the Northwest, the Wheat and Corn Belts, because I recognize that the entire Nation is interested in the problem that confronts agriculture. I regretted very much to notice yesterday that one of the greatest banks in the State of Iowa went to the wall. In the cotton States banks are failing. One of the greatest cotton counties in the world is left without a single bank. It is of no use to deceive your cotton growers as to what the condition is here.

I do not deceive mine, and you make a mistake if you do deceive them. I do not think it is altogether a spirit of partisanship. I think it is because they do not understand our problem. [Applause.] I want to be charitable in judging them. They can not understand the stress that moves us. They can not understand what it means for Members of this House to dread to get their mail, wondering what will become of the farmers and what will be the effect next year on business of all kinds in their districts. Many farmers will lose their homes, and many who save them will be unable to finance the growing of another crop.

Our Republican friends evidently do not understand it. They really believe what they say—that the country is prosperous. They see the distribution of stock dividends by many corporations, like the Steel Trust, and as the official organ of this administration—the Washington Post—says, they say that if we can not have a general tax reduction the distribution of the steel dividends among the stockholders of the Steel Trust will amount to relief to the public in place of tax reduction. That is what the Post said in its editorial a day or so ago.

There may come a time when partisanship will be forgotten and the people of the Corn Belt and the people of the Wheat Belt will make common cause with the cotton growers. I hope that it will come while I am here. [Applause.] It did not come a while ago in the vote of this House, because the Republicans made the vote on the amendment of the gentleman from Texas a partisan vote, following the Speaker through the tellers in opposition to relief for cotton. I protest against such partisanship, realizing that my protest will be in vain.

Mr. MAGEE of New York. Mr. Chairman, I ask unanimous consent to speak for five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MAGEE of New York. I regret that any spirit of partisanship has been brought into this proposition. It is not that; I do not feel as a member of the subcommittee that it is a fair proposition, unbeknown to the committee, to bring in a new proposition and ask for a large appropriation of money. What can the chairman of the subcommittee say to the House? I have stated that I do not know about the merits of the proposition. If Congress wants it, the way is open. A bill for this purpose has been reported. If this bill is not passed in sufficient time, the matter can be brought before the Committee on Appropriations of the Senate, and after a hearing that committee will take such action as may be required. They have the same power to act as the House has. The point I am making is that the committee has no basis on which to render an intelligent conclusion. I think we are all entitled to know what the facts are. If the proposition has merit, you can readily get action, and nobody knows better than the gentleman on the other side just how to get it.

Mr. WINGO. Will the gentleman yield?

Mr. MAGEE of New York. Yes.

Mr. WINGO. The gentleman says that this will cost a lot of money. The amendment that was voted down, on which the gentlemen raised the question of partisanship by their vote, would not cost the Treasury one cent additional. It was simply to provide for an inquiry into the utilization of cotton without adding anything to the appropriations.

Mr. MAGEE of New York. Does the gentleman think for one moment that if the amendment had been adopted it would not have been immediately followed by an amendment increasing the appropriation?

Mr. WINGO. The first amendment carried an appropriation, but the second did not.

Mr. MAGEE of New York. But the second amendment would have required an appropriation.

Mr. WINGO. No; the present organization is sufficient. Gentlemen who are now engaged in this work have plenty of time; they make money on the side, to which I have no objection, by writing magazine articles. They could devote some of that time in gathering information as to the uses of cotton, as the gentleman from Texas sought by his amendment, without increasing the appropriation. His amendment did not contemplate an increased appropriation. I say with all kindness that the gentleman does not know what the amendment is. It was not so much partisanship as it was lack of information.

Mr. HOWARD rose.

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. HOWARD. I want to talk about this, and I move to strike out something. Unfortunately, Mr. Chairman, I did not get here in time to cast a vote on this amendment. The bell rang, and I walked swiftly, but I could not arrive. Had I arrived in time, I would have voted for the proposition offered by my friend from the Cotton Belt. I note that a good many of our friends on both sides of the aisle say they are willing to do anything in behalf of agriculture. I want to make a proposition to my Cotton Belt friends here. We of the Corn Belt are willing to vote for any kind of agricultural legislation in behalf of cotton and in behalf of the people in the Cotton Belt country. We do not understand it. It is just as the gentleman from Arkansas says, and I am free to say that I do not understand it. But if my friends from the Cotton Belt country will get together and propose some legislation which they will tell us is in the interest of the people residing in the Cotton Belt, I as one of the corn belters will vote for it. [Applause.] I want to ask all you gentlemen from the Cotton Belt country if you are willing to go with the corn belters along that line of effort in behalf of our mutual interests? I notice the gentleman from Arkansas called attention to the manner in which the banks were going down in his country.

I wonder if the Members of this House have seen the official announcement that within October and the first three weeks of November 187 of our national and State banks exploded. I have a remedy for that. It is slumbering somewhere in the Banking Committee. It proposes to guarantee the people of those sections where the banks go wrong against any loss of their deposits. I have proposed a law here modeled along the line of the Nebraska bank guaranty law, under the terms of which for 16 years no man, woman, or child in Nebraska has ever lost a dollar of deposits.

While we are talking about something in behalf of the people of the agricultural zones, do not you think we ought to give them some relief along that line? I am in favor of any kind of agricultural relief, but I can not think of anything more happy in the line of relief than that class of legislation which would permit white folks in the agricultural zones to sleep at night, absolutely confident, absolutely assured that when they shall awake in the morning they will find their deposits in the bank absolutely secure, no matter whether the bank had failed overnight or not. I take this opportunity to offer two propositions on my part as a corn belter to my Cotton Belt friends. One is: Fix up any manner of legislation which you sincerely

believe will help agriculture in the Cotton Belt zone, and I shall support it. The other is: Do the next best thing you can for the people of the Cotton Belt country by supporting my bill to model a national law on the lines of the Nebraska law to guarantee bank deposits, under the terms of which the people will never lose any money.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

The Clerk read as follows:

For collecting, compiling, abstracting, analyzing, summarizing, interpreting, and publishing data relating to agriculture, including crop and livestock estimates, acreage, yield, grades, stock, and value of farm crops, and numbers, grades, and value of livestock and livestock products on farms, in cooperation with the Extension Service and other Federal, State, and local agencies, $787,755: *Provided*, That $89,660 shall be available for collecting and disseminating to American producers, importers, exporters, and other interested persons information relative to the world supply of and need for American agricultural products, marketing methods, conditions, prices, and other factors, a knowledge of which is necessary to the advantageous disposition of such products in foreign countries, independently and in cooperation with other branches of the Government, State agencies, purchasing and consuming organizations, and persons engaged in the transportation, marketing, and distribution of farm and food products, including the purchase of such books and periodicals as may be necessary in connection with this work: *Provided further*, That no part of the funds herein appropriated shall be available for any expense incident to ascertaining, collating, or publishing a report stating the intentions of farmers as to the acreage to be planted in cotton.

Mr. BUCHANAN. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Page 54, line 24, after the word "grades" insert "staples of cotton."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas.

Mr. BUCHANAN. Mr. Chairman, I also have another amendment which I desire to offer so that they can be discussed at the same time.

The CHAIRMAN. The gentleman from Texas offers an amendment for information which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BUCHANAN: Page 55, line 19, add the following: "*Provided further*, That no part of the funds herein appropriated shall be available for the preparation of midmonthly reports of cotton estimates for the months of July, August, and November."

Mr. RANKIN. Mr. Chairman, I reserve the point of order against that amendment.

The CHAIRMAN. Against both amendments?

Mr. RANKIN. Against the second amendment.

Mr. BUCHANAN. Mr. Chairman and gentlemen of the House, I feel that during the consideration of this bill and before its final passage I should render an account to my colleagues on both sides of the House of my stewardship as a member of the great Appropriations Committee, and particularly dealing with the appropriations for the benefit of the agricultural interests of the Nation.

The subcommittee of the Appropriations Committee that conducted the hearings and drafted and presented to the House for passage this agricultural appropriation bill consists of Messrs. MAGEE of New York, WASON of New Hampshire, DICKINSON of Iowa, BUCHANAN of Texas, and GORDON LEE of Georgia, the first three being Republicans and the last two being Democrats.

Unfortunately for the agricultural interest of the Nation, that efficient Congressman and splendid man, GORDON LEE, was seriously sick and has been unable to attend the hearings or take any part in the preparation of this bill. It will thus be seen that I was the only active member of this subcommittee familiar with the various agricultural interests and problems of the South and that the entire burden rested upon my shoulders in representing its interests in every line of agricultural industry. However, it is but just to say that I have found that my Republican colleagues on this committee—MAGEE, WASON, and DICKINSON—are not partisans, but broadminded men, earnestly intent upon caring for the agricultural interest of the Nation and every section thereof. Politics never enters in the discussion of our committee or affects in any degree a single item in the bill.

On a more appropriate occasion I expect to discuss the serious condition of agriculture in our Nation and treat it from a national standpoint and suggest a remedy by which we can convert our nonperishable agricultural surpluses from a national loss to a national asset, to the benefit not only of the farmers who produce these surpluses, but to the Nation as a whole.

It is my purpose on this occasion to discuss only a few substantial increases in a few items of this bill, the purposes for which these increases were made, and the imposition of additional duties upon the Agricultural Department, all in the interest of the cotton farmers.

1. THE COTTON FLEA

During the past few years a new cotton pest has appeared in many of the cotton-producing States, known as the cotton flea. It attacks the cotton plant before the appearance of the Mexican boll weevil, eats and poisons the cotton bud and pierces the squares in their earliest stage of formation, and to some extent poisons the cotton plant. If this insect becomes permanent and prevalent throughout the Cotton Belt, it will destroy the first fruit of the cotton, after which the boll weevil will take charge and destroy the balance throughout many sections.

So far the scientists of the Agriculture Department have no efficient remedy. As a member of this subcommittee, I questioned closely the scientists of the department, brought out the facts, and as a result we have added to this appropriation the sum of $30,000 to discover an effective remedy to eradicate the cotton flea.

2. ROOT ROT OF COTTON

A short while ago, when we reached the section of this bill providing for the investigation of the diseases of cotton, potatoes, truck crops, forage, and so forth, I offered the following amendment:

Strike out the figure $150,570 and insert in lieu thereof the following: $167,570, of which $7,500 shall be immediately available for investigations relating to the root rot of cotton.

Permit me to read a few extracts on this subject from the hearings on this bill, which will fully explain and justify the granting of the increase of $17,000:

Question by Mr. BUCHANAN. I have talked to you, Doctor Kellerman, about root rot of cotton for years since I have been on this subcommittee. This year, I have no doubt that root rot of cotton has caused the loss of half a million bales of cotton in Texas. It would not make so much difference about the loss of that large amount of cotton in itself, because a good deal too much is raised. But here are cotton fields which a man plants, and he goes to the expense of cultivating the cotton; when the cotton gets about knee high it takes the root rot, when it is laid by and dies, and produces nothing.

There are numberless acres—I would say one-eighth of the cotton acreage in my district, has died this year from root rot and made nothing, after being thoroughly cultivated. It has gotten to be quite a serious proposition to that area.

A man can not segregate his land that is free from root rot from that which is infected with the parasite, which produces root rot, because there is an acre here that is affected, on which the cotton will die, while several acres around it will make good cotton, and then there is another half acre on which the cotton will die, and so on all throughout my district and throughout the prairie section of Texas—the central portion of it.

I want something done about it; if you can not find a remedy, then let us say so.

Answer by Doctor KELLERMAN. As I think I have indicated in earlier years, we have done a little work on this problem and found it a very hard one. As you say, the disease has not been one that we could predict, as sometimes a field would be very little affected in one year, while in the following year the loss would be very heavy. Sometimes that same field if planted in cotton the next year would be very little injured. Sometimes the disease would get worse and leave practically nothing living on the field.

Mr. BUCHANAN. I know one farmer who had 100 acres of cotton, and for the past two or three years it has made good cotton, probably half a bale per acre. But this year on this 100 acres he is making only three bales, and that is all due to root rot.

Doctor KELLERMAN. It is exceedingly destructive, and is especially destructive on the black lands.

Mr. BUCHANAN. I want to ask you one thing, and that is if you ever noticed that the land that was once covered with timber never suffers from root rot. That is one of my observations.

Doctor KELLERMAN. I am very much interested in that. That is a point that, so far as I can recall, we have never happened to notice. I thought that in the Brazos bottom there was some land that has been cleared that did have root rot on it.

Mr. BUCHANAN. I beg your pardon, because that is where I shine. I had a thousand acres in cotton in the Brazos bottom for years, and I know all about the Brazos bottom, and no root rot of cotton appeared.

Doctor KELLERMAN. You are completely free of the disease?

Mr. BUCHANAN. We are completely free of root rot. That land was all covered with heavy timber before it was cultivated. It is not only my observation, but I have talked to a dozen farmers, who have been farming all their lives, and they have agreed with the proposition. That where the timber has formerly been, and the land has been cleared, the cotton does not die, and the land has been cleared for 30 or 40 years. Therefore, there is something produced in the soil, it appears to me, that prevents root rot.

Doctor KELLERMAN. Yes. In another way that would, I believe, fit in with another kind of observation we have noted, that on the lands that are rather abnormally high in lime the disease is most severe. I do not know that that thought quite fits in with Mr. Buchanan's point, but I do not think these abnormally high lime lands, that have little lime concretions occurring in them, are lands that have ever been timbered, but I have never thought of it that way before.

POSSIBILITY OF CONTROLLING ROOT ROT

Mr. BUCHANAN. It has appeared to me that there might be some character of fertilizer that you can put on these places that would not only prevent root rot but in addition to that it would build up the land and increase production, serving all three purposes.

Doctor KELLERMAN. With this lead we may find some way of getting benefit from fertilizers.

Mr. BUCHANAN. I will say this frankly to the department: I am very anxious to have a thorough investigation. If it was just a question of the cotton itself, it would not make so much difference, but it entails all this expense in the cultivation of the land and produces no return. That is too much.

How much money will be necessary for you to make a thorough investigation of it this year? Of course, after that we can tell whether you ought to continue it or not. But I want the money devoted to that purpose. I do not think you have devoted much to that. You have just put a little bit on it and maybe have read about it a little bit, but you have not taken off your coat and rolled up your sleeves and gone at it.

Doctor KELLERMAN. We have worried a good deal about it.

Mr. BUCHANAN. But worrying about it does not solve it.

Mr. MAGEE. What is root rot in cotton? Is it something new or is it of long standing?

Doctor KELLERMAN. It is of long standing. It is not a new disease, and, of course, as lands get more valuable and as cultivation becomes more intensive and important losses of this kind steadily grow.

Mr. BUCHANAN. I do not know how old it is. I was picking cotton in 1875, and I know it was in existence then.

Doctor KELLERMAN. This is a thing that I would feel we should try not to do in a single year, as no single year's results would be safe to put before a cotton farmer. So I would be very loath to have the bureau begin work of this kind unless it could carry it for several years. I will not try to tie it down absolutely here, but I think we should have a minimum of about five years. I do not think a single year would be fair to the men we would want to start in on it or to the cotton planter.

Mr. BUCHANAN. Everybody admits the importance of cotton production.

Doctor KELLERMAN. Yes.

Mr. BUCHANAN. This disease is practically in existence throughout the Cotton Belt, wherever the black land exists?

Doctor KELLERMAN. Yes.

Mr. BUCHANAN. It does enormous annual damage?

Doctor KELLERMAN. Yes.

Mr. BUCHANAN. So if it takes 1 year or 50 years it ought to be solved.

Doctor KELLERMAN. I feel that we would make progress if we were sure of the first few years, so that we could follow out some of the leads we now have, and also Mr. BUCHANAN'S lead which I believe gives us a chance to do some work on some new ideas on fertilizers.

Doctor Kellerman stated that he could commence this investigation with an appropriation of between $10,000 and $25,000. So my amendment provides for an appropriation of $17,000 for this purpose, $7,500 of which is made immediately available, so that the investigations can be conducted during the spring of 1927.

Permit me to express my gratitude to my colleagues for adopting my amendment, making a portion of it immediately available, so that no time will be lost in our fight to eradicate the root rot of cotton, and save to the cotton farmers millions of dollars.

3. COTTON CONDITION AND PRODUCTION REPORTS SHOULD CONTAIN CLASS AND LENGTH OF STAPLE OF COTTON PRODUCED

We have now reached the sections of the bill providing for the collecting, compiling, abstracting, analyzing, summarizing, interpreting, and publishing data relating to the cotton crop. To these two sections, Mr. Chairman, I offer the following amendments, that they may be considered together as they relate to the same general subject.

First amendment offered by Mr. BUCHANAN: On page 54, line 24, after the word "grades," insert the following: "staples of cotton," so that as amended the line will read—"yield, grades, staples of cotton, stock, etc."

Second amendment offered by Mr. BUCHANAN: On page 55, line 19, add the following: "*Provided further*, That no part of the funds herein appropriated shall be available for the preparation of mid-monthly reports of cotton estimates for the months of July, August, and November."

Under the law as it now stands it is doubtful whether the department is clothed with authority to make any report whatever upon the length of the staple of the cotton produced each year.

Cotton has three valuable factors: First, the grade, which means only the presence or absence of trash and the color; second, the length of the staple; and, third, the strength of the fiber. It is difficult to determine which one of these factors is the most valuable, but the kind or species of cotton that is of good grade, long staple, and strong fiber is the most valuable and commands the highest price.

For many years the farmers received compensation for only one of these valuable factors, the grade. Recently farmers or organizations of farmers who have on hand a large number of bales of cotton have been receiving compensation for the length of their staples, but, so far as I have been able to ascertain, even in this enlightened age the farmers are not now receiving any compensation for the other equally valuable factor, the strength of the fiber.

The Agricultural Department is now conducting experiments with the strength of the fiber of cotton to determine the spinable value of a strong fiber cotton and standardize it in the cotton markets of the world. When this is accomplished the farmers will then receive compensation for every valuable factor of the cotton they produce, and until the length of the staple and the strength of the fiber enters into and forms a part of the classification of cotton, based upon its spinable value, the farmers will not receive the real value of their cotton. So that this amendment is to authorize the department to estimate the quantity of the different standard lengths of staple produced in each year's cotton crop. When this amendment is adopted and carried into effect by the department it will tend to give the length of staple of the cotton its real place in the cotton world.

My second amendment prohibits the department from using any of the $789,755 for the purpose of making mid-monthly cotton condition and estimate reports in July, August, and November.

Semimonthly cotton condition and estimate reports have been in operation since 1924, and experiences demonstrated that the mid-monthly reports for July, August, and November can be omitted without serious injury to anyone.

While discussing this subject bear in mind that only about 4 per cent of the cotton crop is marketed prior to September 1; then what real service can be rendered by spending the public funds to make two reports in July and two reports in August when one will meet all the demands. If my amendment is adopted, it will require two reports for September and two for October. During these two months cotton is ginned and marketed in the greatest amount. At any period during these two months the northern part of the Cotton Belt may be visited by destructive frosts, storms, and bad weather; therefore in my opinion it is highly essential that we have four reports for these two months. Experience is the most valuable teacher, and he who regards not its lessons is lost.

In 1923, when the law provided only for one report a month of cotton conditions and estimate reports, the department made its report on data gathered from its 8,000 cotton reporters as of October 5. This report was analyzed and published on October 11, but between October 5 and October 11 heavy frost and destructive storms occurred over a considerable portion of the northwest part of the Cotton Belt, reducing the prospects of the cotton crop more than a million bales; and yet the department was helpless to make an estimate report upon this changed condition, which resulted in loss to the cotton farmers, in the price obtained for the cotton, in many millions of dollars.

I want to impress upon my colleagues that the price of cotton is not fixed by those who produce it. Every other business than agricultural that produces products for sale fixes the price of their own products; but in the case of cotton those who buy it fix its price, and they base this price upon the estimated yield of cotton in connection with the world demand.

If the Government estimates of cotton were eliminated, there are 20 private estimating organizations under the control and domination of those who buy cotton who could estimate the cotton production for any year to suit the sweet will of those who buy our cotton. So that it is unthinkable to eliminate the

Government estimates of the production of cotton, as this would leave the whole field in the hands of the private estimators, who would probably yield to self-interest and take from the farmer "who hath not even that which he hath."

My amendment also provides for the elimination of the mid-monthly November estimates. By the 15th of November the cotton crop is made. No radical change in the amount produced is probable. The ginning is far advanced and the Bureau of the Census report on the number of bales ginned is from this time on the guiding basis of the amount of cotton produced, which constitutes the basis for the fixing of the price thereof. So that no injury can result from the elimination of this report.

By the elimination of the mid-monthly July, August, and November estimates of cotton production we will save about $20,000, which will be added to the $50,000 increase of this appropriation which I obtained at the hands of the committee, making $70,000 available for the department in its reports of cotton condition and estimates of production, to include the classification of the cotton produced and the length of staple.

To my mind this is the most important phase of cotton statistics. Let me illustrate it:

It is reported that we have a carry over from 1925 of 5,500,000 to 6,000,000 bales of cotton; that, according to the Department of Agriculture estimates, we have produced this year over 18,000,000 bales of cotton, making about 24,000,000 bales of American cotton, which is published to the world by our own Department of Agriculture. Of course, the cotton-purchasing world assumes that all of this cotton is tenderable cotton; that character and grade of cotton that is suitable to meet the world demand in the manufacturing of commercial and high-grade cotton goods, when, in truth and in fact, of the 5,500,000 or 6,000,000 bales of carry-over cotton there is probably 4,000,000 bales untenderable—some dog tail, some bollies, and some pulled—of such low grade that it does not and should not enter into the supply of real cotton to meet the primary demands of the trade.

What proportion of the cotton crop of 1926 is of this low-grade stuff it is now impossible to form any reasonable estimate, but I believe that I am safe in saying that at least 4,000,000 bales of the 18,000,000 or over is the same class of low-grade cotton. But we look in vain to the reports from our Government to determine the number of bales of this non-tenderable low-grade cotton, and when our Government reports to the world that we have produced a crop of over 18,000,000 bales of cotton, it inflicts a great injustice on the cotton farmers, because every bale of low-grade, nontenderable, unmerchantable, or nonspinnable cotton included in that estimate depresses the price of the real cotton and forms a false basis upon which the price of cotton is fixed.

Our Government in dealing with corn and wheat reports the class and grade of both and gives to the corn and wheat grower and the purchasers of his produce a complete picture. It is equally essential that our Government should do the same for the cotton farmers, and report the number of the bales of dog-tail cotton, of bollies, of pulled cotton, and in fact, of all grades, and especially those not tenderable in the fulfillment of future contracts. When this is done, the low-grade cotton will not depress the price of cotton nor enter into the quantity of cotton upon the basis of which the price is fixed.

I only ask for the cotton farmer a square deal. Render unto him the same character of service that the Government is rendering unto others; he asks nothing more and will be satisfied with nothing less.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. BUCHANAN. I will.

Mr. NEWTON of Minnesota. What would be the additional expense involved in gathering the information and making it public if the amendments of the gentleman are adopted?

Mr. BUCHANAN. The department sent an estimate to the Bureau of the Budget of $75,000, which the Bureau of the Budget refused to allow, but the committee allowed $50,000. If my second amendment is adopted it would relieve the department from making mid-monthly reports for July, August, and November, which serve practically no good purpose; the amount saved on that would amount to about $20,000, and that added to the $50,000 would give $70,000, within $5,000 of the amount estimated by the Department of Agriculture as sufficient.

Mr. NEWTON of Minnesota. It seems to me if the department has any useful purposes served by publishing this information that it ought to convey to the public the entire picture as the gentleman desires.

Mr. BUCHANAN. Absolutely.

Mr. NEWTON of Minnesota. There has been a lot of information that is misleading—it is misinformation.

Mr. BUCHANAN. It is misinformation, and the effect heretofore has been to burden the cotton market and depress its price by reason of the cotton world thinking or assuming that the estimated number of bales reported by the department are of good merchantable cotton, tenderable on contracts, and of such grades and quality that will meet the primary demand.

Mr. LARSEN. Mr. Chairman, I want to ask the gentleman—the second amendment read, as I understand it, was for information. I want to ask the gentleman if he eliminates one report of the four months?

Mr. BUCHANAN. We eliminate the mid-monthly report of July, August, and November. That is to say, we eliminate one of the monthly reports. That leaves a monthly report on the 1st of July, the 1st of August, the 1st of September, the middle of September, the 1st of October, the middle of October, and the 1st of November.

Mr. LARSEN. That is the same thing as the bill introduced and strongly recommended—the Jones bill?

Mr. BUCHANAN. No; the Jones bill eliminates all mid-monthly reports. In my opinion it would be a serious mistake against the interests of the cotton farmer to eliminate the mid-monthly report for September and October. And why? Because these two months are the critical months in cotton marketing and production. There is a vast section, the northern Cotton Belt, that is subject to frost and storms in these months. Suppose that the bureau makes an estimate on the 1st of October, and on the 5th of October a frost comes, a storm comes, wet weather comes, bad weather comes, and reduces the cotton prospect millions of bales. The department would be without power to correct it until the 1st of the next month, and during all that time the farmers would not get the benefit of the reduced prospect on their production. This misleading misinformation must stand uncorrected and the cotton farmers lose perhaps millions by reason thereof.

Mr. LARSEN. I want to say I am in favor of the second amendment and shall support it.

Mr. LINTHICUM. Will the gentleman yield?

Mr. BUCHANAN. I will.

Mr. LINTHICUM. If this amendment be adopted, would there be a report on the grade and length of staple of the 5,000,000 bales of cotton carried over?

Mr. BUCHANAN. No. You see, this committee has no legislative powers; no right to offer a retroactive provision to grade and classify the cotton carried over from last year.

Mr. LINTHICUM. I thought, perhaps, if you could get a resurvey or reexamination made of that cotton it would relieve some of the depression on the cotton market.

Mr. BUCHANAN. Undoubtedly it would; but this, you must remember, is not a legislative committee. I will gladly support a bill or resolution providing for a survey, grading, classification, and report of all cotton now on hand. This is particularly important as to the 5,000,000 bales carried over from 1925 and prior years, as I am firmly convinced that the refuse low grade, bollies, dog tail, untenderable, and even unspinable cotton, of many prior years is included therein.

PICTURE OF PRESENT COTTON SITUATION IF MY AMENDMENTS HAD BEEN IN OPERATION DURING PRIOR YEARS

On the basis that I am correct in assuming, that 4,000,000 bales of the 5,500,000 carried over from 1925, is untenderable, low-grade cotton, and that there is at least 4,000,000 bales of the crop of 1926, the same character of untenderable, low-grade cotton. This would make 8,000,000 bales of cotton unsuitable to meet the primary demand for raw cotton out of which to manufacture real commercial cotton goods. Therefore, this 8,000,000 bales of low-grade cotton should be subtracted from the number of bales of American cotton now on hand, which would leave about 14,000,000 or 15,000,000 bales of tenderable, merchantable, spinable cotton to meet the world demand which, taking in consideration the normal carry over, is barely sufficient for that purpose.

If these facts were definitely and certainly known, the price of cotton would advance several cents a pound.

It is the purpose of my amendment, and the increased appropriation carried, to guarantee that such facts shall be definitely and certainly known in the future, and that the juggling of cotton statistics, and the influence of an enormous amount of untenderable low-grade cotton, shall not hereafter depress the price, resulting in a loss to the cotton producer of many hundred million dollars.

All of the amendments and increases of appropriation advocated by me were adopted by the Committee of the Whole House on the state of the Union, and later the bill, as thus amended, passed the House.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MAGEE of New York. This question, Mr. Chairman, was considered by the committee, and we have no objection to the gentleman's amendment. Under the existing law, the de-

partment grades corn and wheat and other commodities. This amendment provides for the grading of cotton, and all cotton grown is not tenderable, or as we say in the North, marketable. The cotton crop might be 18,000,000 bales, and yet it might be that only 14,000,000 bales of that amount might be tenderable or merchantable. I think it is a very important question. You ought to have your cotton graded just as we grade wheat and corn. I have no objection to the amendment.

Mr. WHITTINGTON. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Mississippi moves to strike out the last word. The gentleman from Mississippi is recognized for five minutes.

Mr. WHITTINGTON. Mr. Chairman, I desire to commend the subcommittee, and particularly the gentleman from Texas [Mr. BUCHANAN], for including in the pending Agricultural appropriation bill $50,000 for the purpose of initiating a statistical service on cotton to show the grade and staple of cotton, and for issuing this information in connection with the crop-estimate reports of the Bureau of Agricultural Economics. Mr. Lloyd S. Tenny, acting chief of the bureau, is also to be commended for his efforts in this regard. I favor the two amendments proposed by the gentleman from Texas [Mr. BUCHANAN].

I understand that the term "grades" as it occurs on page 54, line 24, of the bill, is interpreted by some to be broad enough to include the staple as well as the other qualities of the cotton. I do not concur in this opinion. However, there can not be intelligent information in the reports as to grades unless the quality of the grade is given, and this should certainly include the staple.

Mr. BUCHANAN and the other members of the subcommittee deserve the thanks of the cotton producer, for the additional appropriation will enable the bureau to furnish information that is valuable alike to the producer and to the trade. Estimates can be furnished showing cotton that is untenderable under contract and at the same time the domestic production of staple cotton.

I may say in this connection that I was very greatly surprised to know that heretofore there have been no estimates or statistics collected by the Department of Agriculture, or by any other department of the Government, showing the domestic production and domestic consumption of staple cotton. I brought this fact to the attention of the Secretary of Agriculture last June, and I am glad to note that the matter of grades and staples is included in the recommendation of the department. By staple cotton I mean cotton 1⅛ inches and longer in staple. The Government can not render the grower of staple cotton the assistance that it should unless the grower, as well as the trade, can be advised as to the production and consumption of staple cotton. These statistics are vitally important to the cotton grower.

I find that prior to 1920 estimates of staple production were collected and published by the Department of Agriculture. They have been eliminated since 1920. I am informed that they were eliminated because Congress made no adequate appropriation for obtaining the statistics. I am advised that no new legislation is necessary and that the statistics have not been issued because of the lack of appropriation. I have read the hearings, and particularly the testimony of Mr. Tenny, and I understand that estimates will be furnished hereafter under the additional appropriation covering the untenderable cotton in the carry over as well as statistics on staple cotton.

The Government now collects information and issues statistics on the importation of staple cotton and on the exportation of staple cotton, but we have no statistics on the domestic production and consumption of staple cotton. Some argue that the grower of staple cotton ought to be protected by a tariff. It is maintained that the domestic grower should be protected against the Egyptian grower. To determine the question properly the domestic production must be ascertained. At the present time we are in the dark. There is no provision in the bill that would be of more benefit to the grower of staple cotton than the additional appropriation that will provide for estimates of the domestic production and consumption of staple cotton.

Too much importance can not be attached to the collection of information showing the untenderable cotton in the annual carry over. It is estimated that there are about 6,000,000 bales in the carry over for 1925. It is also estimated that there are some 3,000,000 bales that are untenderable under contract, unspinnable, unmerchantable cotton. That carry over serves to depress the price.

Mr. BLACK of Texas. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. Yes.

Mr. BLACK of Texas. I do not want the gentleman to get any misapprehension as to what will be done under the amendment offered by the gentleman from Texas [Mr. BUCHANAN]. No survey will be made of the present carry over. The department has made it plain that it could not possibly do that with the funds provided in this amendment, and it would be necessary to have enacted such a provision as that contained in the Jones bill to do that work.

Mr. WHITTINGTON. Yes; I understand. But this provision will in in a measure enable us to provide for the future carry over.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent to proceed for three minutes longer.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. The statistics showing the staple of the cotton, and its quality, will have an important influence on the price. It is not so much a question of how many bales of cotton are produced annually as it is of the grades and staple of the cotton produced.

Moreover, for some time the Government has been estimating the grades of wheat and corn; this appropriation will enable the Government to do for the cotton industry what it has been doing heretofore for wheat and corn.

It is frequently said that the Government does not render agriculture any real assistance. This is a mistake. Millions of dollars are appropriated annually for agriculture. Production has been increased. The American farmer is efficient. The unsolved problem is the matter of marketing the crop. The cotton grower is in great distress. He is not only facing bankruptcy, but in too many cases he has become bankrupt.

The hearings on this bill disclose that the average cost to the farmer who had an average yield of cotton in 1925 was 18 cents per pound. It is certainly no less for 1926; and yet cotton is selling from 7 to 10 cents a pound. It is actually selling for less than one-half the cost of production.

The matter of crop estimates will undoubtedly come up at another time. In my judgment, however, the semimonthly reports for July and August should be omitted. There should be no report or estimate of the number of bales of cotton to be produced during these two months. Some cotton is planted after the 1st of June. The reports for July and August should be condition and acreage reports. In my judgment, there should be a report about the 1st of July showing acreage, and there should be a report about the 1st of September showing the abandoned acreage. The semimonthly reports should be abandoned altogether. There should be only four reports, and they should be monthly and issued simultaneously with the cotton-ginning reports on the 1st of September, October, November, and December.

The hearings develop that if the present law is amended so as to provide for only monthly reports, some $20,000 to $25,000 now devoted to the issuance of the semimonthly reports can be utilized in obtaining statistics as to the quality of the cotton produced, which includes the grade and the staple.

I may say in this connection that there has been considerable argument for abolishing Government reports and estimates altogether. This would be a mistake. Without Government reports we are dependent upon private reports. The cotton producers would be dependent upon the reports of the operators and the speculators. However, no information is better than erroneous information. The Government estimate is far more accurate and is entitled to great weight. It must not, therefore, be erroneous. It should be as correct as it is humanly possible to make it.

The law providing for the issuance of the semimonthly reports was passed in May, 1924. There is a wide-spread opinion that the frequency of the reports disturbs the market. This opinion is shared by both buyer and producer. I think statistics showing the grades and staple preferable to semimonthly reports. In fact, I regard this information as vital to the cotton grower. The subcommittee is to be congratulated for making an appropriation that will enable the Bureau of Agricultural Economics to issue reliable statistics on the grades and staples of cotton produced in the United States, and this appropriation should be increased at the earliest possible moment, so that these statistics can be made as accurate as is humanly possible.

Whatever else may be said, the estimates for the past two years have been substantially correct. These estimates are based upon reports from growers, ginners, and State statisticians. Moreover, every effort to prevent leakage of information before reports are finally given out is exerted. My

investigation reveals that the system is well-nigh perfect and leakage in advance of the moment of publication is quite impossible.

Congress will be derelict in its duty if it fails to provide for ample appropriations so that estimates that are reliable and accurate covering the grades of cotton and the domestic production of staple cotton can be available to the grower and to the trade. [Applause.]

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. WHITTINGTON. Yes.

Mr. NEWTON of Minnesota. If we do that, we must adopt the second amendment, which does away with the additional publications between months.

Mr. WHITTINGTON. Yes; but it does not do away with the publications entirely.

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

Mr. CONNALLY of Texas rose.

The CHAIRMAN. For what purpose does the gentleman from Texas rise?

Mr. CONNALLY of Texas. I rise to oppose the pro forma amendment. Mr. Chairman and gentlemen of the committee: I want to congratulate the Appropriations Committee on this provision in this bill and to say that I regard our State and the cotton industry as being fortunate in having on the Appropriations Committee a gentleman who is so well acquainted with our troubles and our industries and so keenly alive to our problems as my colleague from Texas [Mr. BUCHANAN]. [Applause.] I very much wish I could have been on the committee a little while ago when I undertook to secure the adoption of an amendment.

Mr. DICKINSON of Iowa. Will the gentleman yield?

Mr. CONNALLY of Texas. I yield.

Mr. DICKINSON of Iowa. I am throughly convinced that had the gentleman appeared before our subcommittee and converted the gentleman from Texas [Mr. BUCHANAN] to his program, as well as the other members of the subcommittee, that his proposition would have had very serious consideration by the subcommittee. We are sorry the gentleman did not appear.

Mr. CONNALLY of Texas. Well, the gentleman from Texas did appear before gentlemen here in the Hall. He appeared before the gentleman from Iowa [Mr. DICKINSON] and before the gentleman from New York [Mr. MAGEE], and the gentleman from Texas [Mr. BUCHANAN] was favorable to the amendment I offered a little while ago.

Now, gentlemen, permit me just this observation: The gentleman from Iowa [Mr. DICKINSON] is one of the outstanding agricultural leaders in the House. My amendment a little while ago lost by two votes. I did not attribute its defeat to partisanship. The gentleman from Arkansas made some suggestion of that kind. However, I did not make any partisan appeal and I did not expect any partisan treatment of my amendment. Gentlemen may say I am a partisan. The "gentleman from Texas" is a partisan. If the gentleman had no views on public questions and if the gentleman had no convictions on public questions he would not aspire to a seat in this body. But, gentlemen, there are some questions which affect the welfare of the whole country and are not political. I submitted my amendment in the hope that it would receive that kind of treatment. The gentleman from Nebraska [Mr. HOWARD] made an appeal in behalf of the corn farmers. I believe in doing all we can for the corn farmers, and when the bill provided some additional funds or some additional provision with reference to the corn borer the gentleman from Texas made no objection and shall never make any objection, no matter where the farmer may reside. The gentleman from Texas will never for partisan purposes raise his voice or cast a vote against the interests of the man who earns his living by the sweat of his brow. When it comes to such matters he knows no section and no geography, and I am simply appealing to gentlemen that when questions of that kind are presented, which involve no political, fundamental question of politics, not to treat them in a partisan manner. What the gentleman from Texas objects to is that after he had secured 55 votes for his amendment, a majority of those who were present and heard the arguments, a large majority of those who sat here and heard the arguments, there began the hustling in of gentlemen from the cloakrooms who had never heard a word of the debate for the purpose of defeating his amendment.

They were hustled in by the Sergeant at Arms of the House, who is supposed to be a public functionary to serve this side as well as that side. What the gentleman from Texas objects to is the hustling in of gentlemen who never heard one word of the debate, who knew nothing about what they were voting upon, but were hustled in at the dictation of the gentleman from New York, because he happened to be on the committee, and that such should be done by elected officials of this House, such as the Sergeant at Arms, on a nonpartisan vote. He objects to Members who walked up, with their minds closed to information and with their eyes closed to facts and automatically vote like so many wooden men with so many wooden heads and defeat an amendment when it had the support of gentlemen who were here and heard the arguments.

I have no complaint with gentlemen on this side of the House who voted against my amendment if they heard the arguments and did not believe there was enough in the amendment to warrant their support. If they voted in that way, all well and good, because that is their right and that is what they are here for—to use their brains, to use their intelligence, and to hear these arguments. The gentleman from Texas shall never complain if in the forum of argument and in the forum of reason his cause fails, but the gentleman from Texas does object to having to enter the forum of ignorance and having gentlemen vote on great questions without knowing anything on earth about them except to recognize their master's voice.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. RANKIN. Mr. Chairman, I desire to propound a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RANKIN. The gentleman from Texas [Mr. BUCHANAN] has offered two amendments. To the first one I have no objection. The second amendment, in my opinion, involves a very vital policy, and I should like to have the first amendment out of the way before we debate the last amendment about which the gentleman and I so widely differ.

The CHAIRMAN. The Chair will state that the second amendment was offered only for information. The first amendment is now pending and will be acted upon in due time. The second amendment will then undoubtedly be offered by the gentleman from Texas and will be before the committee.

Mr. RANKIN. For debate?

The CHAIRMAN. Yes; for debate.

Mr. UPSHAW. Mr. Chairman, may we have the pending amendment again reported?

The amendment was again reported.

The amendment was agreed to.

Mr. BUCHANAN. Mr. Chairman, I now offer the second amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BUCHANAN: On page 55, line 19, add the following: "*Provided further*, That no part of the funds herein appropriated shall be available for the preparation of mid-monthly reports of cotton estimates for the months of July, August, and November."

Mr. RANKIN. Mr. Chairman, I rise in opposition to the amendment. I realize that it is much easier and politically much safer to fall in line and join the stampede of the men and the organizations that are now clamoring for the abolition of the reports on the production of cotton.

This amendment, by all means, ought not to be adopted. Another bill is coming before the House in a short time that involves the abolition of all the reports during the months of July and August by the Department of Agriculture. Not only that, but the bill that is to come before the House proposes to abolish all the reports except one a month, beginning the 1st of September and running up to the 1st of December.

This is a bill that the cotton exchanges—and I say this, gentlemen, with all deference to the men who differ from me on this proposition—this is what the cotton exchanges have been after for the last three years, and they virtually demanded it when this bill was originally put into effect.

Let us see just what this means. Because we have made a big crop of cotton everybody is dissatisfied. The price has gone down below the cost of production and they seem to want to vent their spleen against the Crop Reporting Board or against these crop reports. First they come in with a bill to abolish all of them. This is the more logical of the two positions. It would be more logical to abolish them all than it would to garble them up in the manner proposed either by this amendment or the bill reported by the Committee on Agriculture. They say that they want to abolish these reports in July and August and the other bill provides for that. The other bill abolishes all reports in July and August; and what do you do? You absolutely put the cotton producers, so far as the reports are concerned, at the mercy of the cotton speculators who have their own reporters in the field to gather information during the months of July and August when the crop is undergoing those violent changes that affect the crop more than any other changes that take place until the killing frosts.

Let me remind you, especially the gentlemen from the cotton-growing States, that I know there has been a great propaganda spread throughout the Cotton Belt to make the farmers dissatisfied; but you abolish these reports and go back to the old system and then suppose you have a repetition of 1923. What happened then? In 1923, and possibly the year preceding that, you had an attack of the boll weevil in the month of July and you had floods in August, followed by renewed attacks of the boll weevil that cut the cotton production 25 per cent. Under this amendment, along with the bill reported by the Committee on Agriculture, without one word of testimony from a single cotton-growing organization to approve it, you would leave the cotton growers at the mercy of that great swarm of private reporters who are out looking over the cotton fields, with but one object in view, and that is to acquire information and to create an impression that will benefit the speculator or the cotton buyer at the expense of the cotton grower. You may adopt this amendment, and I want to say to the gentleman from New York——

The CHAIRMAN (Mr. CROWTHER). The time of the gentleman from Mississippi has expired.

Mr. RANKIN. Mr. Chairman, I would like to have five minutes more.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent to proceed for five additional minutes. Is there objection?

There was no objection.

Mr. RANKIN. You may adopt this amendment, you may pass the bill that has been reported by the Committee on Agriculture; but I want to tell you right now that whenever you do and go back to your States next year, if you have the normal condition that prevailed in the cotton-growing States from 1912, we will say, or 1914, down to 1923, you are going to hear from it, but it will be too late then. You will not get these reports back.

Why, in 1925 we ginned more than 2,000,000 bales before the first day of September, about one-sixth of the crop. Under this provision, coupled with the bill that has been reported by the Committee on Agriculture, there would not have been a single governmental report. The only report they would have had would have been the reports from these speculators who are out looking after their own interests and who unfortunately swell the estimates in order to beat down the price of cotton in the months of August and September, right at the most vital time when farmers are placing their cotton upon the market.

I can not support this amendment and I trust gentlemen on the other side of the House who have been so particular about their prerogatives will not put this amendment in the law, but let it come in the regular course of legislation. Let it be investigated by the committee and give us time on the floor to debate it. Do not let us be stampeded in adopting an amendment that will be a sad mistake as far as the cotton growers are concerned. They are the ones interested. I am not going to be stampeded. When the time comes that I have got to be stampeded by every wave of propaganda that sweeps over the country I am going to withdraw. I am willing to go back and take the verdict of the cotton growers, the men who hold the plow, for I know it will do them an injury that will not be overcome during the life of the present Representatives in this Congress. [Applause.]

Mr. BLACK of Texas. Mr. Chairman, the gentleman from Mississippi talks about Members of Congress who are opposed to having so many of these Government estimates being stampeded by propaganda. I submit that that is rather a radical statement for the gentleman to make.

Mr. RANKIN. Let me say to the gentleman that I did not question his motives nor the motives of anybody else.

Mr. BLACK of Texas. At least the gentleman from Mississippi talks about Members who favor the Buchanan proposition being stampeded by propaganda. Let me explain to the gentleman from Mississippi a little about our views on this subject. We admit that we need some Government estimates as to the probable yield of cotton, but the law advocated by the gentleman from Mississippi [Mr. RANKIN] provides for 11 different estimates of the probable yield during a single cotton-growing season, and before the market can recover from the effects of one estimate it is confronted by another. That is particularly true in a year of large production. I undertake to say, without criticizing in the least the accuracy of the Government estimate, without assailing their good faith in the least, that during the marketing season that is about to close no bear speculative propaganda in the United States could have been invented that would have been more effective in the hands of speculators than these semimonthly reports have been. Particularly during September and October the market was heavily sold by the speculators in anticipation that the Government estimates would forecast much larger yields. This carried the market down at a terrific rate of decline—a decline which I think would have been slower if there had not been so many reports.

Mr. RANKIN. The gentleman will admit that the reports in July and August did not injure the market, if any reports at all injured it.

Mr. BLACK of Texas. Let me say as to the reports of July and August that if you will get the hearings which were held before the Committee on Agriculture on the Jones bill you will find that Mr. Tenny and other representatives of the Department of Agriculture said that they would be glad to have the July and August and November semimonthly reports abandoned. They stated it as their belief, that there should be semimonthly reports in the months of September and October. Personally, I think one report a month is enough, and I will advocate it when we get to the legislative bill. I think the Buchanan amendment, now pending, would be an improvement over the present situation.

Mr. RANKIN. Will the gentleman state which affects the markets the most, the crop estimate or the ginners' report?

Mr. BLACK of Texas. Undoubtedly, as the gentleman knows, the crop estimate as to the probable yield has the most effect. But I want it distinctly understood that my objection is not addressed so much to the accuracy of the reports as to the frequency of them. There is an old saying that "too much of a good thing is bad." That is what I think about too many of these reports.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BLACK of Texas. I ask for three minutes more.

Mr. MAGEE of New York. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RANKIN. The gentleman knows quite to the contrary, that when we had a crop estimate and a ginners' report at different times the ginners' report had more effect on the market.

Mr. BLACK of Texas. The two reports come now simultaneously. My own view is that in the months of August, September, and October at least, the estimates as to probable yield have a greater effect on the market than do the ginners' reports.

Perhaps in November and December the ginners' reports are more influential on the market than the estimates as to probable yield. I submit that the Buchanan Amendment carries out the recommendation of the Department of Agriculture, and ought to be adopted.

Mr. CRISP. Mr. Chairman, of course in two minutes I can not argue the matter, and I shall not attempt to do so. I am intensely interested in this because my people are very much interested in the production of cotton. Our people firmly believe that these semimonthly reports in July, August, and November serve no useful purpose, except to have the market demoralized twice a month instead of once a month. In my own judgment monthly reports are ample, and I favor the Government making monthly reports, because if the Government withdrew from the field the private operators would make reports, and there would be no check on them. The Government reports are impartially made, and are recognized by the cotton trade as the most accurate estimate made, and I agree in this. I think this amendment is a step in the right direction. The department itself says that the semimonthly reports during July, August, and November subserve no useful purpose, and if they are discontinued more funds will be available for the department to ascertain the different grades, which would be absolutely the best thing that this Congress can do to aid the cotton farmers, so far as statistical information is concerned, because there are many grades of cotton and the price of cotton differs as to grades sometimes as much as 6 or 7 cents a pound. We, from the cotton States, believe that a great part of the carry-over cotton, several million bales, is very low-grade cotton, much nontenderable, and that the number of bales of such poor-grade cotton is used to depress the price of good cotton. I am in favor of the amendment offered by the gentleman from Texas.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas.

The amendment was agreed to.

The Clerk read as follows:

For collecting, publishing, and distributing, by telegraph, mail, or otherwise, timely information on the market supply and demand, com-

mercial movement, location, disposition, quality, condition, and market prices of livestock, meats, fish, and animal products, dairy and poultry products, fruits and vegetables, peanuts and their products, grain, hay, feeds, and seeds, and other agricultural products, independently and in cooperation with other branches of the Government, State agencies, purchasing and consuming organizations, and persons engaged in the production, transportation, marketing, and distribution of farm and food products, $1,054,355.

Mr. COLTON. Mr. Chairman, I move to strike out the last word. A practice of the Department of Agriculture has been called to my attention recently and too late for me to bring to the attention of the subcommittee, which, I think, to say the least, is of doubtful value. I refer to the practice of prognosticating or predicting the future price of agricultural products. I do not seen anything in this bill that justifies that practice upon the part of the department. Complaint has been made, particularly on the part of the producers of lambs and wool. They say that the practice has a very detrimental effect upon the price of those commodities. I can not see any reason for the department making the statement that I find contained in their release, for instance, of August 20, 1925, which says:

A normal lamb crop next spring, together with lower prices of wool, may result in lower prices for the 1926 lamb crop.

They were talking of the 1926 lamb crop long before the lambs were born. Again, in another release in July, they make this statement:

Factors that may influence prices for the 1926 lamb crop unfavorably are the indicated increases of 10 per cent in the size of the crop, a probable downturn tendency in hog prices next spring, and a possible slackening in business activities.

None of those things came true. There was no appreciable slackening in business activity, and there was no downturn in the price of the hog market. If there had been, why should it be heralded far in advance? It seems to me that these predictions can have no other effect than to put the man who can not carry his lamb crop over until the higher price is obtained in a position where he must sell at the best price obtainable, or at least feels that he must. I can not find anything in this law which authorizes any prediction of prices based on future contingencies. Why not confine these reports to a statement of existing facts? Those interested can draw their own conclusions.

As I say, this was brought to my attention too late to frame an amendment and submit it to the subcommittee. I expect to go into the matter very carefully in the near future, but it seems to me now that this practice is detrimental, and does more harm than good. I am in hearty sympathy with the work of the department in gathering information and giving it to the public, when that information is based on a survey of actual facts and conditions, but speculating on the future and pointing out conditions that may arise may have only one effect, namely, that of frightening the man who is not in a position to carry his crop over, if necessary, so that he feels the first offer made must be accepted.

Mr. CHINDBLOM. Does the gentleman have any idea of who is responsible for that kind of report being issued by the department?

Mr. COLTON. I may have an idea, but I have no authentic information.

Mr. CHINDBLOM. It was right during the campaign, was it not?

Mr. COLTON. It was about that time. The people are complaining of it, and it seems to me that the department should content itself with issuing statements of facts, and not go into the domain of speculation—of predicting what the prices in the future shall be. Many believe that the predictions did not come true and that they injured the small producers.

Gentlemen, I shall not offer at this time any amendment. I want to go into the matter fully. It is not wise to act until we are fully advised. I have not had time to investigate fully, and particularly have not had opportunity to investigate at the department. I shall do so, however, soon. There is a widespread feeling in the West that these predictions are very hurtful and ought not to be made by the Government.

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. GREEN of Florida. Mr. Chairman, I rise in opposition to the pro forma amendment and ask unanimous consent to proceed for five minutes out of order and to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Florida asks unanimous consent to proceed out of order and to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. GREEN of Florida. Mr. Chairman and fellow Members of the House, I take this opportunity to address you on the merits of House bill 14840, a bill to abolish the 80 per cent estate tax credit contained in section 301 of the revenue act of 1926; also House bill 14839, a bill to repeal the estate tax, both of which bills are now in the hands of the Committee on Ways and Means.

In introducing these bills I have given the Congress an opportunity to undo an act of Congress at the past session which, in my opinion, was the most iniquitous, drastic, bolshevistic, overbearing, and unfair piece of legislation in the history of our great Government. I have reference to the section of the general revenue bill of 1926 which gave to certain States an 80 per cent advantage in the matter of estate taxes. This act was aimed at the great and growing State of Florida, as was clearly brought out by the gentleman from Iowa [Mr. GREEN], when, is his great wrath, hurled at the State of Florida, he accused the visitors, tourists, and investors who have gone to Florida as being jazz trippers, tax dodgers, and bootleggers. The gentleman from Iowa and other zealarts like him well knew that hundreds of thousands of people were flocking to Florida, and they feared that if the Federal inheritance tax was repealed everybody would go; so they kept the inheritance tax on the statute books, but gave to those States that have a State inheritance tax credit for 80 per cent of the amounts paid by them, and this socialistic principal was passed by the House and sent to the other end of the Capitol.

In the other end of the Capitol the Finance Committee voted overwhelmingly to repudiate it, which said repudiation was confirmed by the other body, but the House of Representatives refused to recede from its position, so the general revenue bill went into law carrying this great discrimination aimed at, and based against a sovereign State, Florida.

In my opinion, no more un-American piece of legislation has ever been enacted, and I believe it is now time for this evil to be corrected.

The stamp act and the tea tax in the days of old may well be compared to this attempt at wholesale interference with and complete destruction of the rights of the State. In no other instance has the Federal Government so boldy undertaken, under the guise of its power of taxation, to invade the governmental functions and powers of the State's government. The framers of the Constitution of the United States and the State conventions which ratified it never intended that the power of the States should ever be trampled upon in this manner.

In section 2, article 1, of the Constitution it is plainly stated:

Representatives and direct taxes shall be apportioned among the several States which may be included within this Union.

And, in my opinion, the act in question is purely a violation of the Federal Constitution.

Mr. BLANTON. Mr. Chairman, will the genleman yield?

Mr. GREEN of Florida. Yes.

Mr. BLANTON. Our law exempts us for all taxes that we pay our States on land, for instance. Suppose the State of Florida in its constitution should provide that no land should be taxed in Florida. Would there be just as much discrimination there? The gentleman is not inveighing against the general law which exempts income-tax payers from the tax they pay their States?

Mr. GREEN of Florida. I would say to my friend from Texas that in our State, as in most States, we have a tax on land.

Mr. BLANTON. But suppose you should abolish it?

Mr. GREEN of Florida. If we were to abolish it, I am sure that the other resources of our State would maintain our treasury, and let me say there, for the information of the House, that the State government is absolutely free of debt and has from $12,000,000 to $16,000,000 in the treasury.

From the beginning of this Government to the year 1924 no attempt has ever been made by Congress to violate the rule of geography and uniformity in the levying of duties, imports, and excises. No attempt has ever been made to discriminate between States in the Federal act for the purpose of controlling State legislation. The two provisions in the Constitution for the protection of the States against discrimination were as to direct taxes proportionate in accordance with representation, as to indirect taxes geographical uniformity throughout the country.

At this point I take the liberty to quote from Chief Justice Fuller in Pollock *v.* Farmers' Loan & Trust Co. (157 U. S. 557):

One of the principal objects of the proposed new government was to obviate this defect of the confederacy by conferring authority upon the new government by which taxes could be directly laid whenever desired. Great difficulty in accomplishing this object was found to exist. The States bordering on the ocean were unwilling to give up their right to lay duties upon imports, which were their chief source of revenue. The other States, on the other hand, were unwilling to make any agreement for the levying of taxes directly upon real and personal property, the smaller States fearing that they would be overborne by unequal burdens forced upon them by the action of the larger States. In this condition of things great embarrassment was felt by the members of the convention. It was feared at times that the effort to form a new government would fail. But happily a compromise was effected by an agreement that direct taxes should be laid by Congress by apportioning them among the States according to their representation. In return for this concession by some of the States the other States bordering on navigable waters consented to relinquish to the new government the control of duties, imposts, and excises, and the regulation of commerce, with the condition that the duties, imposts, and excises should be uniform throughout the United States. So that, on the other hand, anything like oppression or undue advantage of any one State over the others would be prevented by the apportionment of the direct taxes among the States according to their representations, and, on the other hand, anything like oppression or hardship in the levying of duties, imposts, and excises would be avoided by the provision that they should be uniform throughout the United States. This compromise was essential to the continued union and harmony of the States. It protected every State from being controlled in its taxation by the superior numbers of one or more other States.

And from Mr. Justice Field, in Pollock *v.* Farmers' Loan & Trust Co. (157 U. S. 587, 588):

Now, that the requirements that direct taxes should be apportioned among the several States contemplated the protection of the States to prevent their being called upon to contribute more than was deemed their due share of the burden is clear. Giving to the term uniformity as applied to duties, imposts, and excises a geographical significance likewise causes that provision to look to the forbidding of discrimination as between the States by the levying of duties, imposts, or excises upon a particular subject in one State and a different duty, impost, or excise on the same subject in another; and therefore, as far as may be, is a restriction in the same direction and in harmony with the requirement of apportionment of direct taxes. And the conclusion that the possible discrimination against one or more States was the only thing intended to be provided for by the rule which uniformity imposed upon the power to levy duties, imposts, and excises is greatly strengthened by considering the state of the law, in the mother country and in the Colonies, and the practice of taxation which obtained at or about the time of the adoption of the Constitution.

And from Mr. Justice White, in Knowlton *v.* Moore (178 U. S. 41, 89):

Nothing can be clearer, therefore, than that the object of this constitutional provision for the uniformity of indirect taxes was to protect the States against discrimination.

Mr. Chairman, I could quote for my colleagues other court decisions bearing on this if time permitted, but knowing the great legal ability of so many of my distinguished colleagues, I hardly believe it necessary.

According to the returns on the State taxation filed from January 1, 1924, to December 31, 1924, 9,338 estates were subject to tax and paid taxes, said taxes amounting to $65,900,050. It is true that Florida paid less than one-fourth of one of these millions. It is also true that New York State paid more than twenty million, Pennsylvania more than five million, New Jersey more than five million, and Massachusetts almost five million. These last four States enumerated paid more than one-half of the total amount returned to the Federal Treasury. My colleagues from these States, of course, realized what it would mean to their taxpayers to receive the benefits under the 80 per cent provision; likewise, my colleagues from the weaker States, where their State collected an estate tax, knew that lesser benefits would accrue to their citizens; but my colleagues from all the States, except two, were probably also inspired by anti-Florida propagandists throughout the Nation.

According to the returns on the State taxation filed from January 1, 1925, to December 31, 1925, a total of 10,642 estates paid Federal taxes amounting to $96,930,151. A credit was allowed to the taxpayers of the various States of $10,707,056. This was, of course, under the old law allowing only 25 per cent rebate, I believe. Now, suppose that 80 per cent of this approximately $97,000,000 had been turned back to the States, this would have left approximately seventeen and one-half million to be sent to the Federal Treasury; then if we estimate that taxes paid from January 1, 1926, to December 31, 1926, will be $80,000,000, and the amount collected this year will be probably less than the year 1925, because the rates were lowered, then take 80 per cent of $80,000,000 and give it back to the States, you will have left for the Government approximately $16,000,000 by this iniquitous and outrageous credit allowed to States. The 1926 revenue law not only deprives the Federal Treasury of from $60,000,000 to $75,000,000 a year but also, in my opinion, takes that which is not measurable in dollars and cents; it violates the Federal Constitution and takes away from Florida her right of a sovereign State.

Mr. Chairman, the amount of money returned to the Federal Treasury under the estate tax provision of the 1926 revenue act will be negligible, and, assuming that the next tax reductions will also include reduction of the estate taxes, it appears to me that if this terrible 80 per cent credit provision is retained that eventually its sole purpose will be to discriminate against Florida. I predict that if my colleagues refuse to pass House bill 14840, then the demand of the country will be so great that the evil against Florida be corrected until House bill 14839 will be passed. It is my opinion, anyway, Mr. Speaker and my colleagues, that America is tired of paying to the Federal Government a death tax, and do you believe that our Government should tax corpses? This is a field of taxation which should be left entirely to the several States.

My State has already by vote of 4 to 1 adopted a constitutional amendment prohibiting the State from levying in the future any inheritance or income tax, laboring under the belief that it is wrong to tax dead bodies; but if the other States desire to collect a death tax, we have nothing to say. But we do say that any effort of Congress to coerce and force the State of Florida into levying and collecting a State inheritance tax is emphatically resented.

Florida's constitution is her own and she has the right to say what her State must do in State tax matters. She also has the right, here in the Congress of the United States, to bring her plea for justice and fairness, and request the Congress to uphold the Constitution of the United States and to repeal the vicious provisions of the 1926 revenue act.

The State of Florida does not need a State inheritance tax, and may I advise you that the State government is debt free and has an enormous surplus of several million dollars in its treasury. Probably no other State in the Union has a debt-free government and a large surplus in the treasury.

In the passage of House bill 14840 Florida is not asking any favor but only asking her rights as a sovereign State. She is asking that the constitution of her State be saved and that the Constitution of the United States be upheld, and that she be permitted to tax and omit to tax her people for State purposes as she desires, and she refuses to be coerced by the Congress into the passage of a State inheritance tax law. The State chamber of commerce and scores of other civic organizations throughout the State are urging that Florida be given her rights in this matter. Florida feels and knows that she has been unjustly discriminated against and asks that this wrong be righted.

Mr. Chairman and Members of the House, I have just read a splendid argument against the 80 per cent provision. Said argument was made by the Hon J. B. Johnson, of Florida. Among other things he shows the manner in which the country is accepting this iniquitous provision of the 1926 revenue act, and shows how the bill fails to carry out the intent of Congress. I take the liberty here to read a short statement from the argument:

As a concrete example of the practical workings of this rebate provision of the revenue act of 1926 the Legislature of Georgia has passed an estate tax law for that State which was approved March 31, 1926. Section 1 of this law reads:

"*Be it enacted by the General Assembly of Georgia, and it is hereby enacted by the authority of the same,* That from and after the passage of this act it shall be the duty of the legal representative of the estate of any person who may hereafter die a resident of this State, and whose estate is subject to the payment of a Federal estate tax, to file a duplicate of the return which he is required to make to the Federal authorities, for the purpose of having the estate taxes determined, with the State tax commissioner. When such duplicate is filed with the said official he shall compute the amount that would be due upon said return as Federal estate taxes under the act of Congress relating to the levy and collection of Federal estate taxes upon the property of said estate taxable in Georgia, and assess against said estate as State inheritance taxes 80 per cent of the amount found to be due for Federal estate taxes."

The tax officials of the State of Georgia are advertising the advantages Georgia has in a leaflet which says in part:

There you are. Analyze the act and see just what it means, then compare it with the laws of other States, particularly the so-called noninheritance tax States. The analysis shows the Georgia law is far better than if the legislature of the State, as have been done in other States, merely has passed a law prohibiting the levy or collection of any inheritance tax. The why is clear. Take an estate in Florida, for instance, large enough to have levied against it by the Federal Government as an estate tax, say, $75,000. Florida has no inheritance tax law of any kind, but the Federal Government levies a $75,000 estate tax, collects it, and the whole amount goes into the Federal Treasury with not one penny of benefit, so far as that $75,000 goes, to either the estate or to the State of Florida.

Make the same calculation in Georgia. The same kind of an estate, of the same value, finds a Federal estate tax levied against it for $75,000. The Federal law provides that this estate is entitled to an exemption of 80 per cent of the levy made against it for Federal estate taxes, provided that 80 per cent has been paid the State in which the estate is located as an inheritance tax. Do you get it? In the Florida case the Federal Government can give no exemption, nor can the State claim it, because there is no State inheritance tax, therefore the Federal Government has to take the whole $75,000. In Georgia the Federal Government assesses $75,000 against the estate, credits the estate with an exemption of four-fifths of the amount levied, and takes one-fifth into the Federal Treasury, the four-fifths which is credited as an exemption going into the treasury of Georgia. In both cases the estate pays only $75,000; in our case we get our share for applying to the expense of operating our State government. The noninheritance tax States are, of necessity, compelled to supply the deficiency in the source of revenue by taxing other property on which there is no Federal exemption.

If the Congress had wanted to be fair and had wanted to meet the uniformity provision in the laying and collecting of taxes as required by section 8, article 1, of the Constitution of the United States, they should have provided for the collection of the entire amount of the estate tax laid, and then refunded to the treasury of each State, for State purposes, 80 per cent of the tax collected from each State. If Congress had no authority to do this, then Congress has no authority to do what it has done. Congress can not do indirectly what it is not allowed to do directly.

If it is so interpreted in the State of Georgia, which is one of the best and greatest States of the Union, then will it not be misinterpreted and misused in other States of the Union?

The rebate provision of this estate tax law is not only clearly outside the pale of the powers delegated to Congress, but it is an expressed violation of the provisions of the Constitution, in that the tax is not "laid and collected to pay the debts and for the common defense and general welfare of the United States," and is not laid and collected "uniformly throughout the United States."

And I can never believe that this act of Congress ever represented the real feeling of the Members of Congress, but was rather an avenue of escape for their respective States, enmities and prejudices, and since my colleagues and the Nation has cooled off and reflected, I believe that it is now the ripe time to correct the wrong by either adopting House bill 14840 or by adopting House bill 14839 and retiring the Federal Government from the estate-tax field altogether and leaving the right to levy estate tax entirely with the respective States where it belongs.

Mr. Chairman, as I expect to speak on this subject from time to time conveying my argument and the argument of the State of Florida—because it is not my fight, it is Florida's fight—before the House, I shall not speak at length to-day, but may I take time to inform my colleagues that the intent of the 80 per cent provision which was to stop the migration of people and the migration of wealth to the State of Florida has been entirely futile. The intent of this provision to stop the growth and progress of the State of Florida has been entirely without result, but in turn, Mr. Chairman, the great ship of growth, development, and progress upon which Florida embarked many years ago still sails on. To-day she is leading the South in building enterprises and general development. During the first 11 months of this year there was $233,589,400 worth of new construction started throughout the State. Small villages are growing rapidly into populous cities. Her vast reaches of more than 2,300 miles of sea coast are studded with splendid harbors and girded with among the best railroads in the world. Paved roads are rapidly extending themselves in every section of the State. Factories are springing up here and there and disbursing enormous pay rolls. Her mines are belching forth 80 per cent of the Nation's supply of phosphate, together with various and sundry building and manufacturing materials. Her tobacco fields are ever enlarging and growing more productive. Her common and staple crops, together with her livestock industries, are gradually improving. Her orange and grape-fruit groves—the largest and best in the world—are becoming more lucrative. Her wild lands are rapidly transforming into gardens and fields and are to-day supplying the Nation with winter vegetables. Her more than 30,000 lakes are still clear, placid, and surrounded by gigantic forest trees, draped with gray Spanish mosses. Her thousands of springs still gush forth an overabundance of transparent and God-given fluid, sparkling with purity and virtue. Her rivers still meander "here and yon" and give vent to the sweet perfume of the magnolia in the moonlight. The flaming poinsettia, the hibiscus, the bougainvillea, and the rose are still there, and the mocking birds sing at dawn.

My friends, Florida is carrying on.

The Clerk read as follows:

Total, food, drug, and insecticide administration, $1,311,385, of which amount not to exceed $419,871 may be expended for personal services in the District of Columbia.

The Clerk read as follows:

PASSENGER-CARRYING VEHICLES

That not to exceed $135,000 of the lump-sum appropriations herein made for the Department of Agriculture shall be available for the purchase, maintenance, repair, and operation of motor-propelled and horse-drawn passenger-carrying vehicles necessary in the conduct of the field work of the Department of Agriculture outside the District of Columbia: *Provided*, That not to exceed $30,000 of this amount shall be expended for the purchase of such vehicles, and that such vehicles shall be used only for official service outside the District of Columbia, but this shall not prevent the continued use for official service of motor trucks in the District of Columbia: *Provided further*, That the Secretary of Agriculture is authorized to expend, from the funds provided for carrying out the provisions of the Federal highway act of November 9, 1921 (42 Stat. L. p. 212), not to exceed $25,000 for the purchase of motor-propelled passenger-carrying vehicles to replace such vehicles heretofore acquired and used by the Secretary of Agriculture in the construction and maintenance of national forest roads or other roads constructed under his direct supervision which are or may become unserviceable, including the replacement of not to exceed two such vehicles for use in the administrative work of the Bureau of Public Roads in the District of Columbia: *Provided further*, That expenditures from appropriations contained in this act for the maintenance, upkeep, and repair, exclusive of garage rent, pay of operator, fuel and lubricants, on any one vehicle used by the Department of Agriculture shall not exceed one-third of the market price of a new vehicle of the same make or class, and in any case more than $500: *Provided further*, That the Secretary of Agriculture shall, on the first day of each regular session of Congress, make a report to Congress showing the amount expended under the provisions of this paragraph during the preceding fiscal year: *Provided further*, That the Secretary of Agriculture may exchange motor-propelled and horse-drawn vehicles, tractors, road equipment, and boats, and parts, accessories, tires, or equipment thereof, in whole or in part payment for vehicles, tractors, road equipment, or boats, or parts, accessories, tires, or equipment of such vehicles, tractors, road equipment, or boats, purchased by him.

Mr. MAGEE of New York. Mr. Chairman, I offer a committee amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

On page 72, line 4, strike out the figures "$135,000" and insert in lieu thereof the sum of "$150,000."

The question was taken, and the amendment was agreed to.

The Clerk read to page 75, line 3——

Mr. LEAVITT. Mr. Chairman, I move to strike out the last word. Mr. Chairman, I ask unanimous consent to proceed out of order for one-half a minute.

The CHAIRMAN. The gentleman from Montana asks unanimous consent to proceed out of order for one-half minute. Is there objection? [After a pause.] The Chair hears none.

Mr. LEAVITT. Mr. Chairman, last August the national encampment of Spanish War Veterans was held and a brief resolution was passed having to do with legislation enacted by this Congress. I would like to have this brief resolution included as a part of my remarks at this point in the RECORD.

The CHAIRMAN. The gentleman from Montana asks unanimous consent to extend his remarks in the manner indicated. Is there objection? [After a pause.] The Chair hears none.

The matter referred to is as follows:

"Resolution No. 20

"The United Spanish War Veterans in encampment assembled send greetings to the Congress of the United States.

"We herewith express our thanks for the passage of House bill 8132 for the relief of veterans, their widows, and dependents of the Spanish War and campaigns incident thereto. We desire to especially acknowledge the fine services of Senator PETER NORBECK, chairman of the Sen-

ate Pensions Committee, and Hon. HAROLD KNUTSON, chairman of the Pension Committee of the House of Representatives.

"The executive department of the Government is commended for the selection of Hon. Winfield Scott to be Commissioner of Pensions. His fair-mindedness and prompt and courteous treatment of disabled service men has endeared him to the hearts of all veterans.

"We are grateful that our Nation has remembered the boys of '98."

This is to certify that the above is an authentic copy of a resolution adopted at the twenty-eighth annual encampment, United Spanish War Veterans, held at Des Moines, Iowa, August 15 to 19, 1926.

[SEAL.] JAMES J. MURPHY,
Quartermaster General.

The Clerk resumed and concluded the reading of the bill.

Mr. MAGEE of New York. Mr. Chairman, I ask unanimous consent that the Clerk may correct the totals in the bill in accordance with the various amendments adopted.

The CHAIRMAN. The gentleman from New York asks unanimous consent that the Clerk be allowed to correct the totals. If there is no objection, the Clerk is authorized to do so.

Mr. MAGEE of New York. Mr. Chairman, I move the committee do now rise and report the bill to the House, together with the amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. TREADWAY, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill H. R. 15008, had directed him to report the bill back with sundry amendments, with the recommendation that the amendments be agreed to, and the bill as amended do pass.

Mr. MAGEE of New York. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The motion was agreed to.

The SPEAKER. Is a separate vote demanded on any amendment. If not, the Chair will put them en gross.

The question was taken, and the amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

Mr. CONNALLY of Texas. Mr. Speaker, I move to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. CONNALLY of Texas. Yes; in its present form I am going to vote against it.

The SPEAKER. The gentleman from Texas offers a motion to recommit. The Clerk will report the motion.

The Clerk read as follows:

Mr. CONNALLY of Texas moves to recommit the bill to the Committee on Appropriations with instructions to report the same back forthwith with the following amendment: Page 54, line 9, after the word "world," insert "including scientific and technical research into American-grown cotton and its by-products and their present and potential uses, with a view to discovering new and additional commercial and scientific uses for cotton and its by-products."

Mr. MAGEE of New York. Mr. Speaker, I make a point of order on the motion to recommit on the ground that the amendment is not germane to the paragraph on page 54, and is legislation on an appropriation bill.

The SPEAKER. The Chair will ask the gentleman from New York whether this is not the same amendment that the Chairman of the Committee of the Whole ruled in order?

Mr. MAGEE of New York. I believe it is. It is an attempt to impose on an administrative officer an additional executive duty.

The SPEAKER. In view of the fact that the Chairman of the Committee of the Whole House on the state of the Union ruled that the amendment was in order, the Chair would not feel justified in ruling it out of order.

Mr. MAGEE of New York. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Texas [Mr. CONNALLY] to recommit the bill with instructions.

The question was taken, and the Speaker announced that the noes appeared to have it.

Mr. CONNALLY of Texas. Mr. Speaker, I ask for a division.

The SPEAKER. The gentleman from Texas asks for a division.

The House divided; and there were—ayes 31, noes 46.

Mr. CONNALLY of Texas. Mr. Speaker, I demand tellers.

The SPEAKER. The gentleman from Texas demands tellers. Those in favor of taking the vote by tellers will rise and stand in their places. The Chair will count. [After counting.] Twenty-seven gentlemen have arisen—not a sufficient number. Tellers are refused.

Mr. BLANTON. Mr. Speaker, I make the point that that is one-fifth of those present.

The SPEAKER. It must be one-fifth of a quorum. The question is on the passage of the bill.

The question was taken, and the bill was passed.

On motion of Mr. MAGEE of New York, a motion to reconsider the vote whereby the bill was passed was laid on the table.

LIEUT. COMMANDER RICHARD E. BYRD, UNITED STATES NAVY

Mr. DREWRY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 4741 and give it consideration.

The SPEAKER. The Chair will state to the gentleman that that will require unanimous consent.

Mr. DREWRY. Yes.

The SPEAKER. The gentleman from Virginia asks unanimous consent to take from the Speaker's table Senate bill 4741 and proceed to consider the same. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (S. 4741) providing for the promotion of Lieut. Commander Richard E. Byrd, United States Navy, retired, and awarding to him a congressional medal of honor.

Mr. BEGG. Reserving the right to object, Mr. Speaker, what is the bill about?

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the President of the United States be, and he is hereby, authorized to advance Lieut. Commander Richard E. Byrd, United States Navy, retired, to the grade of commander on the retired list of the Navy, to date from May 9, 1926, with the highest retired pay of that grade under existing law.

SEC. 2. The President of the United States is hereby authorized to present, in the name of Congress, a medal of honor to the said Richard E. Byrd for distinguishing himself conspicuously by courage and intrepidity at the risk of his life in demonstrating that it is possible for aircraft to travel in continuous flight from a now inhabited portion of the earth over the North Pole and return.

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

There was no objection.

Mr. DREWRY. Mr. Speaker, this bill provides recognition of the splendid achievement of Lieut. Commander Richard E. Byrd, of the Navy, in being the first man in the world who located the North Pole by airplane. There is a similar bill, which will be taken up immediately after this, which provides recognition of the pilot of the plane, Floyd Bennett, the companion of Lieutenant Commander Byrd in his history-making flight.

On March 3, 1911, Captain Peary was similarly honored by the Congress for his achievement in locating the North Pole by an overland journey. For 17 years, though many attempts were made, no one succeeded in reaching the top of the world until two other Americans did what had been called "impossible" and by airplane sailed around and over the world's peak.

Admiral Peary located the North Pole by land; Lieutenant Commander Byrd located it by air. These two men of the United States Navy brought great glory to the Navy and their country by their achievements. A grateful Nation honored Peary, and now it is asked to honor Byrd and Bennett.

Peary located the pole after an arduous journey on April 6, 1909. It took him nearly eight months of travel on dog sleds over the lonely ice fields. Byrd, in a flight of 15 hours and 30 minutes, attained the same goal. It is a striking commentary on the world's progress.

Byrd, the young Virginian, left his home in the valley of the Shenandoah, and at a time when the apple trees were in bloom in the soft air of his native land he had embarked by airplane from which he could only look down on glittering ice fields, as lonely and as frozen a waste as exists on earth.

Many of the leading experts on airplane construction had said that no engine could make such a journey and predicted the forced landing of the plane in those isolated ice fields and the death of the two explorers making the attempt. In the face of these predictions Byrd made his preparations, and with his intrepid companion set out on his daring attempt. It was a thrilling moment for him and the little band of men who accompanied the expedition when the plane gracefully rose from the snow-covered land at Kings Bay and sailed away. Over the monotonous desolation of snow and ice they winged their way until his instruments showed that he had reached

the top of the world. His own words, smilingly uttered to some of his friends when he returned, are very striking:

We circumnavigated the world in two minutes, and it was bewildering, for we lost a couple of days' time in doing it—flew into yesterday and to-morrow and from to-morrow into yesterday. It was the first nonstop flight around the world, you might say.

Then he returned to share again the testimonials of the affections of his friends and his native State and his country. His name will stand with Peary, forever outlined against the frozen sky of the Arctic, emblazoned in the brilliant colors of the northern lights.

His observations, instruments, and all other data were immediately turned over to scientists for full and complete examination. They verified his report of his exploration. Scientific bodies, civic and State organizations have awarded him signal honors. It only remains for the United States to award him fitting recognition, which they will do to-day as a Christmas present for the glory brought to the Nation by its naval officer and his companion and for the importance of the data which contributes to the learning of the world, and for the proof which he has given of the unlimited opportunities of exploration by means of airplane. [Applause.]

The SPEAKER. The question is on the third reading of the Senate bill.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider the vote whereby the bill was passed was ordered to be laid on the table.

A similar House bill was ordered to be laid on the table.

FLOYD BENNETT, AVIATION PILOT, UNITED STATES NAVY

Mr. DREWRY. Mr. Speaker, I ask unanimous consent also to take from the Speaker's table the bill S. 4742 and consider the same.

The SPEAKER. The gentleman from Virginia asks unanimous consent to take from the Speaker's table the bill S. 4742 and consider the same. The Clerk will report it.

The Clerk read as follows:

A bill (S. 4742) providing for the promotion of Floyd Bennett, aviation pilot, United States Navy, and awarding to him a congressional medal of honor.

Be it enacted, etc., That the Secretary of the Navy is hereby authorized to appoint Floyd Bennett, aviation pilot, United States Navy, to the grade of machinist in the Navy from May 9, 1926.

SEC. 2. The President of the United States is hereby authorized to present, in the name of Congress, a medal of honor to the said Floyd Bennett for his gallant service to the Nation as a member of the Byrd Arctic expedition, which medal, when presented, shall entitle him to the benefits provided by the act approved February 4, 1919.

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

Mr. TILSON. Mr. Speaker, reserving the right to object, will the gentleman from Virginia yield to me for a question?

Mr. DREWRY. Certainly.

Mr. TILSON. This is a Senate bill, is it not?

Mr. DREWRY. Yes, sir.

Mr. TILSON. I congratulate the gentleman on the work of his Senator. I tried something of this kind myself in the House last year by proposing medals for those gentlemen. I am glad the gentleman is succeeding in doing what I was unable to do at that time.

Mr. DREWRY. I am glad the gentleman made the effort.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on the third reading of the Senate bill.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider the vote whereby the bill was passed was ordered to be laid on the table.

A similar House bill was ordered to be laid on the table.

PROHIBITION

Mr. UPSHAW. Mr. Speaker, I ask unanimous consent to extend my remarks by printing in the RECORD my own address made in New York on Sunday.

Mr. BLACK of New York. Mr. Speaker, reserving the right to object—and I shall not object—I notice in the papers that the gentleman from Georgia must have given New York a few good laughs, and there is no reason why the readers of the RECORD should not have them. I have no objection.

The SPEAKER. Is there objection?

There was no objection.

Mr. UPSHAW. Mr. Speaker, under leave granted me by the House I am printing in the RECORD the following address made by me at a city-wide law and order rally at Calvary Baptist Church, New York City, Sunday afternoon, December 19, and broadcasted from station WQAO:

Ladies, gentlemen, and fellow Americans: If Emerson was right when he declared that "America is God's last best national effort in behalf of the human race," then we who believe in the reign of "that righteousness which exalteth a nation" are right when we dedicate ourselves to America's moral regeneration, not only as our first duty to America, but as our highest duty to all mankind.

Clearly, then, America's first and most vital mission is to her own citizenship. We must have clean hands in our dealings with our own citizens if we carry an effective national evangel to the upward-struggling nations of earth.

And surely, if we as a Nation march to the high and holy music of human uplift everywhere, the greatest unit of moral power in executing our national ideals should be New York—the Empire State of this mighty Union.

The greatest in population, the greatest in wealth, and presumably the greatest in political influence, New York's name should be the synonym of spiritual ideals and moral prowess.

But what do we find? As Henry Grady used to say, "Not in bitterness, but in sorrow," we find New York, the greatest commonwealth in the greatest Nation on earth, positively boasting that she is in a state of moral and constitutional secession.

My position in making this declaration is incontestable, and surely I can not be charged with being harsh in this judgment when I simply state the facts which are New York's boast and pride.

Unsympathetic newspapers in New York, which have printed against the "gentleman from Georgia" enough criticisms to sink a ship, have repeatedly declared that I have been unfair to New York City in my speeches in Congress and widely over the country. I deny the allegation and in thorough good humor I "defy the alligators."

The truth is, these wet newspapers don't like to have the truth told on them. They are somewhat like the ebony Sambo who was a frequent visitor in the police court. When his young lawyer assured him that he was determined to see that he got justice, Sambo grinned and said, "That's just what I don't want, boss; if I gets justice I'll go to the chain gang. I want you to keep me from getting justice." If New York gets justice in the eyes of the Nation, in the eyes of at least 45 of her sister Commonwealths, with whom she has broken constitutional and moral fellowship, she stands convicted, not only by her own confession, but by her own defiant declaration, as actually reveling in a state of moral and constitutional secession.

KEEP THE RECORD STRAIGHT

Here is the proof: America is the first great nation which, by due constitutional process, has outlawed the heartless, the iniquitous, the corrupting, the debauching, the murderous liquor traffic—a traffic, whether legal or illegal, that has neither conscience nor character, politics nor patriotism. This thing was not done in a corner. It was not done in a spasm of wartime hysteria. It was not done "without giving the American people full opportunity to express themselves on it," as the wets so glibly declare. Neither was it done by "taking advantage of the absence of the Nation's defenders and stabbing them in the back while they were fighting for freedom on foreign soil," as the wets also affirm. It was done after more than a century of moral suasion—of public education and agitation. Be it remembered that after the Sixty-fourth Congress had failed to pass the Hobson amendment outlawing the liquor traffic, the Sixty-fifth Congress was elected with that as the burning issue, and with an overwhelming mandate from the American people in a nation-wide referendum, and after 33 States had banished the saloon by State enactment, these militant American people, knowing exactly what they were about, came to Washington in the personnel of their congressional Representatives determined to seek a national remedy for a national evil—determined to seek constitutional protection from the conscienceless liquor traffic for the white virtue of territory that had voted to be free.

Let it also be remembered that this Congress was elected many months before a single soldier went to France. Let it be remembered that after the Sixty-fifth Congress had obeyed this mandate of the American people by passing this amendment of moral emancipation by a constitutional majority it was referred by due governmental process to the legislatures of the 48 States in the American Union; and before the searching eyes of their constituents to whom they were amenable 46 of these States—fifteen-sixteenths of the glorious whole—stood out in the open and ratified that constitutional compact.

Again, let it be remembered that with an honored statesman from New York, twice a member of the President's Cabinet, as their attorney the liquor crowd went before the Supreme Court of the United States and argued the unconstitutionality of the eighteenth amendment, and subsequently its supporting statute, and when that court of last resort for every loyal American had heard that brilliant sophistry that mighty tribunal handed down the high decision that every step in the

process of enacting our national prohibition law was according to the Constitution of our fathers.

Let it be remembered that New York was one of the 46 States which indorsed this great moral, constitutional compact—this bone-dry amendment—which outlaws the manufacture, sale, and transportation of every drop of intoxicating beverage on the American Continent.

Let it be remembered that this legislative act on the part of the State of New York committed the State to the loyal support of bone-dry legislation in its enforcement.

NEW YORK EATS ITS OWN WORDS

This is the inescapable constitutional logic of the situation, for the very eighteenth amendment to the Constitution, which New York's Legislature ratified, carried with it the obligation of concurrent jurisdiction, together with the constitutional mandate upon Congress to enact laws to carry out the provisions of the eighteenth amendment. In obedience to the spirit of this law, New York enacted an enforcement statute known as the Mullan-Gage law, putting New York as a Commonwealth back of the Federal Constitution which it had ratified. And then, alas, under the powerful leadership of New York's dangerously popular governor, who is said to have dreams of the White House, the Empire State of New York broke with America's great moral constitutional law and told the Nation to "go hang" as far as New York's help in the enforcement of this law was concerned.

In other words, New York backslided in morals and seceded from the eighteenth amendment to the Constitution.

BOTH REPUBLICANS AND DEMOCRATS GUILTY

When New York thus ate its own words and committed moral secession from the constitutional Union, Democrats were supposed to be the chief malefactors, and Gov. Alfred E. Smith was roundly denounced by Republican leaders as the chief of constitutional sinners. Not on your life! Not by a jugful, if you please! This genial and popular executive, whose steady climb from East-side obscurity to his present high position is enough to inspire every American youth, has sins enough of his own on this score without piling on him the sins of a lot of wet Republicans.

The Bible says, "If the light in thee be darkness, how great is that darkness?" And it is a tragedy in moral and political leadership for a man to be capable of doing so much good for the cause of sobriety and law enforcement and yet make himself the hero of the outlawed liquor interests of America. But I remind you again that New York's governor must not wear alone the wantonly wet crown of the Empire State, for Nicholas Murray Butler would grow green with envy and Senator JAMES WADSWORTH would literally turn over in his political grave if Gov. Al. Smith were credited with wearing alone the damp diadem of apostate New York.

In that recent inane piece of indeterminate folly known as the prohibition referendum wet Republicans vied with wet Democrats in taking part in something which the leaders of both parties knew was utterly without governmental authority and constitutional mandate. Everybody knows that the Supreme Court of the United States has upheld the constitutionality of the supporting statute of the eighteenth amendment, known as the Volstead law. And our honored colleague from New York [Mr. FISH], who is not a prohibitionist himself, but a red-blooded, loyal American, actually campaigned against that referendum as a gigantic political fraud.

Everybody knows that inasmuch as the word "intoxicating" is as variant in meaning as different people are differently affected by liquor, it was competent for Congress to interpret its own meaning in outlawing intoxicating liquors, else there would be no basis for legal procedure. And since this interpretation of one-half of 1 per cent (which was the basis demanded by brewers many years before prohibition came on with which to prosecute their bootlegging competitors) has been upheld by the Supreme Court of the United States, the proposition of an individual State voting to interpret a Federal constitutional law is not only constitutional chaos, as the brilliant BORAH strikingly phrased it, but is the very essence of political imbecility.

THE CASE IS PROVEN

I have proven my case. New York, the great Empire State of the Union that we love so well, is in the tragic position and condition of moral and constitutional secession. But not all. Thank God, there be several hundred thousand dry constitutional patriots in New York "who have not bowed the knee to Baal," nor surrendered their sober, sacred ideals to the un-American, law-defying elements that rule the metropolitan centers of the Nation. As they went down in temporary defeat battling for New York's moral regeneration and constitutional emancipation, they flung their torch to ready hands stretched out from the great loyal God-fearing masses of America, who have been put on their mettle as never before—the masses—the church-going, law-abiding people of the Nation, who have determined, regardless of lines of political and creedal cleavage, that they will stand together in solid phalanx and protect Congress and the White House of the Nation from being the rendezvous of the lawless and the citadel of constitutional defiance.

YOUNG TEDDY MAKES GRAVE MISTAKE

In this great battle for the redemption of New York as an entity of national and international influence, one of the saddest and most melancholy spectacles which I have encountered was the recent interview of young Theodore Roosevelt, who is throwing the influence of a great and inspiring name in American history on the side of the enemies of our prohibition law. The son and namesake of that great and beloved President has brought deep sorrow to millions of hearts in America by his unwarranted and shocking utterances.

Listen to the following ringing and wholesome words from his illustrious father:

"The friends of the saloon keepers sometimes denounce their opponents for not treating the saloon business like any other. The best answer to this is that the saloon business is not like any other business. * * *

"The saloon keepers are always hand in glove with the professional politicians. Their power has been a terror to all parties."

Now, listen to young Theodore:

"From my personal standpoint I have never been for the Volstead Act, although from the first I endeavored to maintain an open mind toward the subject of prohibition itself. I am absolutely opposed to the saloon and intemperance. But the Volstead Act is not the right means of attaining these ends."

Then, I ask, what does Colonel Roosevelt propose as a means to these ends? Senator WADSWORTH and Nicholas Murray Butler have declared themselves out and out for the repeal of the eighteenth amendment, and, of course, this repeal would immediately bring back the 177,000 saloons which were put out by the eighteenth amendment. The Volstead law is only the eighteenth amendment in action; and as long as the eighteenth amendment is in the organic law of the land and the Supreme Court stands by its decision concerning the constitutionality of the Volstead law, Mr. Roosevelt's talk about modification is neither political wisdom nor wholesome statesmanship.

His words are a jumble of clashing inconsistencies. In his speech accepting the Republican nomination for governor, Mr. Roosevelt made fun of the Democrats for declaring in favor of "light wines and beer." And yet he said in his recent interview:

"Were I a Member of the Federal Congress I would vote for a modification or repeal of the Volstead law and the substitution therefor of some enactment permitting the increase of the alcoholic content to such point as the Constitution might allow."

But, my dear, young colonel, you must remember that the Constitution will not allow it. The Supreme Court has given Congress the right to interpret its own intent, and that interpretation has been made and sustained. Certainly no State can pass—and even Congress itself can not pass—a law which the Constitution forbids.

Colonel Roosevelt makes this further amazing statement:

"Delimitation should be left to the States individually."

Good lackaday! We are again in the jungle of constitutional chaos. Colonel Roosevelt knows that New York, New Jersey, Maryland, Connecticut, Rhode Island, and big metropolitan centers like Chicago, St. Louis, Cincinnati, Pittsburgh, Philadelphia, Boston, and Baltimore, which are a law unto themselves, would shake their fists at the Constitution itself and bring back a legalized saturnalia of corruption flowing from that protected saloon which is the trysting place of anarchy, the companion of the brothel and the gateway to hell.

"But," says Colonel Roosevelt, with his somewhat festive melancholy, "the prohibition law has already produced more crime and corruption than the Nation ever knew before."

I answer that the records do not show it. The savings banks do not show it. The building and loan associations do not show it. The life insurance companies do not show it. Roger Babson, that wizard of statistics and philosophy does not say it. Richard Edmonds, editor of the Manufacturers' Record, the great Christian business man, does not say it. The two publications of the Manufacturers' Record entitled "Prohibition Has Justified Itself," published three years apart, fairly bristle and glow with testimonials from economic, civic, and educational leaders all over America, declaring that conditions are infinitely better than they were under the régime of the old saloon.

And even Herbert Hoover, business colossus and humanitarian in President Coolidge's Cabinet, concedes that much of the present boasted prosperity is due to the glorious fact that the closing of the old saloon has turned the dollars of the working man into legitimate channels of trade—into the building of homes and happiness instead of carrying them over the saloon counter and into the coffers of corrupting infamy and debauching shame.

THE TRAGEDY OF WET LEADERSHIP

It is a tragedy in morals and religion, in civics and government, that so many young men of means and of prominence, like young Roosevelt—young men born with a silver spoon in their mouth, so to speak—have found themselves fighting prohibition ever since it came. He and one or two of his brothers have suffered their names used in advertising that iniquitous organization, The Association Against the Eighteenth Amendment, which openly boasts of the fact that it is raising money by the million with which to defeat every dry man

possible and elect every liquor man who is pledged to destroy our prohibition law. Colonel Roosevelt wears medals of honor bravely won on the field of battle, and he has a lovely nest of bright, beautiful children, but he would not display one of his medals nor trust one of his treasured children in the beer saloon or the wine room which he is trying to bring back. It is not like a Roosevelt to surrender one inch in a worthy fight.

On the printed stationery of this organization will be found the names of many pampered sons of gilded wealth, who claim the American flag is a great flag, indeed, to protect their inherited fortunes, their palaces of pleasure, and their pre-Volstead cellars of intoxicating wines and liquors, but who deliberately trample and spit on that flag when they want to call on their bootlegger to add to their stocks of debauching poison that will never run dry as long as they can conspire with that bootlegger to trample the Constitution beneath their feet and defy the flag above their heads.

A WASTING NIAGARA

Suppose Mr. Roosevelt and all his "damp" companions in New York had spent as much time, money, and influence by personal example in trying to create sentiment for law observance and law enforcement as they have spent the last seven years encouraging those who are trying to destroy the law; suppose all the "wet" newspapers in New York and all over America that have tried to break down this constitutional law had dedicated their time, their space, and the personal example of their editors and reporters to a patriotic, impassioned effort to promote the cause of personal sobriety and obedience to law; suppose every politician, local, State, and national, had likewise followed this worthy course instead of trying to please their drinking, "wide-open," law-breaking constituents, just contemplate if you can the marvelous difference it would have been made in present conditions.

What a tragedy to see this "wasting Niagara" of American influence plunging daily on the side of national moral wrong.

THE FUTILITY OF NEW YORK'S OPPOSITION

It is passing strange that New York, which is the commercial capital of the Nation, can not realize the absolute futility of continued opposition to this constitutional law. The merest layman knows that no constitutional amendment has ever been repealed, and the prohibition law can only be repealed by the same process by which it was enacted—that two-thirds of both branches of Congress and three-fourths of the legislatures of the States must be elected for the purpose of coming to Washington to stand up before the searching eyes of the womanhood of America and vote for that unholy compact—a remarriage of "Uncle Sam" to the outlawed, corrupting liquor traffic—and there is not an honest "wet" leader in New York or America who believes that that will occur between now and the judgment day.

Verily, as New York's "old man eloquent," Chauncey M. Depew, said on his ninety-third birthday, "Woman is the chief reason that prohibition will not be repealed."

If we men, the rightful protectors of our women and children, were able to outlaw the liquor traffic without the vote of women, now, with more than 15,000,000 women turned loose at the polls, this law for which the women prayed and wrought so long is here to stay as long as the American flag waves over the "Land of the free and the home of the brave."

What then? Will the Empire State of the Union continue to lead in a campaign of nullification? There is something worse, I remind you, than the repeal of the eighteenth amendment—and that would be its nullified retention.

Will New York deliberately and defiantly remain in a state of constitutional rebellion and secession? Do your leaders covet everlasting kinship with the old proponents of the Hartford Convention who, away back in 1814, wanted to secede from the Union as a protest against governmental procedure down in Washington?

Nay, verily! Our loyal, heroic fathers in gray honestly thought the same, in following New England's example. But now no more forever! That question was settled at Gettysburg and Appomattox, and now as the son of a Confederate soldier whose father taught his boys around a family altar to love the flag of our reunited country, I look wet Boston, wet New York, and wet Baltimore in the face and tell you plainly that if you want to secede from our constitutional Union to get all the liquor you want, there is "nothing doing!"

The American flag waves higher than the insignia of any State, and no wet governor of any wet State and no wet citizen of any wet rebellious State has the moral or constitutional right to shake his fist at the American flag and tell "Uncle Sam" to "Go where it don't snow."

CHOOSES NEW YORK INSTEAD OF CONGRESS

Frankly, I had intended to bring the heart of this Christmas evangel to my colleagues in Congress on Saturday, and through them to the country at large, but when I received the telegram from my old comrade of student days at Mercer University, Dr. John Roach Straton, the militant pastor of historic Calvary Baptist Church, calling me to New York to address this law-and-order rally on the Sunday before Christmas, I decided to plant my battery nearer the point of attack, for to tell the plain, unvarnished truth, the evidence before the jury proves that New York needs this sort of message far more than Congress, especially the lower branch of Congress, and when New York gets as dry as Congress, America will be grandly in sight of complete prohibition victory.

As New York's Christmas present to her own children, to the United States of America, and to the watching nations of earth, I earnestly propose that vital thing that I proposed to Congress just four years ago this week. It will be remembered that President Harding had come before Congress with the declaration that "the violation of our prohibition law savors of a nation-wide scandal and is the most demoralizing factor in our American life," stating that he had invited the governors of many States to confer with him at the White House about this matter.

I happened to know that some of these governors were drinking the liquor which they proposed to deny to the poor devil in the street who was fool enough to want it, and I simply arose and said: "If the governors who are putting their feet under the President's mahogany want to get anywhere with their prohibition enforcement, let them remember the words of the beloved and immortal Sam Jones: 'If you want to reform the world, begin on yourself and you will have one grand rascal out of the way.' Let these governors, Congressmen, Senators, Cabinet officers, judges, solicitors, and all others charged with the enforcement of this law, led by the President and the Vice President, walk out in the open and, lifting their hands before high heaven, take a new oath of allegiance to the Constitution and the flag. Let them declare that never again will they swear to support and defend the Constitution 'Without mental reservation or purpose of evasion' and then help to build up a bootlegger's barbarous business before midnight."

I felt then and still maintain that that position was sane, natural, and incontestable. I could see nothing startling about it; and yet all New York papers, and practically every paper in America, carried that declaration in flaming headlines next day as if a shot had been fired at every official in the Nation's Capitol—and, indeed, at every lawbreaking official in America.

I declared then, as I declare now, that Congress was overwhelmingly dry in practice as well as precept, but I urged, as I urge now, that all officials who do violate this law stop forever and publicly announce that they have stopped lifting the devilish bottle to their lips.

A CHRISTMAS PROCLAMATION

Indeed, I wish the White House, which I rejoice to believe is absolutely dry, would do as I urged President Harding to do—issue a Christmas and New Year proclamation calling on every patriotic, God-fearing citizen to remember that not only the eyes of our own children who are the "to-morrow of the Republic," but the eyes of the nations who are watching us from across the seas are looking to see if America, as a great governing entity is capable of enacting a great moral principle into law, and then proving to our own children and to the crowded galleries of time and eternity that the enactment of that law was not a mistake and that the majesty and vindication of that law—God help America—shall not be a farce!

Instead of heckling and haggling over the exaggerated failures of this law—instead of cowardly yielding political serfdom to the drinking, un-American elements that defy this law—let New York remember that she can not longer control this Nation through immoral, unconstitutional politics, and let officials everywhere make the subjective resolve and send out the objective slogan of personal and official loyalty that red-blooded Americanism has never yet lowered its flag to that type of scofflawism that defies our national ideals and destroys our country's youth in the same critical and cruel hour.

Let this be New York's Christmas Evangel to the Nation.

Come on, New York, leader of the Nation's commerce, and be the powerful moral leader of America in the greatest battle for regnant righteousness that any nation has ever known.

RICHARD EVELYN BYRD

Mr. PEERY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on Senate bill 4741, just passed.

The SPEAKER. The gentleman from Virginia asks unanimous consent to extend his remarks in the RECORD on Senate bill 4741. Is there objection?

There was no objection.

Mr. PEERY. Mr. Speaker, on May 9, this year, the American people paid homage to motherhood. It was Mothers' Day. The finer feelings which the day enkindled brought a quiet joy to our people. But for two American mothers the joy was saddened by the suspense which gripped their very lives and souls—one a Virginia mother, another a Massachusetts wife and mother of younger years. And yet before the day closed their joy became unbounded, for to them came the glad news that the son and husband had realized the vision of his early dreams and had flown over the top of the world, returning in safety to civilization. Virginia, Massachusetts, and America rejoiced with them, and the world united in acclaiming the

heroes. Lieut. Commander Richard Evelyn Byrd and Pilot Floyd Bennett were the heroes.

Leaving Kings Bay, Spitzbergen, at 12.37 a. m., Greenwich civil time, May 9, in the *Josephine Ford*, a Fokker airplane driven by three motors, Lieutenant Commander Byrd, with Pilot Bennett, steered a direct course and reached the North Pole at 9.03 a. m., Greenwich time.

After saluting the spirit of the indomnitable Peary and encircling the pole and making observations, they returned to Kings Bay in safety and were received with wild joy by the crew of their good ship *Chantier* and by the members of the Amundsen expedition, who were preparing to make a similar venture by airship.

Lieutenant Commander Byrd thus successfully accomplished a continuous nonstop flight to the North Pole and return, comprising more than fifteen hundred miles in less than 16 hours. To him and his intrepid pilot comes the distinction of being the first men to fly over the North Pole. They took from the unknown and added to the known at least 10,000 square miles of unexplored area. They left civilization and safety and flew into danger and the unknown where polar seas and ice packs lay below and beyond them in trackless wastes; and where, in the language of the explorer himself, they "felt no larger than a pin point and as lonely as the tomb, as remote and detached as a star."

A forced landing would have been attended with extreme peril and might have meant death.

Such a venture calls for courage and heroism of the finest and truest sort.

Careful and intensive study of all available information as to conditions, thorough preparation, and unconquerable determination were prime essentials to the successful achievement of the daring venture.

Its achievement upholds the finest traditions of the United States Navy and brings to our country signal honor and distinction.

Such acts as this refute the charge sometimes made that the heroic has been swallowed up in the materialism of to-day; and we rejoice that the finer feelings of human nature still respond to such heroic deeds.

Lieutenant Commander Byrd comes from distinguished ancestry. He is a descendant of the William Byrd who settled in Virginia in the seventeenth century and founded the historic estate of Westover. His father was one time United States district attorney in Virginia and a leader of the bar. An uncle, the late lamented Henry D. Flood, was for a number of years an honored and distinguished Member of this House, and was the author of the resolution declaring that a state of war existed between the Imperial Government of Germany and the Government of the United States. And a brother, Harry Flood Byrd, is now the able and efficient Governor of Virginia.

It seems meet that the Congress of the United States should accord to Lieutenant Commander Byrd the recognition which this bill provides.

It passed the Senate without a dissenting vote. I venture to hope that it will meet with the same gracious response in this body.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. STEVENSON, for two days, on account of illness.

PERMISSION TO ADDRESS THE HOUSE

Mr. TILSON. Mr. Speaker, I ask unanimous consent to proceed for two minutes in order to explain to the House the situation in regard to adjournment.

The SPEAKER. Without objection, the gentleman from Connecticut will be recognized for two minutes.

There was no objection.

Mr. TILSON. Mr. Speaker, the resolution providing for adjournment to-morrow has not yet passed the Senate, but it is anticipated by those Senators with whom I have talked that the resolution will pass before the end of the present legislative day; if not, before the end of the calendar day. In case it should not pass, in accordance with the understanding at which we arrived yesterday, it will be my purpose to move to adjourn to-morrow until the following day without calling up any contested matter; and then, if it becomes necessary, adjourn this House for three days at a time until we shall reassemble on the 3d of January, as we have planned. [Applause.] I wished to explain this to the House so that if the Members are in accord with this plan and will back me in it, regardless of whether the joint resolution is passed by the Senate, we shall have, in effect, the same recess we have calculated upon.

Mr. CRAMTON. Will the gentleman yield?

Mr. TILSON. Yes.

Mr. CRAMTON. In order that there may be no question about it later, in the event that there was an opportunity to send the Interior Department appropriation bill to conference, that would not be considered a contested matter?

Mr. TILSON. I should not so regard it. I should regard it as a formal matter and one that comes within our agreement.

Mr. CRAMTON. That would be my understanding.

ADJOURNMENT

Mr. TILSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 51 minutes p. m.) the House adjourned until to-morrow, Wednesday, December 22, 1926, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Wednesday, December 22, 1926, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON APPROPRIATIONS

(10.30 a. m.)

War Department and independent offices appropriation bills.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

814. A letter from the chairman of the United States Tariff Commission, transmitting a report showing in detail all travel from Washington performed by officers and employees of the Tariff Commission during the fiscal year ended June 30, 1926; to the Committee on Appropriations.

815. A letter from the Secretary of the Navy, transmitting a report of a proposed draft of a bill "To repeal the provision in the act approved June 10, 1896, prohibiting the employment of officers of the Navy or Marine Corps on the active or retired list by persons or companies furnishing naval supplies or war material to the Government"; to the Committee on Naval Affairs.

816. A letter from the Secretary of the Treasury, transmitting a draft of legislation providing for the erection of an additional story on the post office and court house at Birmingham, Ala., and incidental changes in equipment; to the Committee on Public Buildings and Grounds.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. PORTER: Committee on Foreign Affairs. H. Con. Res. 41. A concurrent resolution expressing the approval by the United States Congress of the proposed international project to erect a memorial at Santo Domingo, Dominican Republic, to Christopher Columbus; without amendment (Rept. No. 1642). Referred to the House Calendar.

Mr. JONES: Committee on Agriculture. H. R. 15539. A bill relating to certain cotton reports of the Secretary of Agriculture; without amendment (Rept. No. 1643). Referred to the Committee of the Whole House on the state of the Union.

Mr. WURZBACH: Committee on Military Affairs. H. R. 13778. A bill for the relief of certain citizens of Eagle Pass, Tex.; without amendment (Rept. No. 1644). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBSION of Kentucky: Committee on Education. H. R. 13453. A bill to amend the act providing additional aid for the American Printing House for the Blind; without amendment (Rept. No. 1645). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ELLIOTT: A bill (H. R. 15528) authorizing custodians and acting custodians of Federal buildings to administer oaths of office to employees in the custodian service; to the Committee on Public Buildings and Grounds.

By Mrs. KAHN: A bill (H. R. 15529) to transfer a portion of the lands of the military reservation of the Presidio of San Francisco to the Department of the Treasury; to the Committee on Military Affairs.

By Mr. PARKS: A bill (H. R. 15530) to extend the time for the construction of a bridge across Red River at Fulton, Ark.; to the Committee on Interstate and Foreign Commerce.

By Mr. DRANE: A bill (H. R. 15531) authorizing the Secretary of Agriculture to make advances or loans of money to the growers of citrus and other fruits in the area devastated by the storm and flood of the year A. D. 1926, in the State of Florida; to the Committee on Agriculture.

By Mr. GARBER: A bill (H. R. 15532) to amend the act entitled "An act to provide for stock-raising homesteads, and for other purposes," approved December 29, 1916; to the Committee on the Public Lands.

Also, a bill (H. R. 15533) authorizing an appropriation for a refund to the Ponca Indian tribal fund of a sum equal to the total sum heretofore appropriated by the Congress of the United States and expended in the support and maintenance of the Ponca Indian Agency at Ponca City, Okla., and restricting future expenditures from said Ponca tribal fund; to the Committee on Indian Affairs.

Also, a bill (H. R. 15534) to amend section 7 of the act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920, as amended; to the Committee on the Civil Service.

By Mr. MILLER: A bill (H. R. 15535) defining certain aliens as undesirable residents and providing for their deportation, and for other purposes; to the Committee on Immigration.

Also, a bill (H. R. 15536) to authorize the Secretary of the Navy to proceed with the construction of certain public works at Sand Point, Wash., and for other purposes; to the Committee on Naval Affairs.

By Mr. VESTAL: A bill (H. R. 15537) to amend section 476 and section 4934 of the Revised Statutes; to the Committee on Patents.

By Mr. McKEOWN: A bill (H. R. 15538) to detach Okfuskee County from the northern judicial district of the State of Oklahoma and attach the same to the eastern judicial district of said State; to the Committee on the Judiciary.

By Mr. JONES: A bill (H. R. 15539) relating to certain cotton reports of the Secretary of Agriculture; to the Committee of the Whole House on the state of the Union.

By Mr. McFADDEN: A bill (H. R. 15540) to amend the Federal farm loan act; to the Committee on Banking and Currency.

By Mr. MAGEE of Pennsylvania: A bill (H. R. 15541) to authorize the exchange of certain land between the United States and the District of Columbia; to the Committee on Naval Affairs.

By Mr. HUDDLESTON: A bill (H. R. 15542) to amend the public buildings act approved July 3, 1926; to the Committee on Public Buildings and Grounds.

By Mr. KIESS: A bill (H. R. 15543) to provide for the disposition of moneys collected as taxes upon articles coming into the United States from the Philippine Islands; to the Committee on Ways and Means.

By Mr. NEWTON of Minnesota: A bill (H. R. 15544) granting the consent of Congress to the Minneapolis, Northfield & Southern Railway, a corporation organized under the laws of the State of South Dakota, to construct, maintain, and operate a railroad bridge across the Minnesota River, in the State of Minnesota; to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH: A bill (H. R. 15545) providing for a grant of land in Idaho to the Oregon Trail Memorial Association of New York, N. Y. (Inc.), on which to erect a monument marking the site of Fort Hall; to the Committee on the Public Lands.

By Mr. BLOOM: A bill (H. R. 15546) providing that claims to copyright by married women shall not be held invalid or prejudiced by reason of having been made in the name of the author; to the Committee on Patents.

By Mr. JAMES: A bill (H. R. 15547) to authorize appropriations for construction at military posts, and for other purposes; to the Committee on Military Affairs.

By Mr. DYER: A bill (H. R. 15548) for the admission as nonquota immigrants of certain alien veterans of the World War, and their wives and children; to the Committee on Immigration and Naturalization.

By Mr. HALE: A bill (H. R. 15549) relating to the taxation by States of corporations engaged in interstate commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. WURZBACH: Joint resolution (H. J. Res. 312) to provide for an investigation and report to the Congress in respect of surplus cotton on hand in the United States; to the Committee on the Census.

By Mr. GIBSON: Resolution (H. Res. 350) to assist committee investigating government of the District of Columbia; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEERS: A bill (H. R. 15550) granting a pension to Madeliene Brokaw; to the Committee on Invalid Pensions.

By Mr. BUSBY: A bill (H. R. 15551) granting a pension to Missouri L. Clark; to the Committee on Invalid Pensions.

By Mr. CARTER of California: A bill (H. R. 15552) for the relief of the University of California; to the Committee on Ways and Means.

Also, a bill (H. R. 15553) granting an increase of pension to Frances M. Crowl; to the Committee on Invalid Pensions.

By Mr. CELLER: A bill (H. R. 15554) granting an increase of pension to Sarah A. Hillbert; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15555) granting an increase of pension to Elizabeth F. Groht; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15556) granting an increase of pension to Harriette Celler; to the Committee on Invalid Pensions.

By Mr. COOPER of Ohio: A bill (H. R. 15557) granting an increase of pension to Mattie Stracy; to the Committee on Pensions.

By Mr. EATON: A bill (H. R. 15558) granting a pension to Elizabeth P. Parson; to the Committee on Invalid Pensions.

By Mr. ESTERLY: A bill (H. R. 15559) granting a pension to Cyrus Garfield Fox; to the Committee on Pensions.

Also, a bill (H. R. 15560) granting an increase of pension to Amanda R. Moyer; to the Committee on Invalid Pensions.

By Mr. EVANS: A bill (H. R. 15561) to clear the record of Peter S. Kelly; to the Committee on Military Affairs.

By Mr. ROY G. FITZGERALD: A bill (H. R. 15562) granting a pension to Louis U. White; to the Committee on Pensions.

By Mr. W. T. FITZGERALD: A bill (H. R. 15563) granting a pension to Eliza J. Hill; to the Committee on Invalid Pensions.

By Mr. FLETCHER: A bill (H. R. 15564) granting an increase of pension to Annabel Secord; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15565) granting an increase of pension to Elizabeth Wood; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15566) granting an increase of pension to Rachel Mills; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15567) granting an increase of pension to Samatha J. Thomas; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15568) granting an increase of pension to Clarene E. Orr; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15569) granting an increase of pension to Rebecca E. Claffin; to the Committee on Invalid Pensions.

By Mr. GALLIVAN: A bill (H. R. 15570) granting an increase of pension to Frederick F. Wilder; to the Committee on Pensions.

By Mr. GREENWOOD: A bill (H. R. 15571) granting an increase of pension to Catherine Peek; to the Committee on Invalid Pensions.

By Mr. KENDALL: A bill (H. R. 15572) granting an increase of pension to Martha J. Buttermore; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15573) granting an increase of pension to Malinda Gaumer; to the Committee on Invalid Pensions.

By Mr. KOPP: A bill (H. R. 15574) granting a pension to Clark Griffith; to the Committee on Pensions.

By Mr. LANHAM: A bill (H. R. 15575) granting a pension to J. W. Bruton; to the Committee on Pensions.

By Mr. LEATHERWOOD: A bill (H. R. 15576) for the relief of Joseph F. Thorpe; to the Committee on Claims.

By Mr. LEAVITT: A bill (H. R. 15577) to pension surviving Indian scouts of the United States Army; to the Committee on Pensions.

By Mr. LOZIER: A bill (H. R. 15578) granting an increase of pension to Jane Riley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15579) granting an increase of pension to Christena J. Carter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15580) granting an increase of pension to James W. Fisher; to the Committee on Pensions.

By Mr. MENGES: A bill (H. R. 15581) granting an increase of pension to Eliza Davis; to the Committee on Invalid Pensions.

By Mr. MERRITT: A bill (H. R. 15582) granting a pension to Ellen W. Gregory; to the Committee on Invalid Pensions.

By Mr. MILLIGAN: A bill (H. R. 15583) granting a pension to James C. Mooney; to the Committee on Invalid Pensions.

By Mr. MURPHY: A bill (H. R. 15584) granting an increase of pension to Minerva F. Gillespie; to the Committee on Invalid Pensions.

By Mr. SCHAFER: A bill (H. R. 15585) granting an increase of pension to Minnie A. Tilden; to the Committee on Pensions.

Also, a bill (H. R. 15586) granting a pension to Daniel W. Peters; to the Committee on Pensions.

By Mr. SPEAKS: A bill (H. R. 15587) granting an increase of pension to Anna E. Cameron; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15588) granting an increase of pension to Lydia M. Rice; to the Committee on Invalid Pensions.

By Mr. STALKER: A bill (H. R. 15589) granting an increase of pension to Temperance C. Ward; to the Committee on Invalid Pensions.

By Mr. STRONG of Pennsylvania: A bill (H. R. 15590) granting an increase of pension to Mary J. Stover; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 15591) granting an increase of pension to Charles F. Bobo; to the Committee on Pensions.

Also, a bill (H. R. 15592) granting an increase of pension to George Hutson; to the Committee on Pensions.

Also, a bill (H. R. 15593) granting a pension to Elijah Wilson; to the Committee on Invalid Pensions.

By Mr. VAILE: A bill (H. R. 15594) for the relief of William Champney; to the committee on Claims.

Also, a bill (H. R. 15595) granting a pension to Harriet E. Carter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15596) granting a pension to Earl A. Martin; to the Committee on Pensions.

Also, a bill (H. R. 15597) for the retirement as ensign of George E. Tarbox, jr.; to the Committee on Naval Affairs.

Also, a bill (H. R. 15598) granting a pension to Mary Ann Ball; to the Committee on Invalid Pensions.

By Mr. WURZBACH: A bill (H. R. 15599) to authorize the President to appoint Maj. Harry L. Collins a major in the Quartermaster Corps of the Regular Army; to the Committee on Military Affairs.

By Mr. WYANT: A bill (H. R. 15600) granting an increase of pension to Ada F. Machesney; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4388. By Mr. CARTER of California: Petition of Lieut. John H. Alexander Camp, No. 3, United Spanish War Veterans, Department of California, urging the passage of Senate bill 2081, placing certain noncommissioned officers in grade 1; to the committee on Military Affairs.

Also petition of Associated Sportsmen's Clubs of California, protesting against the commercialization in any form of any part of the national parks; to the Committee on the Public Lands.

4390. By Mr. CRAMTON: Petition signed by Bruce Ramsey and 24 other residents of Sanilac County, Mich., urging the passage of the deportation bill; to the Committee on Immigration.

4391. By Mr. W. T. FITZGERALD: Memorial of the Altruian Club, Troy, Ohio, protesting against the proposed withdrawal of 8,000 acres of Yellowstone National Park for irrigation purposes; to the Committee on the Public Lands.

4392. By Mr. HUDSPETH: Petition of citizens of Fort Davis, Tex., urging the passage of legislation providing increases in the pensions of Indian war veterans and their widows; to the Committee on Pensions.

4393. By Mr. PRALL: Petition by the banking and currency committee of the National Association of Credit Men at New York City, November 4, 1926; to the Committee on Banking and Currency.

4394. By Mr. SCHAFER: Petition of Federal Trade Council of Milwaukee, regarding the Sacco-Vanzetti case; to the Committee on the Judiciary.

4395. Also, petition of International Association of Fire Fighters, Local Union No. 215, city of Milwaukee, Wis., regarding the Department of Justice actions in the Sacco-Vanzetti case; to the Committee on the Judiciary.

4396. By Mr. STRONG of Kansas: Petition of citizens of Idana, Kans., urging enactment of legislation to increase the pensions of the veterans of Indian wars, their widows and dependents; to the Committee on Pensions.

SENATE

WEDNESDAY, *December 22, 1926*

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

Our Father and our God, revealed to us in the person and work of Thy Son, our Saviour, we come before Thee this morning with gladsome hearts, recognizing the happy season and rejoicing before Thee that in Jesus Christ a wonderful redemption has been revealed. May each home be made glad this week, and may each family rejoice in the fullness of blessing. And, Father, forget not the peoples of the earth. May the old, old song be heard once again calling for peace on earth and good will among men. Hear us; help us, till the day is done. Through Jesus Christ, our Lord. Amen.

The Chief Clerk proceeded to read the Journal of the proceedings of the legislative day of Friday 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. Haltigan, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 4741. An act providing for the promotion of Lieut. Commander Richard E. Byrd, United States Navy, retired, and awarding to him a congressional medal of honor; and

S. 4742. An act providing for the promotion of Floyd Bennett, aviation pilot, United States Navy, and awarding to him a congressional medal of honor.

The message also announced that the House had passed a bill (H. R. 15008) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1928, and for other purposes, in which it requested the concurrence of the Senate.

CREDENTIALS

The VICE PRESIDENT laid before the Senate the certificate of election of FRANK R. GOODING, of Idaho, which was read and ordered to be filed, as follows:

UNITED STATES OF AMERICA,
STATE OF IDAHO.

To all to whom these presents shall come, greeting:

Whereas the State board of canvassers of the State of Idaho, in obedience to the provisions of section 637 of the Compiled Statutes of Idaho, has found, certified, and declared that a canvass of the abstract of votes cast at the general election held in the State of Idaho on the 2d day of November, 1926, shows that FRANK R. GOODING, of Gooding, has received the greatest number of legal votes cast for the office of United States Senator.

Now, therefore, I, F. A. Jeter, secretary of state of the State of Idaho, do hereby certify and declare that the said FRANK R. GOODING, of Gooding, has been duly and regularly elected to the office of United States Senator for the six-year term beginning March 4, 1927, and that he is entitled to all the rights, honors, and privileges pertaining thereto.

In testimony whereof I have hereunto set my hand and affixed the Great Seal of the State. Done at Boise City, the Capital of Idaho, this 1st day of December, in the year of our Lord, 1926, and of the Independence of the United States of America the One hundred and fifty-first.

[SEAL.]

F. A. JETER,
Secretary of State.

The VICE PRESIDENT laid before the Senate the certificate of election of E. D. SMITH, of South Carolina, which was read and ordered to be filed, as follows:

STATE OF SOUTH CAROLINA,
DEPARTMENT OF STATE,
Columbia.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 2d day of November, 1926, Hon. E. D. SMITH was duly chosen by the qualified electors of the State of South Carolina a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 1927.

Witness: His excellency our governor, Thomas G. McLeod, and our seal hereto affixed at Columbia this 30th day of November, in the year of our Lord 1926.

THOS. G. MCLEOD, *Governor.*

By the governor:

[SEAL.]

W. P. BLACKWELL,
Secretary of State.